

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK INC.

Petitioner

v.

WINDY CITY INNOVATIONS, LLC

Patent Owner

U.S. Pat. No. 8,694,657

Issue Date: April 8, 2014

Title: REAL TIME COMMUNICATIONS SYSTEM

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

Case No. IPR2016-01159¹

¹ Case No. IPR2017-00659 has been joined with this proceeding.

I. INTRODUCTION

Pursuant to the Board's scheduling order² (Paper No. 8), Patent Owner Windy City Innovations LLC respectfully submits this reply in support of its motion to exclude evidence ("Motion"), responsive to Petitioner's opposition to the same.

II. THE MOTION TO EXCLUDE IS PROCEDURALLY PROPER

Petitioner argues incorrectly that this Motion to exclude evidence is improper. The Board should reject these arguments for at least the following reasons.

First, Petitioner mischaracterizes Patent Owner's challenge as one solely directed to 37 C.F.R. § 42.23(b). While the narrowly-tailored portions should be excluded for violating 37 C.F.R. § 42.23(b), Patent Owner's arguments are further grounded properly in the Federal Rules of Evidence. Particularly, Patent Owner alleges correctly that certain narrowly-tailored portions of the record should be deemed inadmissible as irrelevant (FRE 401 and 402) or otherwise prejudicial, confusing, and/or misleading (FRE 403). As explained in the Motion, those portions resulting in new arguments should be excluded for at least being: (a) irrelevant to the authorized grounds for trial, (b) unfairly prejudicial as concealing grounds and perfecting arguments with previously-unapplied references, (c)

² Due Date 4 remains unaffected by the filing of the parties' scheduling stipulations and the Board's revised scheduling order in this case.

confusing to the issues instituted by the Board, and (d) misleading with respect to the content and scope of the prior art.

Second, Petitioner's cases are inapposite because the motions in those proceedings relied solely on scope without any discussion regarding admissibility under the Federal Rules of Evidence. *See, e.g., Palo Alto Networks, Inc. v. Finjan, Inc.*, No. IPR2016-00151, Paper 39 at 1 (P.T.A.B. Dec. 28, 2016); *Facebook, Inc. et. al v. Software Rights Archive, LLC*, No. IPR2013-00478, Paper 47 at 1-2 (P.T.A.B. Sep. 26, 2014). To the extent that any order cited by Petitioner can be reasonably construed to mean that the Board will automatically deny properly-preserved requests to exclude evidence based on the Federal Rules of Evidence, such practice would fall squarely in conflict with controlling case law.

Third, the rules provide that “[a] motion to exclude evidence must be filed to preserve any objection” and that, upon institution, “any objection must be filed within five business days of service of evidence.” 37 C.F.R. §§ 42.64(c), 42.64(b)(1). Patent Owner complied with the rules and timely filed its objections, supporting each and every request to exclude in this Motion. Paper 33. Petitioner's argument, if accepted, would force patent owners to noncompliance with the Board's rules.

Fourth, Petitioner fails to point to any binding or precedential case law for

self-serving reasons. The Federal Circuit has repeatedly acknowledged the requirements of the Board to apply rules and practice procedures in accordance with a patent owner's due process rights. The Federal Circuit has held that, during *inter partes* review, a patent owner "is undoubtedly entitled to notice and a fair opportunity to meet the grounds of rejection." *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1080 (Fed. Cir. 2015). The *Belden* Court endorsed the practice that a Petitioner's "reply may only respond to arguments raised in the corresponding opposition or patent owner response" and that "if the petitioner submits a new expert declaration with its Reply, the patent owner can respond in multiple ways." *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1080-1081 (Fed. Cir. 2015). Particularly, the Patent Owner "can move to exclude the declaration" and "can dispute the substance of the declaration at oral hearing before the Board." *Id.* Contrary to Petitioner's arguments, the Federal Circuit explained that "a party may move to exclude evidence, **whether as improper under the response-only regulation, under the Trial Practice Guide's advice, or on other grounds.** § 42.64(c)." (Emphasis added.) *Id.* at 1081. Citing to *Belden*, the Board has endorsed this very type of motion and ruled against a party for its failure to move to exclude new arguments presented through expert testimony. *Ceramtec GMBH v. Ceramedic, LLC*, No. IPR2015-00398, Paper 36 at 12 (P.T.A.B. July, 1, 2016) ["Patent Owner also did not file a motion to exclude portions of Petitioner's expert

testimony...*see also Belden, Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1081 (Fed. Cir. 2015) (identifying options for Patent Owner faced with new evidence in Reply).”]. “Once the Board identifies new issues presented for the first time in reply, neither this court nor the Board must parse the reply brief to determine which, if any, parts of that brief are responsive and which are improper. As the Board noted, ‘it will not attempt to sort proper from improper portions of the reply.’” *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016). Accordingly, this motion is proper and should not be denied without consideration.

III. EX. 1021, SECOND DECLARATION OF TAL LAVIAN, PH.D.

Contrary to Petitioner’s permissive take on the rules regarding petitioner replies, “[a] reply **may only** respond to arguments raised in the corresponding opposition, patent owner preliminary response, or patent owner response.” (Emphasis added.) 37 C.F.R. § 42.23(b).

Regarding Exhibit 1021, ¶ 54 at lines 1–17, including citations to Roseman at 12:1-5 and 12:9-10 and discussion of Windows and Macintosh client software alternatives, Petitioner’s bare “natural explanation” response reaffirms Patent Owner’s bases for its request to exclude this portion for the reasons presented in the Motion. Petitioner’s response lacks substance and fails to adequately explain how the particular portion is responsive to Dr. Carbonell’s arguments or based on a position authorized for trial.

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