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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

THE MANGROVE PARTNERS MASTER FUND, LTD. and APPLE INC.,
Petitioner

v.

VIRNETX INC.
Patent Owner.

Case IPR2015-01046[1]
Patent No. 6,502,135

PATENT OWNER'S MOTION TO EXCLUDE

[1] Apple Inc., who filed a petition in IPR2016-00062, has been joined as a Petitioner in the instant proceeding.

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I. Precise Relief Requested

Pursuant to 37 C.F.R. § 42.64, Patent Owner VirnetX Inc. ("Patent Owner") moves to exclude certain exhibits submitted by The Mangrove Partners Master Fund, Ltd. and Apple Inc. ("Petitioners"). This motion is timely filed in accordance with the Board's Scheduling Order (Paper No. 12). In particular, Patent Owner requests that Exhibits 1005, 1010, 1014, 1020, 1025, 1029, 1031-1033, 1037, and 1039-1042 be excluded from the record.

II. Legal Standard

The Federal Rules of Evidence apply to *inter partes* review proceedings. 37 C.F.R. § 42.62(a); Office Patent Trial Practice Guide, 77 Fed. Reg. 48758. Under Federal Rule of Evidence 402, "irrelevant evidence is not admissible." Fed. R. Evid. 402. Also, unless an exception applies, an out of court statement offered for the truth of the matter asserted is inadmissible. Fed. R. Evid. 801, 802.

III. Exhibits 1005, 1010, 1014, 1020, 1025, 1029, 1031-1033, 1037, and 1039-1042 Should be Excluded from the Record

The Board should exclude Exhibits 1005, 1010, 1014, 1020, 1025, 1029, 1031-1033, 1037, and 1039-1042 because one or more of these exhibits includes evidence that is inadmissible hearsay or the evidence in these exhibits is irrelevant to the instant proceeding. Patent Owner timely objected to these exhibits stating the precise grounds under which these exhibits are inadmissible. Paper Nos. 14, 36, 54.

A. Exhibits 1025 and 1037 Constitute Inadmissible Hearsay

Exhibits 1025 and 1037 should be excluded as inadmissible hearsay. *See* Fed. R. Evid. 801-802. Patent Owner previously objected to these exhibits on this ground. Paper No. 14 at 1; Paper No. 54 at 1. Petitioners have failed to rebut Patent Owner's objections. As such, these exhibits should be excluded.

Specifically, absent an applicable exception, the rule against hearsay operates to prohibit out-of-court statements from being offered to prove the truth of the matter asserted. Fed. R. Evid. 801-802. Here, Petitioners submitted out-of-court statements, i.e., statements that were not made for purposes of the present proceeding, in an attempt to establish the meaning of disputed claim terms. *See* Paper No. 1 at 11; *see also* Paper 51 at 9. Because Petitioners rely on the alleged truth of the above out-of-court statements to attempt to establish the meaning of disputed claim terms, these out-of-court statements constitute hearsay and are inadmissible. The rules permit the introduction of former testimony, but only if the declarant is *unavailable*. Fed. R. Evid 804(b)(1); *cf. Conoco Inc. v. Dep't of Energy*, 99 F.3d 387, 393 (Fed. Cir. 1996) (concluding that the residual exception does not apply to evidence that nearly falls into a specific exception). Thus, the rules recognize that former statements carry credibility risks that must be guarded against.

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