

SanDisk Aims To Scrub Netlist Memory Patents At PTAB

By **Jimmy Hoover**

Law360, Washington (June 28, 2016, 10:51 PM ET) -- SanDisk pressed a Patent Trial and Appeal Board panel Tuesday to discard two computer memory patents owned by Netlist during an America Invents Act hearing, arguing the technology would have been obvious in light of prior technical instructions and other publications.

In consolidated inter partes reviews, SanDisk Corp. told a three-judge panel that Netlist Inc.'s patents were invalid as obvious in view of a Japanese patent publication called Takeda and JEDEC, a data sheet disclosing electrical requirements for certain memory modules.

"If you look at the petition and the reply," explained Lori A. Gordon of Sterne Kessler Goldstein & Fox PLLC on behalf of SanDisk, "the combination of Takeda and JEDEC ... renders these claims obvious."

The patents describe a memory module of a computer system that purportedly has a better performance and increased memory capacity. The dispute at oral arguments Tuesday largely turned on the interpretation of the patents' requirements that the system perform a process known as "selectively electrically coupling."

Whether the board finds that the asserted prior art of Takeda and JEDEC perform the selectively electrically coupling limitation, the definition of which the parties can't seem to agree on, will likely determine the fate of the patents.

Gordon insisted to the panel that the phrase, under its "plain and ordinary meaning," refers to a data signal line to a common data signal line.

"The patent owner never disputes that the combination teaches this limitation under that construction," she said. "That's exactly the situation we have in Takeda and JEDEC."

Netlist, for its part, argued Tuesday that the phrase actually calls for the creation of a structural pathway for electricity, rather than a signal transmission.

"They haven't viewed selectively electrically coupling in the context of the specification," argued Mehran Arjomand of Morrison & Foerster LLP, on behalf of Netlist.

In his presentation, Arjomand also slammed SanDisk for allegedly introducing a new theory for invalidity in its reply brief after recognizing the deficiency in its original argument from Netlist's response brief.

“Here, it’s manifestly unfair, after they’ve seen our patent owner response, to change their theory,” he said.

In dual decisions in October, the PTAB instituted review in all nine of the challenged claims in U.S. Patent Number 7,881,150 and six of the challenged claims of U.S. Patent Numbers 8,081,536, finding that SanDisk showed a reasonable likelihood it would succeed in proving at least one claim in each patent invalid.

The patents are among many that Netlist has asserted against SanDisk in a patent infringement lawsuit in California federal court, which also names Diablo Technologies as a defendant.

Netlist emerged unscathed in prior challenges to two other memory patents at the center of that case in March, when the board issued twin rulings finding petitioner Smart Modular Technologies did not show U.S. Patent Numbers 8,001,434 and 8,359,501 were obvious in light of prior art.

Still, in a December final written decision in petitions brought by Sandisk, the PTAB ruled that certain other claims in the '434 and '501 patents are unpatentable in view of a November 2005 published patent application called Averbuj, which describes a hierarchical built-in self-test architecture that provides for a centralized, high-level control of the testing of one or more memory modules

The patents in review are U.S. Patent Numbers 8,081,536 and 7,881,150.

Netlist is represented by Mehran Arjomand, David S. Kim, Erol C. Basol, Jean Nguyen and Jonathan Z. Statman of Morrison & Foerster LLP.

SanDisk is represented by Lori A. Gordon and Robert E. Sokohl of Sterne Kessler Goldstein & Fox PLLC.

The cases are IPRs 2015-01020 and 2015-01021, in the U.S. Patent Trial and Appeal Board.

--Additional reporting by Suevon Lee. Editing by Aaron Pelc.

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