

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC. and GOOGLE, INC.,
Petitioner,

v.

SMARTFLASH LLC,
Patent Owner.

Case CBM2015-00133¹
Patent 8,336,772 B2

Before JENNIFER S. BISK, RAMA G. ELLURU,
JEREMY M. PLENZLER, and GREGG I. ANDERSON,
Administrative Patent Judges.

PLENZLER, *Administrative Patent Judge.*

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

¹ Google's challenge to claims 9 and 21 based on 35 U.S.C. § 101 in CBM2015-00132 was consolidated with this proceeding. Paper 10.

INTRODUCTION

Apple Inc. (“Apple”), filed a Petition to institute covered business method patent review of claims 2–4, 6, 7, 9, 11–13, 15–18, 20, 21, 23, 24, 27–29, 31, and 33–36 of U.S. Patent No. 8,336,772 B2 (Ex. 1001, “the ’772 patent”) pursuant to § 18 of the Leahy-Smith America Invents Act (“AIA”). Paper 2 (“Pet.”).² On November 16, 2015, we instituted a covered business method patent review (Paper 7, “Institution Decision” or “Inst. Dec.”) based upon Apple’s assertion that claims 2–4, 6, 7, 9, 11–13, 15–18, 20, 21, 23, 24, 27–29, 31, and 33–36 (“the challenged claims”) are directed to patent ineligible subject matter under 35 U.S.C. § 101. Inst. Dec. 22.

On May 8, 2015, Google Inc. (“Google”) filed a corrected Petition requesting covered business method patent review of claims 1, 5, 9, 10, 14, 21, 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”). On June 29, 2015, Google filed a Motion for Joinder (CBM2015-00132, Paper 10) seeking to consolidate its challenge with earlier-filed petitions for covered business method patent reviews of the ’772 patent in *Apple Inc. v. Smartflash LLC*, Cases CBM2015-00031 and CBM2015-00032, which were instituted on May 28, 2015. *See Apple Inc. v. Smartflash, LLC*, Case CBM2015-00031, slip. op. at 19–20 (PTAB May 28, 2015) (Paper 11) (instituting review of claims 1, 5, 8, and 10 of the ’772 patent under 35 U.S.C. § 101); and *Apple Inc. v. Smartflash, LLC*, Case CBM2015-00032, slip. op. at 18–19 (PTAB May 28, 2015) (Paper 11) (instituting review of

² Pub. L. No. 112–29, 125 Stat. 284, 296–07 (2011).

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claims 14, 19, and 22 of the '772 patent under 35 U.S.C. § 101). On December 1, 2015, we granted Google's Petition and consolidated its challenge to claims 1, 5, 9, and 10 with CBM2015-00031 and consolidated its challenge to claims 14, 21, and 22 with CBM2015-00032. *Google Inc. v. Smartflash LLC*, Case CBM2015- 00132 (Paper 14). Subsequently, we granted an unopposed request by Apple and Google (collectively, "Petitioner") to consolidate Google's challenge to claims 9 and 21 with CBM2015-00133, instead of with CBM2015-00031 and CBM2015-00032, respectively. Paper 10.

Subsequent to institution, Smartflash LLC ("Patent Owner") filed a Patent Owner Response (Paper 21, "PO Resp.") and Petitioner filed a Reply (Paper 25, "Pet. Reply") to Patent Owner's Response. Patent Owner, with authorization, filed a Notice of Supplemental Authority. Paper 33 ("Notice"). Petitioner filed a Response to Patent Owner's Notice. Paper 34 ("Notice Resp.").

In our Final Decision, we determined Petitioner had established, by a preponderance of the evidence, that claims 2–4, 6, 7, 9, 11–13, 15–18, 20, 21, 23, 24, 27–29, 31, and 33–36 of the '772 patent are directed to patent ineligible subject matter under 35 U.S.C. § 101. Paper 38 ("Final Dec."), 3, 34. Patent Owner requests rehearing of the Final Decision with respect to patent ineligibility of the challenged claims under § 101. Paper 39 ("Request" or "Req. Reh'g"). Having considered Patent Owner's Request, we decline to modify our Final Decision.

STANDARD OF REVIEW

In covered business method 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

Patent Owner's Request is based on a disagreement with our determination that the challenged claims are directed to patent-ineligible subject matter. Req. Reh'g 3.

In its Request, Patent Owner initially presents arguments directed to alleged similarities between the challenged claims and those at issue in *DDR Holdings*³, *Enfish*⁴, and *Bascom*⁵. *Id.* at 5–11. Those cases were each addressed in the Patent Owner Response or Patent Owner's Notice, as well as in our Final Decision. 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, Patent Owner does not

³ *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014).

⁴ *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016).

⁵ *BASCOM Global Internet Services, Inc. v. AT&T Mobility, LLC*, 827 F.3d 1341 (Fed. Cir. 2016).

identify any specific matter that we misapprehended or overlooked.

Although Patent Owner repeatedly states that “the Board misapprehends Smartflash’s argument” (*see, e.g.*, Req. Reh’g 5, 10), it offers no explanation as to how we misapprehended or overlooked any particular “matter [that] was previously addressed in a motion, an opposition, or a reply.” In fact, Patent Owner does not cite to its papers even once when alleging an argument was misapprehended with respect to these cases. *See id.* at 5–11. Rather than providing a proper request for rehearing, addressing particular matters that we previously allegedly misapprehended or overlooked, Patent Owner’s Request provides new briefing by expounding on argument already made.

To the extent portions of the Request are supported by Patent Owner’s argument in the Patent Owner Response or in Patent Owner’s Notice, we considered those arguments in our Final Decision, as Patent Owner acknowledges. *See, e.g.*, Req. Reh’g 5, 7, 9 (noting that the Board rejected Smartflash’s argument with respect to each of *DDR Holdings*, *Enfish*, and *Bascom*). The only paper cited by Patent Owner is our Final Decision, which, as noted above, addresses Patent Owner’s arguments related to *DDR Holdings* (Final Dec. 18–22), *Enfish* (*id.* at 12), and *Bascom* (*id.* at 22–23). Patent Owner’s Request is simply based on disagreement with our Final Decision, which is not a proper basis for rehearing.

Patent Owner also presents new arguments directed to alleged similarities between the challenged claims and those addressed in *McRO*⁶

⁶ *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016).

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