

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

R.J. REYNOLDS VAPOR COMPANY,
Petitioners

v.

FONTEM HOLDINGS 1 B.V.,
Patent Owner

Case **IPR2016-01268**
Patent No. **8,365,742**

**PATENT OWNER'S MOTION TO EXCLUDE
PURSUANT TO 37 C.F.R. §§ 42.62 AND 42.64**

Pursuant to 37 C.F.R. §§ 42.62 and 42.64(c), the Board's Scheduling Order dated January 4, 2017 (Paper 11) and the Board's Order dated July 5, 2017 (Paper 29), Patent Owner Fontem Holdings 1 B.V. ("Fontem") moves to exclude the Reply Declaration of Dr. Robert H. Sturges (Ex. 1027). Under FRE 403, any probative value of the declaration is outweighed by unfair prejudice to Fontem because the declaration presents new evidence that should have been presented with the Petition, thus depriving Fontem of the opportunity to respond. Under FRE 702 and 703, the declarant fails to provide and reliably apply the requisite scientific, technical, or specialized knowledge, skill, expertise, training, or education to testify to the opinions presented.

Fontem also moves to exclude Exhibits 1028-1032 because those exhibits are only cited to support Dr. Sturges's improper Reply Declaration, and Exhibits 1005-1008 and 1022 because those exhibits were not relied on by the Board in its decision to institute trial or Petitioner in its Reply. The admission of these exhibits fails to make any facts more or less probable than without their admission under FRE 401 and 402. Under FRE 403, any probative value of Exhibits 1028-1032 is outweighed by unfair prejudice to Fontem because those exhibits present new evidence that should have been presented with the Petition.

I. Dr. Sturges's Reply Declaration Should Be Excluded

Pursuant to 37 C.F.R. § 42.64(b)(1), Patent Owner objected to Dr. Sturges's Reply Declaration because it includes new evidence regarding "deformation," axial displacement "with respect to" or "relative to" the cavity wall, radial support against "low rigidity" materials, and "misalignment" of the ejection holes. Paper 32 at 1-3. Pursuant to 37 C.F.R. § 42.64(c), Patent Owner explains those objections below.

It is Petitioner's burden to set out *in the Petition* a "full statement of the reasons for the relief requested, including a detailed explanation of the significance of the evidence." 37 C.F.R. § 42.22(a)(2). "It is axiomatic that a Petition cannot provide a detailed explanation of the significance of evidence when that evidence is not presented until the Petitioner files its Reply." *Intri-Plex Techs., Inc. v. Saint-Gobain Performance Plastics Rencol Ltd.*, IPR2014-00309, Paper 83 at 13 (PTAB March 23, 2014) (Ex. 2031). Dr. Sturges's Reply Declaration "is in effect a 50-page supplemental declaration" that presents new evidence that should have been provided with the Petition. *Veeam Software Corp. v. Symantec Corp.*, IPR2013-00141, Paper 35 at 4 (PTAB April 7, 2014) (Ex. 2032) (excluding reply declaration that "raise[d] new issues and provide[d] additional evidence that could have been provided in the original motion").

Petitioner has filed three declarations from Dr. Sturges in this IPR. Ex. 1015; Ex. 1020; Ex. 1027.¹ Dr. Sturges's Petition Declaration is 40 pages long, including 12 pages dedicated to background and legal standards and a claim chart spanning 13 pages. Ex. 1015 (background ¶¶ 1-31, claim chart ¶ 63). Dr. Sturges's Supplemental Declaration is only 12 pages. Ex. 1020. At 50 pages in length, Dr. Sturges's Reply Declaration is nearly as long as his first two declarations combined, and does not include a claim chart or any of the background included in his Petition Declaration. Ex. 1027 ¶¶ 1-4.

Dr. Sturges's Reply Declaration is filled with new opinions that should have been included with the Petition. For example, Patent Owner pointed out in its Opposition that "Petitioner's brief and two expert declarations say nothing about deformation prevention," and that the first time Dr. Sturges mentioned deformation was at his cross-examination. Paper 24 at 1, 25. Indeed, the word "deform" appears nowhere in the Petition or Dr. Sturges's first two declarations. *See* Paper 2; Ex. 1015; Ex. 1020. Yet Dr. Sturges uses the words "deform," "deformed," and

¹ Petitioner served, but has not filed, a fourth Sturges declaration in response to Patent Owner's Objections (Paper 32). That declaration is 13 pages long, and addresses "standard drawing practices," "aerodynamic forces," "compression," "tensile strength," and "electrical resistance."

“deformation” 37 times in his Reply Declaration, each time in reference to Hon ’043’s porous body. Ex. 1027 ¶¶ 9, 16, 25-33, 44, 46.

Likewise, Dr. Sturges’s Reply Declaration includes the new opinion that the cavity wall in Hon ’043 “will not prevent the axial movement of porous body 27 with respect to shell 14,” only that “cavity wall 25 prevents the axial displacement of porous body 27 with respect to cavity wall 25.” Ex. 1027 ¶ 25. Dr. Sturges discusses axial displacement of the porous body “with respect to” or “relative to” the cavity wall ten times in his Reply Declaration. *Id.* ¶¶ 18, 19, 23-27, 31. But this “with respect to” or “relative to” discussion appears nowhere in the Petition or Dr. Sturges’s first two declarations, which only refer generally to “axial displacement of the porous body” or “axial displacement when the porous body 27 is forcibly inserted into the solution storage porous body.” Paper 2 at 15-16; Ex. 1015 ¶¶ 44-45; Ex. 1020 ¶ 4.

In fact, Patent Owner even objected to the paragraphs of Dr. Sturges’s Petition Declaration discussing “axial displacement” on the ground that his opinion was not based on sufficient facts or data and was not the product of reliable principles and methods. Paper 16 at 4-5. Dr. Sturges said he “considered Patent Owner’s Objections” in his Supplemental Declaration, yet, tellingly, failed to

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