# UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE PATENT TRIAL AND APPEAL BOARD APPLE INC., Petitioner, V. SMARTFLASH LLC, Patent Owner. Case CBM2015-00124

PATENT OWNER'S PRELIMINARY RESPONSE

Patent 7,942,317

# TABLE OF CONTENTS

PAT	ENT OWNER'S LIST OF EXHIBITS	111		
I.	INTRODUCTION1			
II.	OVERVIEW OF U.S. PATENT NO. 7,942,3174			
III.	APPLE'S REPETITIVE AND UNTIMELY § 101 and § 112 CHALLENGES RESULT IN PIECEMEAL LITIGATION AND WILL NOT SECURE THE JUST, SPEEDY, AND INEXPENSIVE RESOLUTION OF THE BOARD'S PROCEEDINGS			
IV.	THE CLAIMS ARE STATUTORY  A. The Two-Part Test for Statutory Subject Matter			
	B. The Claims Are Statutory Under <i>Mayo</i> and <i>Alice</i>			
	1. Preemption under <i>DDR Holdings</i>	.22		
	2. Preemption under <i>Mayo</i> and <i>Alice</i>	.25		
	3. Non-Infringing Alternatives Show a Lack of Preemption	.27		
	4. The Challenged Claims are Distinguishable from the Claims in Ariosa Diagnostics			
V.	PETITIONER HAS ALREADY LOST A CHALLENGE TO RELAT CLAIMS ON THE SAME STATUTORY GROUNDS IN ITS LITIGATION WITH PATENT OWNER BASED ON EVIDENCE TO THE PTAB			
	IT HAS NOT I KOVIDED TO THE I TAB	31		
VI.	CLAIM 19 IS DEFINITE	.33		
	A. Claim 19	.33		
	B. Petitioner's Expert is Uncrossed and Not Proven to be Reliable	34		



VII.	WHETHER THE CLAIMS ARE DIRECTED TO STATUTORY SUBJECTED AND ARE DEFINITE	CT .34
VIII.	INVALIDATING PATENT CLAIMS VIA CBM REVIEW IS UNCONSTITUTIONAL	.35
IX.	SECTION 101 IS NOT A GROUND THAT MAY BE RAISED IN COVERED BUSINESS METHOD PATENT REVIEW	.37
X.	THE CHALLENGED CLAIMS ARE NOT DIRECTED TO A FINANCIAL PRODUCT OR SERVICE	.39
XI.	THE CHALLENGED CLAIMS OF THE '317 PATENT ARE TECHNOLOGICAL INVENTIONS EXEMPT FROM CBM REVIEW	.44
XII.	CONCLUSION	.45



# PATENT OWNER'S LIST OF EXHIBITS

Exhibit Number	Exhibit Description
2001	Congressional Record - House, June 23, 2011, H4480-4505
2002	Congressional Record - Senate, Sep. 8, 2011, S5402-5443
2003-2048	Reserved
2049	Report and Recommendation (on Defendants' Motions for
	Summary Judgment of Invalidity Pursuant to 35 U.S.C. 101),
	from Smartflash LLC et al. v. Apple, Inc., et al., Case No.
	6:13-CV-447 (E.D. Tex.) and Smartflash LLC et al. v.
	Samsung Electronics Co. Ltd, et al., Case No. 6:13-CV-448
	(E.D. Tex.), dated Jan. 21, 2015
2050	Order adopting Report and Recommendation (on
	Defendants' Motions for Summary Judgment of Invalidity
	Pursuant to 35 U.S.C. 101), from Smartflash LLC et al. v.
	Apple, Inc., et al., Case No. 6:13-CV-447 (E.D. Tex.) and
	Smartflash LLC et al. v. Samsung Electronics Co. Ltd, et al.,
	Case No. 6:13-CV-448 (E.D. Tex.), dated Feb. 13, 2015
2051-2057	Reserved
2058	Memorandum Opinion and Order (on Defendants' Motions
	for Stay Pending the Outcome of CBMs) from Smartflash
	LLC, et al. v. Apple Inc., et al., Case No. 6:13-CV-447 (E.D.
	Tex.), Smartflash LLC, et al. v. Samsung Electronics Co. Ltd,
	et al., Case No. 6:13-CV-448 (E.D. Tex.), Smartflash LLC, et



	al. v. Google, Inc., et al., Case No. 6:14-CV-435 (E.D. Tex.),
	and Smartflash LLC, et al. v. Amazon, Inc., et al., Case No.
	6:14-CV-992 (E.D. Tex.) dated May 29, 2015
2050 2067	D 1
2059-2067	Reserved
2068	Deposition Transcript of Anthony J. Wechselberger dated
	May 28, 2015 in CBM2015-00015, CBM-2015-00016,
	CBM-2015-00017, CBM-2015-00018
2069-2074	Reserved
2075	Order (on Defendants' Renewed Motion for Judgment as a
	Matter of Law on the Issue of § 101 under Rule 50(b)); Dkt.
	# 585; from Smartflash LLC, et al. v. Apple Inc., et al., Case
	No. 6:13-CV-447 (E.D. Tex.) dated July 8, 2015.
2076	Deposition Transcript of Anthony J. Wechselberger dated
	July 22, 2015 taken in CBM2015-00028, -00029, -00031, -
	00032 and -00033
2077-2081	Reserved
2082	Trial Transcript from Virnetx Inc. v. Apple Inc., Case No.
	6:10-cv-417 (E.D. Tex.) dated November 2, 2012.
2083-2084	Reserved
2085	Declaration of Emily E. Toohey in Support of Patent
	Owner's Preliminary Response



# DOCKET

# Explore Litigation Insights



Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

# **Real-Time Litigation Alerts**



Keep your litigation team up-to-date with **real-time** alerts and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

### **Advanced Docket Research**



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

# **Analytics At Your Fingertips**



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

### API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

### **LAW FIRMS**

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

### **FINANCIAL INSTITUTIONS**

Litigation and bankruptcy checks for companies and debtors.

### **E-DISCOVERY AND LEGAL VENDORS**

Sync your system to PACER to automate legal marketing.

