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

PATENT OWNER'S REPLY IN SUPPORT OF MOTION TO EXCLUDE EVIDENCE

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

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I. INTRODUCTION

Patent Owner understands 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." *Liberty Mutual Insurance Co. v. Progressive Casualty Insurance Co.*, CBM2012-00002, Paper 66, Final Written Decision (PTAB January 23, 2014)(citing *S.E.C. v. Guenthner*, 395 F. Supp. 2d 835, 842 n.3 (D. Neb. 2005)). At the same time, the Federal Rules of Evidence apply (37 CFR § 42.62(a)) and it is within the Board's authority to manage the record by ruling on the admissibility of evidence based on the trial as instituted so that in the event of an appeal under 35 U.S.C. § 142, a proper record exists that can be transmitted to the United States Court of Appeals for the Federal Circuit pursuant to 35 U.S.C. § 143.

II. ARGUMENT

A. The Board Should Exclude Exhibit 1002

Ex. 1002 does not contain a "highly relevant admission" (Paper 46 at 2), but instead says nothing more than the patent itself in Ex. 1001 at 1:20-23 ("This invention … relates to a portable data carrier for storing and paying for data…") and 1:64-66 ("reading payment information," "validating the payment

information"). Ex. 1002 is inadmissible other evidence of the content of a writing under FRE 1004, cumulative under FRE 403, and irrelevant under FRE 401, 402.

B. The Board Should Exclude Exhibits 1003 - 1004, 1010, 1019, And 1027 - 1029

Ex. 1003 - 1004, 1010, 1019, and 1027 – 1029 are not cited in any substantive way. The exhibits were merely listed in "Materials Reviewed and Relied Upon" by Mr. Wechselberger. Pap. 46 at 3. These exhibits are not relevant and not admissible. FRE 401, 402. Petitioner does not oppose exclusion of Ex. 1010. Pap. 46 at 3, n.4.

C. The Board Should Exclude Exhibits 1005 -1007, 1012, 1017, and 1020

CBM review in this case was instituted on 35 U.S.C. § 103 grounds based on: the combination of Stefik '235 and Stefik '980; the combination of Stefik '235, Stefik '980, and Poggio; and Ginter. No other grounds were authorized. Pap. 8, at 24. Patent Owner does not dispute that "as part of the obviousness analysis, the prior art must be viewed in the context of what was generally known in the art at the time of the invention" (Pap. 46 at 3 (citing *In re Taylor Made Golf Co.*, 589 F. App'x 967, 971 (Fed. Cir. 2014))), but none of these exhibits or their teachings are cited in Petitioner's invalidity allegations for "what was generally known in the art" to meet a claim limitation. In contrast to *Taylor Made*, there is no missing claim limitation in Petitioner's references that Petitioner alleges is satisfied by general knowledge possessed by one skilled in the art, like "press fitting" was in

Taylor Made. Here, neither the Petition nor the Wechselberger declaration rely on Ex. 1005 -1007, 1012, 1017, or 1020 to fill in with "general knowledge" any aspect of a claim limitation. They should not be in evidence. FRE 401, 402.

D. The Board Should Exclude Exhibit 1018

Petitioner asserts that Ex. 1018, a reference for which the Board did not adopt Petitioner's proposed invalidity grounds, is "evidence of the state of the art and a POSITA's knowledge" (Pap.46 at 4-5) like Ex. 1005 -1007, 1012, 1017, and 1020, discussed above. The Board did not accept Ex. 1018 as invalidating prior art. It is irrelevant and inadmissible like Ex. 1005 -1007, 1012, 1017, and 1020.

E. The Board Should Exclude Exhibit 1021

The Board cannot assess whether Mr. Wechselberger's opinion testimony under FRE 702 is "the product of reliable principles and methods" or if Mr. Wechselberger "reliably applied the principles and methods to the facts of the case" given that Mr. Wechselberger did not disclose the standard against which he measured the quantum of prior art evidence (substantial evidence or preponderance of the evidence) in arriving at his opinions. As such, there is no basis to admit his expert testimony.[2] Patent Owner's *lack of objection* in the litigation to the "*offer* of

[2] Patent Owner acknowledges that FRE 602 is inapplicable to expert witnesses (Pap. 46 at 5). However, Mr. Wechselberger never states that he is an expert in the types of methods and systems defined by the challenged claims.

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