UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner

v.

SMARTFLASH LLC,
Patent Owner

Case CBM2014-00102[1]
Patent 8,118,221 B2

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

[1] Case CBM2014-00103 has been consolidated with the instant proceeding.

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In response to Patent Owner's ("PO") Motion to Exclude ("Mot.", Pap. 42), Petitioner 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 here, without resorting to formal exclusion that might later be held reversible error. *See, e.g.*, *S.E.C. v. Guenthner*, 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. Nat'l Labor Relations Bd.*, 123 F.2d 215, 224 (8th Cir. 1941) (NLRB's refusal to receive testimonial evidence was denial of due process). *See also, e.g.*, *Samuel H. Moss, Inc. v. F.T.C.*, 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, … 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"). But even under strict application of the Rules of Evidence, *cf.* 77 Fed. Reg. 48,612, 48,616 (Aug. 14, 2012) ("42.5(a) and (b) permit administrative patent judges wide latitude in administering the proceedings to balance the ideal of precise rules against the need for flexibility to achieve reasonably fast, inexpensive, and fair proceedings"), Petitioner's evidence here is entirely proper while PO's objections are baseless; indeed,

they appear in various instances to be nothing but unauthorized sur-reply. *See* 77 Fed. Reg. 48,756, 48,767 (Aug. 14, 2012) ("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.").[2]

I. The Board Should Not Exclude Exhibit 1002[3]

Petitioner did not rely on Ex. 1002 for "evidence of the content" of the '221 patent (*cf.* Mot. 2), but rather to show that PO's *own characterization* of the subject matter of the '221 patent supports Petitioner's contention—and the Board's conclusion—that the '221 patent relates to a financial activity or transaction and is thus subject to the Board's review as a covered business method patent. *See* Pap. 2 at 13-14. PO's characterization of the '221 in another proceeding is not found in the patent itself; thus, Ex. 1002 is not cumulative of the '221 patent and FRE 1004 is inapplicable. PO disputed the financial nature of the '221 patent, *see* Pap. 6 at 3-7, and its highly relevant admission to the contrary should not be excluded.

II. The Board Should Not Exclude Exs. 1003-04, 1010, 1019, or 1027-29

[2] All emphasis herein is added unless otherwise indicated.

[3] Exclusion of Exs.1102-29 in consolidated CBM2014-00103, which correspond to Exs.1002-29 and to which PO objects for the same reasons (Mot. 13-15), should be denied for the same reasons as for Exs.1002-29. Similarly Ex. 1101 ('221 patent), to which PO objects only as duplicative of Ex. 1001, should not be excluded.

PO's assertion that Exs. 1003-04, 1019, and 1027-29 are not cited in the Wechselberger Declaration (Mot. 3) is simply wrong[4]: all were cited as "Materials Reviewed and Relied Upon," *see* Ex. 1021, App. C, and properly filed with the Petition. *See* 37 C.F.R. § 42.6(c). (Indeed, Petitioner respectfully submits PO would now be objecting if Petitioner had *failed* to provide these cited exhibits.) To the extent PO's objection is based on imaginings that Petitioner will advance at oral hearing arguments about these documents not presented in previous papers, this is baseless–Petitioner intends to comply fully with the Board's rules (*e.g.*, Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012)), and expects PO will do the same with respect to PO's many exhibits (*e.g.*, Exs. 2006-08, 2013, 2015, and 2019-21) not substantively cited or relied upon in any of PO's submitted papers.

III. The Board Should Not Exclude Exs. 1005- 07, 1012, 1017-18, Or 1020

Contrary to PO's assertions, Exs. 1005-07, 1012, 1017, and 1020 ("Prior Art Exhibits") are relevant and important to the Board's obviousness analysis because they are evidence of the state of the art and knowledge of a person of ordinary skill in the art ("POSITA") at the claimed priority date. *E.g., In re Taylor Made Golf Co.*, 589 F. App'x 967, 971 (Fed. Cir. 2014) ("[T]he Supreme Court and this court *require* that, as part of the obviousness analysis, the prior art *must be viewed in the*

[4] Ex. 1010, cited in a parallel proceeding (CBM2014-00104), was not relied on here. While exclusion of Ex.1010 is unnecessary, Petitioner would not oppose it.

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