

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.

Petitioner

v.

SIGHTSOUND TECHNOLOGIES, LLC

Patent Owner

Case CBM2013-00020

Patent 5,191,573

Before the Honorable MICHAEL P. TIERNEY, JUSTIN T. ARBES, and
GEORGIANNA W. BRADEN,
Administrative Patent Judges.

**PETITIONER APPLE INC.'S OPPOSITION TO
PATENT OWNER'S MOTION TO EXCLUDE UNDER 37 C.F.R. § 42.64(c)**

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In response to Patent Owner’s Motion to Exclude (“Mot.”, Paper 68), Petitioner¹ respectfully submits that the Board, sitting as a non-jury tribunal with administrative expertise, is well-positioned to determine and assign appropriate weight to the evidence presented in this trial, without resorting to formal exclusion that might later be held reversible error. *See, e.g., S.E.C. v. Guenther*, 395 F. Supp. 2d 835, 842 n. 3 (D. Neb. 2005); *Builders Steel Co. v. Comm’r of Internal Revenue*, 179 F.2d 377, 379 (8th Cir. 1950) (vacating Tax Court decision for exclusion of competent, material evidence); *Donnelly Garment Co. v. NLRB*, 123 F.2d 215, 224 (8th Cir. 1941) (finding NLRB’s refusal to receive testimonial evidence was denial of due process). *See also, e.g., Samuel H. Moss, Inc. v. FTC*, 148 F.2d 378, 380 (2d Cir. 1945), *cert. denied*, 326 U.S. 734 (1945) (“Even in criminal trials to a jury it is better, nine times out of ten, to admit, than to exclude, evidence and in such proceedings as these the only conceivable interest that can suffer by admitting any evidence is the time lost, which is seldom as much as that inevitably lost by idle bickering about irrelevancy or incompetence”). Even under the strict application of the Rules of Evidence and arguments regarding the proper scope of rebuttal that SightSound urges here, however, *cf.* 77 Fed. Reg. 48,612, 48,616 (Aug. 14, 2012, Rules of Practice) (“42.5(a) and (b) permit administrative patent judges wide latitude in administering the proceedings to balance the ideal of precise rules against

¹ All emphases added; abbreviations are as in the Reply (“Pet. Rep.”, Paper 52).

the need for flexibility to achieve reasonably fast, inexpensive, and fair proceedings”), Petitioner’s evidence is entirely proper (rebutting, *e.g.*, Patent Owner’s attempts to assert “secondary considerations” of non-obviousness in its Response (Paper 41), while Patent Owner’s (“PO’s”) objections are baseless, and, indeed, appear in various instances to be an unauthorized attempt to sur-reply. *See, e.g.*, Mot. 7 (arguing allocation of burdens); 77 Fed. Reg. 48756 (Aug. 14, 2012, Trial Practice Guide), 48767 (“A motion to exclude must explain why the evidence is not *admissible* (*e.g.*, relevance or hearsay) but *may not be used to challenge the sufficiency of the evidence* to prove a particular fact”).

I. The Board Should Not Exclude Exhibit 4255 ¶¶ 7 and 9

PO objects to two limited aspects of Jeffrey Robbin’s declaration: (1) the phrase in Paragraph 9 referring to “the idea—prevalent in the industry since the mid-1980s—that it would be desirable to sell music and video files over computer networks,” and (2) Paragraph 7 regarding the fact that iTunes and iTMS include many technological features developed by Apple, and that Apple has been granted patents on many inventions relating to iTMS. Mot. 2-3. PO is wrong on both counts.

First, PO provides no support for its assertion that Mr. Robbin’s age in the mid-1980s precludes him from offering personal knowledge about the idea of selling music and videos over computer networks. The fact that Mr. Robbin can trace this knowledge back to when he was in high school does not preclude him testifying to this effect. EX4255 ¶ 1 (facts based on personal knowledge). *Nor is this the slightest bit surprising*, as young people had good reason to be interested in and learn about the dif-

ferent ways of obtaining music and movies. Apparently recognizing this, PO—which could easily have asked Mr. Robbin the basis for this statement during his deposition—chose not to. Instead, PO asked narrow questions directed to whether the *specification of an Apple patent* stated that this idea was prevalent since the mid-1980s, to which Mr. Robbin responded that “the idea was around – certainly much older than that...” EX2176 111:9-112:3. Not liking what it heard, PO attempted to “strike” that answer and moved on. *Id.* 112:4-9.

As to Paragraph 7, Petitioner is not offering Mr. Robbin’s statements as expert testimony, but rather as fact testimony based on (1) Mr. Robbin’s personal knowledge of the technological features of the iTunes client and iTMS as one of the leaders of the development team for iTunes and iTMS, and (2) his personal knowledge of some of the patents granted to Apple for inventions relating to iTMS, for which he is a named inventor. EX4255 ¶¶ 4, 6, 7. PO’s criticism that Mr. Robbin did not offer claim charts to substantiate this paragraph is inapt. To rely on iTMS’s success as a secondary consideration of non-obviousness, *it was PO’s burden* to show that iTMS is covered by the challenged patent and to show the required nexus between the success of iTMS and any supposedly novel claimed features. *Kyocera Corp. v. Softview, LLC*, IPR2013-00007, Paper 51 at 32 (“to establish a proper nexus, the patent owner must offer proof that the sales were a direct result of the unique characteristics of the claimed invention”); *see also In re Huang*, 100 F.3d 135, 140 (Fed. Cir. 1996) (“nexus is required between the sales and the merits of the claimed invention.”). Yet *PO’s own*

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