

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner,

v.

SMARTFLASH LLC,

Patent Owner.

Case CBM2015-00130

Patent 8,118,221 B2

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, 1005, 1006, 1007, 1010, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1023, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, and 1043.

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

Patent Owner Smartflash LLC timely objected to CBM2015-00130 Exhibits 1002, 1005, 1006, 1007, 1010, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1023, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, and 1043 by filing Patent Owner's Objections to Admissibility of Evidence. Paper 11.

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 and 1043 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) and 1043 (February 16, 2015 trial testimony excerpt in *Smartflash LLC v Apple Inc.*, Case No. 6:13 cv 447 (E.D. Tex.)) 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 and 1043 as support for the ‘221 Patent being “financial in nature” and thus CBM review eligible. Petition at 23-26. Specifically, the Petition cites Exhibit 1002 to show Patent Owner’s characterization of the ‘221 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 24 (citing Ex. 1002 ¶ 17). The Petition cites to Exhibit 1043 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. 1043 at 59:12-16).

Patent Owner’s descriptions of the ‘221 Patent in Exhibits 1002 and 1043 are not relevant to any of the issues here.

In a related CBM on patents in the same family, 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 ‘221 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 and 1043 relevant. There is nothing about Patent Owner’s characterization of the ‘221 Patent in this proceeding – that claim 12 “does not recite a ‘financial product or service’” in the way Congress intended (Patent Owner’s Preliminary Response, Paper 7 at 46-50) – that is contradicted by Exhibits 1002 and 1043 such that the credibility of Patent Owner’s characterization is at issue. As such Exhibits 1002 and 1043 are irrelevant and inadmissible.

Further, Petitioner’s expert, John P. J. Kelly, Exhibit 1021, (“Kelly Declaration”) does not cite to Exhibits 1002 or 1043. The Board’s November 16, 2015 *Decision – Institution of Covered Business Method Patent Review 37 C.F.R. § 42.208* (“PTAB Decision”), Paper 9, does not cite Exhibits 1002 and 1043. Exhibits 1002 and 1043 therefore do not appear to make a fact of consequence in determining this action more or less probable than it would be without Exhibits

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