Paper No. _____
Filed: December 3, 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.
Petitioner,

v.

MARKETS-ALERT PTY LTD.

Patent Owner.

Case CBM2013-00005 (JYC)

Patent No. 7,941,357

PETITIONERS' OPPOSITION TO PATENT OWNER'S MOTION TO EXCLUDE

I. INTRODUCTION

Patent Owner Markets-Alert (MA) seeks to exclude two types of evidence: (1) allegedly "conclusory" opinions of Dr. Kursh and (2) references properly submitted in conjunction with Petitioner's Opposition to MA's motion to amend claims. MA does not raise any issue on the *admissibility* of Dr. Kursh's declaration. In fact, MA plainly admits that the purpose of its motion is to address *credibility* and the *weight of the evidence* – subjects which the Board clearly explained are outside the proper scope of a motion to exclude. This transparent attempt to fit a square peg into a round hole is completely improper. MA's purported arguments to exclude certain prior art references based on FRE 403 are misplaced, and also ignore the Board's clear instructions that whether a reference is prior art is not the proper subject of a motion to exclude. Accordingly, Petitioners request that MA's motion be *denied* in its entirety.

II. MATERIAL FACTS IN DISPUTE

Petitioners response pursuant to 37 C.F.R. § 42.23 to each of the nine "material facts" enumerated in MA's Motion to Exclude (Paper No. 58, hereinafter "Motion") is provided in the attached "Petitioners Response to Statement of Material Facts" (attached as Appendix A).

III. REASONS WHY REQUESTED RELIEF SHOULD BE DENIED

A. Markets-Alert Knowingly Disregards The Board's Clear Guidance On The Proper Scope Of A Motion To Exclude

During the November 12, 2013 teleconference between counsel for the parties and Judges Lee, Medley, and Chang, MA requested guidance on the proper scope of a motion to exclude. The Board explained that the parties may only "raise issues related to admissibility of evidence (e.g., authenticity or hearsay)." Paper No. 56 at 5. "*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." *Id*. (emphasis added).

MA acknowledges this clear guidance – not once, but twice. Motion at 3 and FN.1. MA then immediately admits that its motion addresses nothing more than the *credibility* and the *weight* of the Kursh declaration. *See id.* at 3 ("Markets-Alert respectfully submits that these evidentiary objections . . . should inform the Board's weighing of the evidence submitted in this proceeding [].''). In other words, MA announces that it is going to file whatever it wants "to preserve its objection." Such knowing and flagrant disregard of the Board's admonition should be rejected.

B. Markets-Alert Applies The Wrong Legal Standard

At pages 3-6 of its motion, MA provides discussion of case law regarding expert witness testimony. **Petitioner's response** is simply that MA analysis

conflates the well-known standard for *admissibility* of expert testimony with case law regarding *credibility* and the *weight of the evidence*. Admissibility is the proper subject of a Motion to Exclude, but as MA admits, credibility and the weight of evidence are not.

Expert testimony should only be excluded as not admissible if it will not assist the trier of fact. As set forth in Daubert v. Merrell Dow Pharmaceuticals, Inc., 509 U.S. 579, 113 S. Ct. 2786, 125 L. Ed. 2d 469 (1993) the Supreme Court only requires that expert testimony be: (1) relevant; (2) based on reliable principles, methodologies and foundational date; and (3) otherwise admissible. Daubert at 590-95. Federal Rule of Evidence (FRE) 702 provides a similar standard. There is no admissibility requirement beyond this, and there is no higher admissibility burden for expert opinions on obviousness – the same tried and true standards of Daubert and FRE 702 apply. *See*, e.g., *MicroStrategy Inc. v. Business Objects, S.A.*, 429 F.3d 1344, 1355 (Fed. Cir. 2005).

The Federal Circuit law that MA discusses in its motion to exclude address the *credibility* and *weight* of expert testimony on obviousness – but not its admissibility. In each case, the applicable court held that the expert testimony at issue was conclusory and therefore could not support obviousness on the merits. *See,* e.g., *ActiveVideo Networks, Inc. v. Verizon Communications, Inc.*, 694 F.3d 1312 (Fed. Cir. 2012) (insufficient to support verdict of obviousness); *Sitrick v. Dreamworks, LLC*, 516 F.3d 993, 1001 (Fed. Cir. 2008) (insufficient to defeat summary judgment); *Dynacore Holdings Corp. v. U.S. Philips Corp.*, 363 F.3d

1263 (Fed. Cir. 2004) (insufficient to defeat summary judgment). Whether an expert opinion is conclusory, however, is an issue of *credibility* and *weight* – not *admissibility*.

C. Dr. Kursh's Opinion Meets The Standards Of Admissibility

Dr. Kursh's testimony readily meets the standards of *Daubert* and FRE 702 and should not be excluded. The Federal Circuit's decision in *Meyer Intellectual Props. Ltd. v. Bodum*, Inc., 690 F.3d 1354, 1375 (Fed. Cir. 2012) is illustrative. There, the Federal Circuit held that the district court abused its discretion by excluding expert testimony. *Id.* at 1376. The expert's report opined as to obviousness of the patent-in-suit and included claim charts. *Id*. at 1375. The Federal Circuit contrasted these facts with *Innogenetics, N.V. v. Abbott Labs*., 512 F.3d 1363, 1373-74 (Fed. Cir. 2008)—one of the cases relied upon by MA—by noting that "[u]nlike the situation in *Innogenetics*, here, Ander's report does more than merely list prior art references and provide a conclusion of obviousness." *Id*. at 1373.

Here, Dr. Kursh also provides claim charts and reasoning for combinations (akin to *Meyer*) and does much more than merely list references and conclude obviousness (as in *Innogenetics*). Dr. Kursh's opinions are supported by ample explanation and by the many documents he cites. His conclusions are well-grounded in the evidence. Dr. Kursh supports his opinions with pinpoint citations to prior art references, explains what elements those references disclose, explains why there is a motivation to combine references, and has true expertise in the field

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.