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Paper 56
Entered: November 15, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BLOOMBERG INC.; BLOOMBERG L.P.; BLOOMBERG FINANCE L.P.;
THE CHARLES SCHWAB CORPORATION;
CHARLES SCHWAB & CO., INC.;
E*TRADE FINANCIAL CORPORATION; E*TRADE SECURITIES LLC;
E*TRADE CLEARING LLC; OPTIONSXPRESS HOLDINGS INC.;
OPTIONSXPRESS, INC.; TD AMERITRADE HOLDING CORP.;
TD AMERITRADE, INC.; TD AMERITRADE IP COMPANY, INC.; and
THINKORSWIM GROUP INC.
Petitioners

v.

MARKETS-ALERT PTY LTD.
Patent Owner

Case CBM2013-00005
Patent 7,941,357

Before JAMESON LEE, SALLY C. MEDLEY, and JONI Y. CHANG,
Administrative Patent Judges.

CHANG, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

On November 12, 2013, a telephone conference call was held between respective counsel for the parties and Judges Lee, Medley, and Chang. Bloomberg initiated the call to discussion three items: (1) Markets-Alert's reply (Paper 54) to Bloomberg's opposition to Markets-Alert's motion to amend claims; (2) Markets-Alert's listing of facts (Ex. 2079) filed in support of its reply; and (3) the second declaration of Neal Goldstein (Ex. 2078) also filed in support of its reply. During the conference call, Markets-Alert sought guidance on motions to exclude. The Board addressed each of those items in turn.

Footnotes

Bloomberg, first, pointed out that Markets-Alert's reply (Paper 54) contains several footnotes that are single spaced and reduced font size in violation of 37 C.F.R. § 42.6(a)(2)(ii) and (iii). Yet, in response to the Board's inquiry regarding its requested relief, Bloomberg indicated that, upon review of the footnotes, Bloomberg found that the improper format would not be prejudicial, and withdrew its objection. In light of Bloomberg's response and in the interest of efficiency, the Board did not require a corrected reply. The Board, nevertheless, reminded the parties that any subsequent documents, including affidavits, created for this proceeding must comply with the requirements set forth in 37 C.F.R. § 42.6—e.g., double spacing and 14 point font size.

Listing of facts

Bloomberg sought clarification on whether Markets-Alert's listing of facts (Ex. 2079) should be counted toward the page limit. Markets-Alert argued that its listing of facts complies with 37 C.F.R. § 42.24(c)—which provides that the "page limits do not include a table of contents, a table of authorities, *a listing of facts which are admitted, denied, or cannot be admitted or denied*." (Emphasis added.)

The Board explained that Markets-Alert cannot read paragraph (c) of § 42.24 in isolation. Rather, the rule must be read as a whole. More specifically, paragraph (c) must be read together with paragraph (a) which provides that the "following page limits for petitions and motions apply and include any *statement of material facts* to be admitted or denied in support of the petition or motion." (Emphasis added.) This means that the page limit does not include *a listing of facts* only when it is filed in response to a *statement of material facts*.

In the instant proceeding, however, Markets-Alert's listing of facts is not filed in response to any statement of material facts. Such a listing should be counted toward the page limit. As Markets-Alert's reply already is 5 pages, the listing of facts, which itself is 11 pages, is an unauthorized paper. Upon consideration of the Board's explanation, Markets-Alert agreed with the Board that its listing of facts is improper and offered to withdraw the listing. Instead of requiring Markets-Alert to file a motion to expunge the listing of facts (Ex. 2079), the Board notified the parties that it will expunge the listing *sua sponte* in its order.

Markets-Alert expressed concerns as to the statement set forth in 37 C.F.R. § 4.23(a)—namely, "[a]ny material fact not specifically denied may be considered admitted." The Board explained that that statement applies only in the situations where an opposing party submitted a prior paper that contains a *statement of material facts* to be admitted or denied.

Declaration filed in support of a reply

Bloomberg alleged that the second declaration of Neal Goldstein (Ex. 2078) filed in support of Markets-Alert's reply is improper because, according to Bloomberg, the second declaration of Mr. Goldstein constitutes new evidence necessary to make out Markets-Alert's *prima facie* case as to the motion to amend

claims. Bloomberg sought leave to file a motion to strike the declaration. As explained during the conference call, a motion to strike or a motion to exclude is not the proper mechanism for raising the issue of whether a reply or reply evidence is beyond the proper scope. In the absence of special circumstance, the Board will determine whether the reply and its supporting evidence contain material exceeding the proper scope when the Board reviews all of the pertinent papers and prepares the final written decision. The Board may exclude Markets-Alert's reply and supporting evidence, in their entirety, or alternatively, decline to consider any improper argument and related evidence, at that time. Additional briefing on this issue is not necessary.

In order to understand Bloomberg's concerns fully, the Board provided Bloomberg the opportunity to be heard, and asked why it believes Mr. Goldstein's declaration constitutes new evidence necessary to make out Markets-Alert's *prima facie* case as to the motion to amend claims. It is Bloomberg's opinion that Markets-Alert attempts to provide, in the declaration, the claim construction of new terms, written description support for the substitute claims, the reasons as to why the substitute claims are not broader in scope, the identification of the challenged claim which each proposed substitute claim is intended to replace, and the explanation as to why the substitute claims are patentable over certain prior art. Markets-Alert opposed and argued that its reply and support evidence are within the proper scope—merely responding to arguments raised in Bloomberg's opposition. The Board indicated that parties' statements are taken under advisement.

Motions to exclude

Markets-Alert requested guidance on the proper scope of a motion to exclude. As explained by the Board, parties may raise issues related to admissibility of evidence (e.g., authenticity or hearsay) in a motion to exclude. *See* 37 C.F.R. §§ 42.64 and 42.62. In contrast, issues related to credibility and the weight of the evidence should be raised in responses and replies. Further, a motion to exclude may not be used to challenge the sufficiency of the evidence to prove a particular fact, or to present arguments that should have been presented in responses or replies. For instance, arguments related to the issue of whether a U.S. patent or U.S. application publication is prior art under 35 U.S.C. § 102(e) against a substituted claim should be presented in a reply rather than in a motion to exclude.

For the foregoing reasons, it is

ORDERED that Markets-Alert's listing of facts (Ex. 2079) will be expunged; and

FURTHER ODERED that Bloomberg's request for authorization to file a motion to strike Mr. Goldstein's second declaration is denied.

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