

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC., SAMSUNG ELECTRONICS LTD, SAMSUNG
ELECTRONICS AMERICA, INC., and GOOGLE INC.,
Petitioner,¹

v.

SMARTFLASH LLC,
Patent Owner.

Case CBM2015-00032²
Patent 8,336,772 B2

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

ANDERSON, *Administrative Patent Judge.*

DECISION
Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

¹ "Petitioner" refers to Apple Inc., Samsung Electronics Ltd., Samsung Electronics America, Inc., and Google Inc., collectively.

² Samsung's challenge to claim 14 of US Patent No. 8,336,772 B2 ("the '772 patent") in CBM2015-00059 was consolidated with this proceeding. Paper 24, 9. Google's challenge to claims 14 and 22 of the '772 patent in CBM2015-00132 was consolidated with this proceeding. Paper 31, 11; Paper 38, 2-3 (claim 21 was initially consolidated with this case, but subsequently consolidated with another case).

INTRODUCTION

Petitioner Apple Inc. filed a Corrected Petition to institute covered business method patent review of claims 14, 19, and 22 of U.S. Patent No. 8,336,772 B2 (Ex. 1201, “the ’772 patent”) pursuant to § 18 of the Leahy-Smith America Invents Act (“AIA”). Paper 5 (“Pet.”). Patent Owner, Smartflash LLC (“Smartflash”), filed a Preliminary Response. Paper 8 (“Prelim. Resp.”). On May 28, 2015, we instituted a covered business method patent review (Paper 11) based upon Apple’s assertion that claims 14, 19, and 22 are directed to patent ineligible subject matter under 35 U.S.C. § 101. Inst. Dec. 18.

Subsequent to institution, Smartflash filed a Patent Owner Response (Paper 23, “PO Resp.”) and Apple filed a Reply (Paper 26, “Reply”) to Patent Owner’s Response.

On January 15, 2016, Petitioner Samsung Electronics America, Inc. and Samsung Electronics, Co., Ltd. (collectively, “Samsung”) filed a Petition to institute covered business method patent review of claims 5, 10, 14, 26, and 32 of the ’772 patent on the ground that they are directed to patent ineligible subject matter under 35 U.S.C. § 101. *Samsung Electronics America, Inc. and Samsung Electronics, Co., Ltd. v. Smartflash LLC*, Case CBM2015-00059 (Paper 2, “Samsung Petition”). We consolidated Petitioner Samsung’s challenge to claim 14 with this proceeding. Paper 24; *Samsung Electronics America, Inc. and Samsung Electronics, Co., Ltd. v. Smartflash LLC*, Case CBM2015-00059, slip. op. at 9 (PTAB Aug. 5, 2015) (Paper 13).

On May 8, 2015, Petitioner Google Inc. (“Google”) filed a Petition to institute covered business method patent review of claims 1, 5, 9, 10, 14, 21,

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and 22 of the '772 patent on the ground that they are directed to patent ineligible subject matter under 35 U.S.C. § 101. *Google Inc. v. Smartflash LLC*, Case CBM2015-00132 (Paper 6, "Google Petition"). We consolidated Petitioner Google's challenge to claims 14, and 22 of the '772 patent with this proceeding. Paper 31, Paper 38, 3 (claim 21 was initially consolidated with this case, but subsequently consolidated with another case); *Google Inc. v. Smartflash LLC*, Case CBM2015-00132, slip. op. at 11 (PTAB Dec. 1, 2015) (Paper 14).

In our Final Decision, we determined that Petitioner had established, by a preponderance of the evidence, that claims 14, 19, and 22 of the '772 patent are unpatentable. Paper 46 ("Final Dec."), 4, 34. Smartflash requests rehearing of the Final Decision. Paper 47 ("Request" or "Req. Reh'g"). Subsequent to its Rehearing Request, Smartflash, with authorization, filed a Notice of Supplemental Authority. Paper 48 ("Notice"). Petitioner filed a Response to Smartflash's Notice. Paper 49 ("Notice Resp."). Having considered Patent Owner's Request, we decline to modify our Final Decision.

STANDARD OF REVIEW

In covered business method patent review, the petitioner has the burden of showing unpatentability by a preponderance of the evidence. 35 U.S.C. § 326(e). The standard of review for rehearing requests is set forth in 37 C.F.R. § 42.71(d), which states:

The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.

ANALYSIS

Smartflash's Request is based on a disagreement with our determination that claims 14, 19, and 22 ("the challenged claims") are directed to patent-ineligible subject matter. Req. Reh'g 5. In its Request, Smartflash presents arguments directed to alleged similarities between the challenged claims and those at issue in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) (Req. Reh'g 5–10) and *Enfish, LLC v. Microsoft Corp.*, No. 2015-2044 (Fed. Cir. May 12, 2016), and alleged differences between the challenged claims and those at issue in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l.*, 134 S. Ct. 2347 (2014) (*id.* at 10–15).

As noted above, our rules require that the requesting party "specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply." 37 C.F.R. 42.71(d) (emphasis added). In its Request, however, Smartflash does not identify any specific matter that we misapprehended or overlooked. Rather, the only citation to Smartflash's previous arguments are general citations, without explanation as to how we misapprehended or overlooked any particular matter in the record. For example, with respect to Smartflash's arguments regarding *DDR Holdings*, Smartflash simply notes that "[p]ursuant to 37 C.F.R. § 42.71(d), whether the challenged claims were similar to those in *DDR Holdings* was previously addressed. See PO Resp. 15-27." Req. Reh'g 7 n.3. Similarly, in Smartflash's arguments regarding *Alice*, Smartflash simply notes that "[p]ursuant to 37 C.F.R. § 42.71(d), the issue of whether the claims are directed to patent eligible subject matter was previously addressed. See PO Resp. 15-34" (*id.* at 11 n.4) and "[p]ursuant to

37 C.F.R. § 42.71(d), the issue of whether the challenged claims contain ‘additional features’ beyond an abstract idea was previously addressed. *See* PO Resp. 27; *see also id.* at 4-9” (*id.* at 13 n.5). These generic citations to large portions of the record do not identify, with any particularity, specific arguments that we may have misapprehended or overlooked.

Rather than providing a proper request for rehearing, addressing particular matters that we previously misapprehended or overlooked, Smartflash’s Request provides new briefing by expounding on argument already made. Smartflash cannot simply allege that an “issue” (e.g., whether the claims are directed to an abstract idea) was previously addressed, generally, and proceed to present new argument on that issue in a request for rehearing. *See* 37 C.F.R. § 42.71.

Smartflash’s arguments are either new or were addressed in our Final Decision. For example, Smartflash’s argument that the challenged claims are not directed to an abstract idea (Req. Reh’g 11–13) is new, and therefore, improper in a request for rehearing, because Smartflash did not argue the first step of the analysis articulated in *Mayo* and *Alice* in its Patent Owner Response. *See* PO Resp. 16–27 (Patent Owner Response argues that claims are statutory under only the second step of *Mayo* and *Alice*); *see also* Paper 42 (transcript of oral hearing), 6:13–16 (Petitioner stating that “Patent Owner has presented no argument whatsoever to contest that its claims are directed to abstract ideas under the first prong of *Mayo* and *Alice*.”), *id.* at 6:17–18 (Petitioner also stating “It [] also never disputed the articulation of those abstract ideas”).

To the extent portions of the Request are supported by Smartflash’s argument in the general citations to the record, we considered those

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