UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner

v.

SMARTFLASH LLC,
Patent Owner

Case CBM2015-00032
Patent 8,336,772 B2

Before the Honorable JENNIFER S. BISK, RAMA G. ELLURU, GREGG I. ANDERSON, and MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

PETITIONER APPLE INC.'S OBJECTIONS TO PATENT OWNER SMARTFLASH LLC'S EXHIBITS

Pursuant to 37 C.F.R. § 42.64(b)(1), the undersigned, on behalf of and acting in a representative capacity for Petitioner Apple Inc. ("Petitioner"), hereby submits the following objections to Patent Owner Smartflash, LLC's ("Patent Owner") Exhibits 2049, 2050, 2058, 2068, 2074, and 2075, and any reference thereto/reliance thereon, without limitation. Petitioner's objections below apply the Federal Rules of Evidence ("F.R.E.") as required by 37 C.F.R § 42.62.

These objections address evidentiary deficiencies in the new material served by Patent Owner on July 29, 2015.

The following objections apply to Exhibits 2049, 2050, 2058, 2068, 2074, and 2075 as they are actually presented by Patent Owner, in the context of Patent Owner's July 29, 2015 Patent Owner's Response (Paper 23) and not in the context of any other substantive argument on the merits of the instituted grounds in this proceeding. Petitioner expressly objects to any other purported use of these Exhibits, including as substantive evidence in this proceeding, which would be untimely and improper under the applicable rules, and Petitioner expressly asserts, reserves and does not waive any other objections that would be applicable in such a context.

I. Objections to Exhibits 2049, 2050, 2058, 2074, and 2075 And Any Reference to/Reliance Thereon

Evidence objected to: Exhibits 2049 ("Report and Recommendation (on Defendants' Motions for Summary Judgment of Invalidity Pursuant to 35 U.S.C. § 101)"), 2050 ("Order Adopting Report and Recommendation (on Defendants' Motions for Summary Judgment of Invalidity Pursuant to 35 U.S.C. § 101)"), 2058 ("Memorandum Opinion and Order (on Defendants' Motions for Stay Pending the Outcome of CBMs)"), Exhibit 2074 ("Civil Docket Report from *Smartflash LLC, et al. v. Apple Inc., et al.*, Case No. 6:13-CV-447 (E.D. Tex.)"), and 2075 ("Order (on Defendants' Renewed Motion for Judgment as a Matter of Law on the Issue of § 101 under Rule 50(b))").

Grounds for objection: F.R.E. 401 ("Test for Relevant Evidence"); F.R.E. 402 ("General Admissibility of Relevant Evidence"); F.R.E. 403 ("Excluding Relevant Evidence for Prejudice, Confusion, Waste of Time, or Other Reasons"); and 37 C.F.R. § 42.61 ("Admissibility").

Petitioner objects to the use of Exhibits 2049, 2050, 2058, 2074 and 2075 under F.R.E. 401, 402, and 403, and 37 C.F.R. § 42.61. Patent Owner's Response relies on Exhibits 2049, 2050, 2058, and 2075 to urge the Board to adopt the District Court's non-final findings and ruling on patent eligibility (on fewer than all claims instituted on § 101 grounds in this proceeding) instead of independently determining the eligibility of the instituted claims. *See, e.g.*, Paper 23 at 18, 27, 29-30, 34-36. However, the District Court's non-final findings and ruling on patent eligibility are not binding on the Board. *See SAP Am., Inc. v. Versata Dev. Grp., Inc.*, No. CBM2012-00001, Paper 36 at 19-20 (P.T.A.B. Jan. 9, 2013). Further, the District Court's Orders were based on claim constructions that differ from the Board's constructions in this proceeding and do not control here, *see, e.g.*, CBM2015-00028, Paper 5 at 22 n.12; Paper 11 at 6, and the Board applies a preponderance of the evidence standard. *Cf. Rockstar Consortium US LP, Inc. v. Samsung Elecs. Co., Ltd.*, Nos. 2:13-cv-894, 2:13-cv-900, 2014 WL 1998053, at *3 (E.D. Tex. May 15, 2014) (Gilstrap, J.). In addition, the District Court's denial

of a stay in the litigation has no bearing on the patentability of the instituted claims.

Further, the District Court's finding that the "claims do not risk preempting all future inventions," on which Patent Owner's Response relies (Paper 23 at 29), is of no consequence to the § 101 inquiry because "the absence of complete preemption does not demonstrate patent eligibility." *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). Moreover, "questions on preemption are inherent in and resolved by the § 101 analysis" and "[w]here a patent's claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, … preemption concerns are fully addressed and made moot." *Id.* Thus, preemption is not a separate test for patent eligibility. *Id.*

Petitioner further objects to Exhibits 2049 and 2074 under F.R.E. 401, 402, and 403, and 37 C.F.R. § 42.61 because neither the District Court's acknowledgment that the parties identified noninfringing alternatives (*see* Paper 23 at 29) nor Petitioner's contention in the parallel litigation that it does not infringe the instituted claims (*see id.*) is relevant to the patentability of the challenged

claims.[1] *See Ariosa*, 788 F.3d at 1379; *Ultramercial, Inc. v. Hulu LLC*, 772 F.3d 709, 715-16 (Fed. Cir. 2014); *see also* Paper 22 at 3.

Accordingly, for the reasons stated above, these Exhibits do not appear to make any fact of consequence in determining this action more or less probable than it would be without them and are thus irrelevant and not admissible (F.R.E. 401, 402); permitting reference to/reliance on these documents in any future submissions of Patent Owner would also be impermissible, misleading, irrelevant, and unfairly prejudicial to Petitioner (F.R.E. 402, 403).

II. Objections to Exhibit 2068, And Any Reference to/Reliance Thereon

Evidence objected to: Exhibit 2068 ("Transcript of the Deposition of Anthony J. Wechselberger, dated May 28, 2015").

Grounds for objection: F.R.E. 401 ("Test for Relevant Evidence"); F.R.E. 402 ("General Admissibility of Relevant Evidence"); F.R.E. 403 ("Excluding Relevant Evidence for Prejudice, Confusion, Waste of Time, or Other Reasons"); 37 C.F.R. § 42.61 ("Admissibility"); F.R.E. 901 ("Authenticating or Identifying

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[1] Patent Owner makes no showing that the specific document in Exhibit 2074 to which Patent Owner refers (*see* Paper 23 at 29 (citing Dkt. #271)) addresses non-infringement of the same patent or same claims. Exhibit 2074 is irrelevant to the instant proceeding for this additional reason.

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