UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DIGITAL CHECK CORP. d/b/a ST IMAGING,
Petitioner,

v.

E-IMAGEDATA CORP.
Patent Owner.

Case IPR2017-00177
Patent 8,537,279 B2

PATENT OWNER'S REPLY IN SUPPORT OF ITS MOTION TO EXCLUDE EVIDENCE UNDER 37 C.F.R. § 42.64(C)

Patent Trial and Appeal Board
United States Patent and Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

Patent Owner hereby submits the following reply in support of its Motion to Exclude Evidence (Paper 15).

I. INTRODUCTION

Patent Owner's Motion to Exclude Evidence establishes that the challenged evidence fails to meet the requirements as set forth in the Federal Rules of Evidence. It is clear that "[t]he admissibility of evidence in an IPR proceeding generally is governed by the Federal Rules of Evidence." *Universal Remote Control, Inc. v. Universal Elecs., Inc.*, IPR2014-01146, Paper No. 36 (PTAB Dec. 10, 2015) (citing 37 C.F.R. § 42.62(a); *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48758)); *see also* 37 C.F.R. § 42.104(b)(5). Patent Owner has met the burden of establishing inadmissibility of the challenged evidence under 37 C.F.R. § 42.20(c). Because Petitioner has failed to provide evidence that meets the requirements of admissibility under the Federal Rules of Evidence, as demonstrated in Patent Owner's Motion to Exclude, the challenged evidence is inadmissible and should be excluded.

II. ARGUMENT

A. Patent Owner Sufficiently Supported Its Motion.

Petitioner's claims that Patent Owner's motion contains bare assertions is unavailing because Patent Owner followed the guidance provided by the PTAB for

motions to exclude. In *Flir Systems, Inc., v. Leak Surveys, Inc.*, the PTAB provided an example of a how a motion to exclude might be succinctly presented:

> In addressing the admissibility of Ex. 1005, a motion to exclude could state the following.
>
> Exhibit 1005
>
> 1. Identity of the exhibit and portion thereof sought to be excluded: test data described in Exhibit 1005, Example 1.
>
> 2. Objection: Hearsay: Fed. R. Evid. 802; 37 C.F.R. § 42.61(c).
>
> 3. An objection was made in an Objection to Evidence, filed [state date filed]. See Ex. 2011, page x, lines y–z.
>
> 4. Petitioner relies on the objected data on pages 5–6 of the Petition.
>
> 5. The relied upon data is hearsay. Petitioner has not presented the testimony of any individual having first-hand of the testing described in Example 1.
>
> ***Nothing more is needed.***
>
> If petitioner believes an exception to the hearsay rule applies, petitioner may address the exception in an opposition to which patent owner may a reply.

Case IPR2014-014-00411, Paper 113 at 6–7 (P.T.A.B. Sept. 3, 2015) (emphasis added). Patent Owner followed the PTAB's guidance and noting more was needed.

B. The Illustration In The Petition Is Inadmissible

Petitioner's illustration is inadmissible as unfairly prejudicial because it is an inaccurate representation of the prior art Fujinawa reference. Representations of the prior art should be excluded when the danger of unfair prejudice outweighs the probative value of the evidence. *See Callaway Golf Co. v. Acushnet Co.*, 576 F.3d

1331, 1342 (Fed. Cir. 2009). Petitioner's "schematic representation" oversimplifies and misrepresents the Fujinawa reference by, for example, depicting the lead members as smooth rods when the reference clearly discloses threaded worms. (Ex. 1004 at Fig. 4.)

The *Intri-Plex* case is readily distinguishable. In *Intri-Plex*, the Board denied a motion to exclude "annotated excerpts of Figures" from a particular reference. *Intri-Plex Techs., Inc. v. Saint-Gobain Perf. Plastics Rencol Ltd.*, IPR2014-00309, Paper 83, at 17–18 (PTAB Mar. 23, 2014). The Board found that there was no danger of confusion and unfair prejudice because it was able to "differentiate between the actual figures in [the reference] and counsel's demonstrative annotations thereto." *Id.* at 18.

Unlike in *Intri-Plex* where counsel provided annotated versions of actual figures of a reference, here the Petitioner provides a newly created "schematic representation" of the purported prior art which it claims is "representative of the well known features of microform imaging apparatuses." (Paper 1 at 11; Ex. 1002 at ¶ 28). Given the nature of the challenged illustration in this case, its probative value is substantially outweighed by the unfair prejudice and potential to mislead. Unlike in *Intri-Plex*, there is the real possibility that the Board may rely on the newly created illustration instead of the actual teachings of the cited references.

IPR2014-00309, Paper 83, at 18. Accordingly the challenged illustration should be excluded.

C. Paragraph 69 Of Ex. 1002 Is Inadmissible Because It Relates To Issues On Which The Board Did Not Institute Review

The disclosure of paragraph 69 does not relate to issues for which the Board instituted review. The Federal Circuit has recognized that "[a]rt can legitimately serve to document the knowledge that skilled artisans would bring to bear in reading the prior art identified as producing obviousness." *Ariosa Diagnostics v. Verinata Health, Inc.*, 805 F.3d 1359, 1365 (Fed. Cir. 2015) (citing *Randall Mfg. v. Rea*, 733 F.3d 1355, 1362–63 (Fed. Cir. 2013)). However, art serving to document the knowledge of the skilled artisan must be invoked in such a manner. *Id.* ("Ariosa's Petitions and opening declarations invoked [the challenged exhibit] in that way."); *see also SK Innovation Co., Ltd. v. Celgard, LLC*, IPR2014-00679, Paper No. 58 at 49 (PTAB Sept. 25, 2015) (granting exclusion of challenged exhibits as irrelevant because they were not relied on with any particularity even though the proponent of the challenged exhibits asserted that "they provide useful background regarding the knowledge of one of ordinary skill in the art . . . .").

Here, Petitioner claims that the challenged paragraph of Exhibit 1002 is "directly relevant to the instituted grounds." (Paper 18 at 5). However, the challenged evidence was not invoked in such a manner, but instead was asserted as relating solely to issues on which the Board did not institute review. Thus, such

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