UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE INC.,
Petitioner

v.

SMARTFLASH LLC,
Patent Owner

Case CBM2015-00126
Patent 8,118,221 B2

PETITIONER'S RESPONSE TO PATENT OWNER'S NOTICE OF SUPPLEMENTAL AUTHORITY

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Petitioner submits this Response to Patent Owner's Notice of Supplemental Authority. Neither of the two decisions cited by Patent Owner overrule any prior authority or purport to change the *Alice* patentability analysis. Instead, these cases are fully consistent with the Board's previous analysis of Smartflash's patent claims (including those of U.S. Patent No. 8,118,221 ("the '221 patent")) and confirms their unpatentability.

Patent Owner relies on *Enfish, LLC v. Microsoft Corp*., No. 2015-1244, 2016 WL 2756255 (Fed. Cir. May 12, 2016), but that decision does not support Patent Owner's argument that the '221 patent satisfies *Alice* step one. In *Enfish*, the claims were "directed to a *self-referential* table for a computer database," *id.* at *6 (emphasis in original), that was a "data structure designed to improve the way a computer stores and retrieves data in memory," *id.* at *8. The self-referential table "functions differently than conventional database structures." *Id.* at *6. The patent performed this different function using an algorithm. *Id*. at *1, *5. The self-referential database also offered technological improvements, including "smaller memory requirements." *Id*. at *6. The claims were specifically *not* focused "on economic or other tasks for which a computer is used in its ordinary capacity." *Id*. at *5.

The '221 patent, by contrast, *is* focused "on economic or other tasks for which a computer is used in its ordinary capacity." *Id*. at *5. Specifically, the

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claims are directed to the *economic* idea of conditioning and controlling access to content based on payment. The claims do not contain anything analogous to the "innovative logical model" or "self-referential table" that "functions differently than conventional database structures" in *Enfish.* Nor do they offer any "technological improvements" like the "smaller memory requirements" that the *Enfish* invention offered. Patent Owner instead points to "generalized steps to be performed on a computer using conventional computer activity," *id*. at *7, such as "storing content data," "receiv[ing] a user selection," "transmit[ting] payment data" using "non-volatile memory" and a "handheld multimedia terminal" (Notice at 2). The claims do not purport to improve how these generic computer components operate, and the claims are therefore similar to those found unpatentable in *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014), as the Board previously found in related proceedings. *See* CBM2015-00032, Pap. 46 at 21; CBM2015-00033, Pap. 40 at 20-21.

Notably, the Federal Circuit distinguished *Enfish* in *TLI Communications LLC v. AV Automotive, L.L.C.*, No. 2015-1372, 2016 WL 2865693 (Fed. Cir. May 17, 2016), which, like the '221 patent, involved claims that were "directed to the use of conventional or generic technology." *Id*. at *3. The '221 patent implements on computers the fundamental economic concept of controlling access based on payment. As in *TLI*, the "recited physical components" of the '221 patent "merely

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provide a generic environment in which to carry out [an] abstract idea." *See id.* at *3. The hardware components "behave exactly as expected according to their ordinary use" and are "merely . . . conduit[s] for the abstract idea." *Id.* at *4. And like the claims in *TLI*, the '221 patent calls for performing "generic computer functions such as storing, receiving, and extracting data" using conventional hardware. *Id.* The '221 patent does not satisfy *Alice* step one.

Patent Owner next relies on *Bascom Global Internet Services, Inc. v. AT&T Mobility, LLC*, --F.3d--, 2016 WL 3514158 (Fed. Cir. June 27, 2016), which it contends demonstrates that the '221 patent contains an inventive concept. The patent in *Bascom* was directed to a technological improvement in Internet filtering. In particular, the *Bascom* patent improved internet filtering by "taking advantage of the technical capability of certain communication networks," including the TCP/IP protocol. *Id.* at *2. The patent thereby "improved the performance of the computer system itself." *Id.* at *7.

The '221 patent does not take advantage of a "technical capability" unique to the Internet or any other communication network. Patent Holder identifies nothing comparable to the technical improvement in internet filtering technology at issue in *Bascom*. The claims of the '221 patent are not even limited to the Internet. Instead, Patent Holder contends that the "technical improvement" the patent offers is "configuring a handheld multimedia terminal to store *both* payment data and

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multimedia data" (Notice at 5 (emphasis in original).) But the storage of different types of data is the routine and conventional operation of a data carrier. Storing two types of data on the same carrier is not inventive, as the Board has previously found in related proceedings. CBM2014-00190, Pap. 47 at 19 ("The concept of storing two different types of information in the same place or on the same device is an age old practice."). Similar to *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715-16 (Fed. Cir. 2014), this is simply "the abstract concept of offering media content in exchange for" payment. *Bascom* provides no reason to reach a different result.

Nor is Patent Holder correct when it argues that storing two types of data on a data carrier improves "an existing technological process." (Notice at 5.) Unlike the patent in *Bascom*, the '221 patent is not directed to a "technological process" such as internet filtering or even improving data storage technology. Instead, the '221 patent is directed to the sale of data, which is a commercial, not technological, process. And the "data" that is supplied is not even stored in unique way—it is simply stored in, e.g., a data carrier, which is a generic medium for storing information. Nothing about the function of the computer or networking or "existing technology" is altered or improved by the '221 patent.

Patent Owner's argument that the '221 patent satisfies *Alice* step two because the patent does not "'preempt all ways' of paying for and controlling

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