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 CBM2015-00016
Patent 8,033,458 B2

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Before JENNIFER S. BISK, RAMA G. ELLURU,
JEREMY M. PLENZLER, and MATTHEW R. CLEMENTS
Administrative Patent Judges.

PLENZLER, *Administrative Patent Judge*.

DECISION
Institution of Covered Business Method Patent Review
and Denying Motion for Joinder
37 C.F.R. § 42.208
37 C.F.R. § 42.222(b)

INTRODUCTION

A. Background

Apple Inc. ("Petitioner") filed a Corrected Petition requesting covered business method patent review of claims 1, 6, 8, 10, and 11 (the "challenged claims") of U.S. Patent No. 8,033,458 (Ex. 1201, "the '458 patent") pursuant to § 18 of the Leahy-Smith America Invents Act ("AIA").[1] Paper 9 ("Pet."). Petitioner also filed a Motion for Joinder. Paper 3 ("Mot."). Smartflash LLC ("Patent Owner") filed a Preliminary Response (Paper 19, "Prelim. Resp.") and an Opposition to the Motion for Joinder (Paper 10, "Opp."). Petitioner filed a Reply in support of its Motion for Joinder. Paper 18 ("Reply").

We have jurisdiction under 35 U.S.C. § 324(a), which provides that a covered business method patent review may not be instituted "unless . . . it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable."

Upon consideration of the Petition and Preliminary Response, we determine that Petitioner has demonstrated that it is more likely than not that the challenged claims are unpatentable. Accordingly, we institute a covered business method review of claims 1, 6, 8, 10, and 11 of the '458 patent. Petitioner's Motion for Joinder is *denied*.

B. Asserted Grounds

Petitioner argues that the challenged claims are unpatentable based on the following grounds:

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[1] Pub. L. No. 112-29, 125 Stat. 284, 296–07 (2011).

References	Basis	Claims Challenged
Not Applicable	§ 101	1, 6, 8, 10, and 11
Not Applicable	§ 112	11
Stefik[2] and Ahmad[3]	§ 103	6 and 8
Stefik, Ahmad, and Kopp[4]	§ 103	6 and 8
Stefik, Ahmad, and Sato[5]	§ 103	6 and 8
Stefik, Ahmad, Kopp, and Sato	§ 103	6 and 8
Stefik, Ahmad, and Ginter[6]	§ 103	10 and 11
Stefik, Ahmad, Kopp, and Ginter	§ 103	10 and 11

Petitioner also provides a declaration from Anthony J. Wechselberger.
Ex. 1220.

C. Related Matters

The parties indicate that the '458 patent is the subject of the following district court cases: *Smartflash LLC v. Apple Inc.*, Case No. 6:13-cv-447 (E.D. Tex.); *Smartflash LLC v. Samsung Elecs Co.*, Case No. 6:13-cv-448 (E.D. Tex.). Pet. 17–18; Paper 8, 3. Patent Owner also indicates that the '458 patent is the subject of a third district court case: *Smartflash LLC v. Google, Inc.*, Case No. 6:14-cv-435 (E.D. Tex.). Paper 8, 3.

Petitioner previously filed two Petitions for covered business method patent review of the '458 Patent: CBM2014-00106 and CBM2014-00107. Those petitions were instituted under 35 U.S.C. § 103 with respect to claim 1. *Apple Inc. v. Smartflash LLC*, Case CBM2014-00106, Slip Op. at 26

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[2] U.S. Patent No. 5,530,235 (Ex. 1213) ("Stefik '235"), and U.S. Patent No. 5,629,980 (Ex. 1214) ("Stefik '980") (collectively, "Stefik").

[3] U.S. Patent No. 5,925,127 (Ex. 1203) ("Ahmad").

[4] U.S. Patent No. 5,940,805 (Ex. 1205) ("Kopp").

[5] JP Patent Application Publication No. H11-164058 (including translation), published June 18, 1999 (Ex. 1218) ("Sato").

[6] U.S. Patent No. 5,915,019 (Ex. 1215) ("Ginter").

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(PTAB Sept. 30, 2014) (Paper 8). Patents claiming priority back to a common series of applications are currently the subject of CBM2014-00102, CBM2014-00106, CBM2014-00108, and CBM2014-00112, filed by Petitioner.

Concurrent with the filing of this Petition, Petitioner filed three other Petitions for covered business patent review challenging claims of patents owned by Patent Owner and disclosing similar subject matter: CBM2015-00015, CBM2015-00017, and CBM2015-00018.

D. The '458 Patent

The '458 patent is titled "Data Storage and Access Systems," and is directed to a portable data carrier for storing and paying for data and to computer systems for providing access to the stored data. Ex. 1201, 1:21–23. Figure 9 of the '458 patent, reproduced below, illustrates components of a portable data carrier.
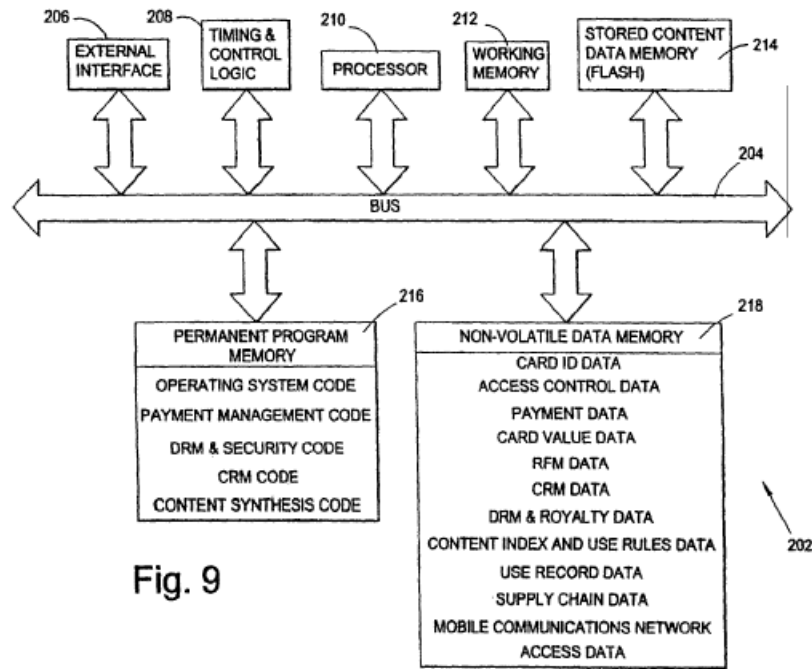
Fig. 9

Figure 9 is a schematic diagram of the components of portable data carrier 202. Portable data carrier 202 is shown as a "smart Flash card." *Id.* at 17:6–8.

The '458 patent explains that portable data carrier 202 includes processor 210, working memory 212, timing and control logic 208, an external interface for reading data from and writing data to portable data carrier 202, non-volatile (Flash) content data memory 214, permanent program memory 216, and non-volatile data memory 218. *Id.* at 17:16–24. Content data memory 214 stores content data, such as video data. *Id.* at 17:66–18:4. Non-volatile data memory 218 includes payment data. *Id.* at 17:34–35. Permanent program memory 216 stores code implemented by processor 200 that provides payment data to pay for downloaded content. *Id.* at 17:30–35.

Figure 10 of the '458 patent, reproduced below, illustrates components of a data access device.

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