

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.,

Petitioner,

v.

SMARTFLASH LLC,

Patent Owner.

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Case CBM2015-00121

Patent 8,794,516 B2

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**PATENT OWNER'S MOTION TO EXCLUDE EVIDENCE**

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## **I. Statement of Precise Relief Requested**

Pursuant to 37 C.F.R. §§ 42.62 and 42.64(c), Patent Owner Smartflash LLC moves to exclude Exhibits 1002, 1003, 1004, 1006, 1007, 1008, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1025, 1026, 1027, 1028, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1044, 1045, and 1046.

## **II. Patent Owner Smartflash Timely Objected to Petitioner's Exhibits**

Patent Owner Smartflash LLC timely objected to CBM2015-00121 Exhibits 1002, 1003, 1004, 1006, 1007, 1008, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1025, 1026, 1027, 1028, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1044, 1045, and 1046 by filing Patent Owner's Objections to Admissibility of Evidence. Paper 10.

## **III. Argument**

Pursuant to 37 C.F.R. § 42.64(c), the Federal Rules of Evidence apply in Covered Business Method Review ("CBM") proceedings.

### **A. Exhibits 1002, 1042, and 1046 are Irrelevant, Inadmissible Other Evidence of the Content of a Writing, and Cumulative**

Patent Owner moves to exclude Exhibits 1002 (Plaintiff's First Amended Complaint); 1042 (Plaintiffs' Complaint for Patent Infringement, *Smartflash LLC, et al. v. Apple Inc.*, Civil Action No. 6:15-cv-145) and 1046 (Excerpt of Transcript of Trial Afternoon Session, February 16, 2015 from *Smartflash LLC v. Apple Inc.*, No. 6:13-cv-447) on grounds that they are: inadmissible under FRE 402 because

they fail the test for relevance set forth in FRE 401; inadmissible other evidence of the content of a writing under FRE 1004; and, even if relevant, are unnecessary cumulative evidence under FRE 403.

Petitioner cites to Exhibits 1002, 1042, and 1046 as support for the ‘516 Patent being “financial in nature” and thus CBM review eligible. Petition at 25-30. Specifically, the Petition cites Exhibit 1002 to show Patent Owner’s characterization of the ‘516 Patent as “generally cover[ing] a portable data carrier for storing data and managing access to the data via payment information and/or use status rules” and “also generally cover[ing] a computer network ... that serves data and manages access to data by, for example, validating payment information.” Petition at 28 (citing Ex. 1002 ¶ 17). The Petition cites Exhibit 1042 to show Patent Owner’s characterization of the ‘516 Patent as “generally cover[ing] devices, methods, and systems for transmitting, retrieving, downloading, storing, and accessing content, content information, DRM data, payment data, and supplementary data. For example, some of the claims in the patents-in-suit cover devices that retrieve data, store data, and manage access to the data via payment information and/or use rules.” *Id.* (citing Ex. 1042 ¶ 15). The Petition cites to Exhibit 1046 to show the inventor’s trial testimony describing the inventions as “particular devices and methods for combining payment functionality, secure

downloading, storage, and rules for the use of content ....” *Id.* (citing Ex. 1046 at 4).

Patent Owner’s descriptions of the ‘516 Patent in Exhibits 1002, 1042, and 1046 are not relevant to any of the issues here. In a CBM on a patent in the same family as the ‘516 Patent, CBM2015-00016, the Board declined to exclude the same and similar exhibits because “[Patent Owner’s] characterization of the ... patent in prior proceedings is relevant to the credibility of its characterization of the ... patent in this proceeding.” CBM2015-00016, Paper 56 at 24. The Board’s reasoning that a Patent Owner’s characterization of the patent, or the Patent Owner’s credibility in doing so, is relevant to the analysis of whether a patent qualifies for CBM review under § 18(a) of the Leahy-Smith America Invents Act (“AIA”) is contrary to Federal Circuit authority. As noted by the Federal Circuit “§ 18(d)(1) [of the AIA] directs us to examine *the claims* when deciding whether a patent is a CBM patent.” *Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331, 1340 (Fed. Cir. March 1, 2016) (emphasis original). The *claims* are delineated in the ‘516 Patent, which is in evidence as Exhibit 1001. That is all the Board needs for its analysis. Moreover, there are no credibility issues here that render Exhibits 1002, 1042, and 1046 relevant. There is nothing about Patent Owner’s characterization of the ‘516 Patent in this proceeding – that claim 14 “does not recite a ‘financial product or service’” in the way Congress intended (Patent

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