UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

SMARTFLASH LLC,
Patent Owner.

Case CBM2014-00108[1]
Patent 8,061,598

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

[1] Case CBM2014-00109 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 44 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 1003-05, 1019, 1022, and 1028-29

Ex. 1003-05, 1019, 1022, and 1028-29 are not substantively cited. They were merely listed in "Materials Reviewed and Relied Upon" by Mr. Wechselberger. Pap. 44 at 3. These are not relevant and not admissible. FRE 401, 402.

C. The Board Should Exclude Exhibits 1006-08, 1012, 1016-18, and 1020

CBM review was instituted only under 35 U.S.C. § 103 on: the combination of Stefik '235 and Stefik '980; and separately, Ginter. Pap. 8, at 24. Patent Owner agrees 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. 44 at 3-4 (citing *In re Taylor Made Golf Co.*, 589 F. App'x 967, 971 (Fed. Cir. 2014))), but Petitioner cites none of these exhibits or their teachings for "what was generally known in the art" to meet a claim limitation in invalidity allegations. In contrast to *Taylor Made*, there is no missing limitation in Petitioner's references that Petitioner alleges is satisfied by a POSITA's "general knowledge," like "press fitting" was in *Taylor Made*. Neither the Petition nor Mr. Wechselberger rely on 1006, 1007, 1008, 1012, or 1020 to fill in with "general knowledge" any aspect of

a claim limitation. Moreover, the Board did not accept Ex. 1016, 1017, or 1018 as invalidating prior art. They should not be in evidence. FRE 401, 402.

D. The Board Should Exclude Exhibit 1021

The Board cannot assess whether Mr. Wechselberger's opinion testimony meets FRE 702 given that he 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 Mr. Wechselberger as an expert" (Pap. 44 at 7) is irrelevant. It is not an *admission* that Mr. Wechselberger is an expert. Ex. 1034 is hearsay. FRE 801(c).

E. The Board Should Exclude Requested Portions of Exhibit 1031

Unlike CBM2014-00008, Pap. 48 (Aug. 12, 2014) relied on by Petitioner (Pap. 44 at 8), where the Patent Owner sought "the extreme remedy of striking 114 pages of the deposition," (CBM2014-00008, Pap. 48 at 4), Patent Owner seeks to exclude discrete portions. A fair reading of the record demonstrates that Patent Owner's objections were made and preserved at the deposition. Ex. 1031 36:10-37:11 – Petitioner does not rebut that this testimony is irrelevant given that it

[2] Patent Owner acknowledges that FRE 602 is inapplicable to expert witnesses (Pap. 44 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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