UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner

v.

SMARTFLASH LLC,
Patent Owner

Case CBM2014-00106[1]
Patent 8,033,458 B2

Before the Honorable JENNIFER S. BISK, RAMA G. ELLURU, JEREMY M. PLENZLER, and MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

PETITIONER APPLE INC.'S
MOTION TO EXCLUDE UNDER 37 C.F.R. §§ 42.62 AND 42.64

[1] Case CBM2014-00107 has been consolidated with the instant proceeding.

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Petitioner, Apple Inc. ("Petitioner"), respectfully submits this Motion to Exclude pursuant to 37 C.F.R. §§ 42.62 and 42.64, and the Revised Scheduling Order (Paper 15 at 6). As an initial matter, Petitioner respectfully submits that the Board, sitting as a non-jury tribunal with administrative expertise, is well-positioned to determine and assign the appropriate weight to be accorded to the evidence presented by both Petitioner and Patent Owner Smartflash LLC ("Patent Owner") in this patentability trial without the need for formal exclusion. *See, e.g.*, *S.E.C. v. Guenthner*, 395 F. Supp. 2d 835, 842 n.3 (D. Neb. 2005) (admitting expert testimony over objections; "Trial courts should be more reluctant to exclude evidence in a bench trial than a jury trial. . . . [E]vidence should be admitted and then sifted [and] the trial court is presumed to consider only the competent evidence and to disregard all evidence that is incompetent"; "'the better course' is to 'hear the testimony, and continue to sustain objections when appropriate'"; "[T]he court has admitted the testimony . . . and has accorded it appropriate weight." (citations omitted)); *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 and material evidence; "In the trial of a nonjury case, it is virtually impossible for a trial judge to commit reversible error by receiving incompetent evidence . . . . On the other hand, a trial judge who, in the trial of a nonjury case, attempts to make strict rulings on the admissibility of evidence, can easily get his decision reversed by excluding evidence

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which is objected to, but which, on review, the appellate court believes should have been admitted."). Petitioner accordingly submits that it is, as a general matter, better for the Board to have before it a complete record of the evidence submitted by the parties than to exclude particular pieces of it and thereby risk improper exclusion that could later be assigned as error. *See, e.g.*, *Builders Steel*, 179 F.2d at 379; *Donnelly Garment Co. v. Nat'l Labor Relations Bd.* ("NLRB"), 123 F.2d 215, 224 (8th Cir. 1942) (finding NLRB's refusal to receive testimonial evidence amounted to a denial of due process; "One who is capable of ruling accurately upon the admissibility of evidence is equally capable of sifting it accurately after it has been received, and, since he will base his findings upon the evidence which he regards as competent, material and convincing, he cannot be injured by the presence in the record of testimony which he does not consider competent or material. . . . [I]f evidence was excluded which [the reviewing] court regards as having been admissible, a new trial or rehearing cannot be avoided."). *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) (observing that, "if the case was to be tried with strictness, the examiner was right . . . [but w]hy [the examiner] or the Commission's attorney should have thought it desirable to be so formal about the admission of evidence, we cannot understand. Even in criminal trials to a jury it is better, nine times out of ten, to admit, than to exclude, evidence . . . [W]e take this occasion to point out the danger

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always involved in conducting such a proceeding in such a spirit, and the absence of any advantage in depriving either the Commission or ourselves of all evidence").

However, to the extent that the Board intends to apply the Federal Rules of Evidence *strictly* in these proceedings, *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 respectfully submits that Patent Owner's testimonial submissions from its purported expert witness, Dr. Jonathan Katz, do *not* meet these standards and should be excluded.[2] For the same reasons, any reference to or reliance on Dr. Katz's testimonial submissions in Patent Owner's Response (Paper 23) should be excluded as well. Petitioner's objections to Dr. Katz's opinions were previously set forth in Pe-

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[2] Petitioner also maintains its objections to pp. 364-384 of Exhibit 2025 ("Wechselberger Deposition Transcript, December 10, 2014 – December 11, 2014") for the reasons set forth in Petitioner's Motion to Strike Portions of the Deposition Transcript of Anthony Wechselberger Concerning Petitioner's Products and For Costs (Paper 20) and Petitioner's Reply in Support of its Motion to Strike Portions of the Deposition Transcript of Anthony Wechselberger Concerning Petitioner's Products and For Costs (Paper 25).

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titioner's Objections to Patent Owner Smartflash, LLC's Exhibits (Ex. 1033), served March 6, 2015 pursuant to 37 C.F.R. § 42.64(b)(1), and in Petitioner's Reply to Patent Owner's Response (Paper 33 at 19-24), and are further explained below pursuant to 37 C.F.R. § 42.64(c).

I. Legal Standard

Under Rule 702 of Federal Rules of Evidence, which apply to this proceeding (37 C.F.R. § 42.62), "[a] witness who is qualified as an expert by knowledge, skill, experience, training, or education may testify in the form of an opinion or otherwise if: (a) the expert's scientific, technical, or other specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue; (b) the testimony is based on sufficient facts or data; (c) the testimony is the product of reliable principles and methods; and (d) the expert has reliably applied the principles and methods to the facts of the case." F.R.E. 702. The proponent of expert testimony must demonstrate admissibility by a preponderance of the evidence. *See Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 592 n.10 (1993).

II. Dr. Katz Is Not Qualified To Opine Under F.R.E. 702

Because Dr. Katz is unable to opine on what a person of ordinary skill in the art ("POSITA") would have understood at the relevant time period, his testimony—submitted to address this very subject, but clearly resting on no specialized

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