UNITED STATES PATENT AND TRADEMARK OFFICE
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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.,
Petitioner,

v.

CALIFORNIA INSTITUTE OF TECHNOLOGY,
Patent Owner.

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Case IPR2017-00210
Patents 7,116,710

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PATENT OWNER'S REPLY IN SUPPORT OF MOTION TO EXCLUDE

I.   INTRODUCTION

The Board should exclude new evidence in support of arguments raised for

the first time in Petitioner's Reply, including new attorney-generated graphs, data,

theories of unpatentability, witness testimony and inexcusable failure to address

reasonable expectation of success ("REOS"). Petitioner's argument that the

conclusory assertion that reengineering the Divsalar code is "trivial" shows a

REOS was not presented in the petition and is wrong as a matter of law and fact.

II.   ARGUMENT

A.   The new arguments were not a part of the petition

Evidence in support of Petitioner's arguments never advanced in the petition

should be excluded under FRE 401-403, including EXS1044-1049, 1057-1061,

1065, and 1068. For example, Petitioner now claims that the conclusory assertion

that the proposed modification is "trivial" addressed REOS. Opp. 4. But the

"triviality" argument in the petition is clearly labeled as one regarding motivation

to combine, not REOS (Pet. 44-45), and this is merely a *post hac* attempt to cure a

deficient petition. Moreover, relative complexity of executing a modification

simply does not speak to whether it _would_ be conducted in the first place or

expected to be successful. And besides elements being capable of combination,

there must _also_ be an expectation "that the combination would have worked for _its_

intended purpose." *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d

1314, 1326 (Fed. Cir. 2009). The petition made no showing that its proposed modification would have been expected to function, let alone improve codes, which cannot be cured in Reply with unreliable and misleading evidence that Caltech is not permitted to rebut with its own evidence.

Further, Petitioner is simply *wrong* that its proposed modification was "trivial." Frey, the only art reference that discloses irregular repetition of information bits, explicitly states that "[f]inding a good [irregular] profile is _not trivial_," and depends on parameters such as "the permuter and the distortion measure" (EX1002, 5), neither of which Frey discloses. *See* EX2004 ¶¶95, 103. Petitioner also concedes that the field of error-correction codes was unpredictable (Reply 9), and yet "[u]npredictability of results equates more with nonobviousness rather than obviousness." *Honeywell Int'l, Inc. v. Mexichem Amanco Holding S.A.*, 865 F.3d 1348, 1356 (Fed. Cir. 2017).

Petitioner also contends that it "is entitled to respond" to Caltech's arguments in the POR. Opp. 5-6. But petitioner misses the point—critical aspects of an obviousness inquiry must be addressed _in the petition_. Fed. Register Vol. 77 No. 157 at 48767 (identifying improper Reply). Attempting to fill an identified void in the petition materials is not a legitimate Reply material. Presenting an entirely new modification to an RA code because the original modification has been rebutted is not legitimate Reply material. Such content is more prejudicial

than probative as Caltech has no meaningful opportunity to respond.

B.   Other Divsalar-related exhibits should be excluded

Petitioner claims EXS1057 and 1058 rebut Dr. Divsalar's testimony. But

Dr. Divsalar's testimony that irregular repetition would add complexity with no

expected benefit (or even functionality) remains unrebutted. EX2031 ¶¶33-36.

Petitioner's pivot from a modified code with a rate of 1/3 to a new modification

with a much slower rate of 1/5 underscores, not rebuts, Dr. Divsalar's testimony.

Petitioner claims Exhibit 1061 impeaches Dr. Divsalar's testimony that IRA

codes "are not a subset of the RA codes described in [Divsalar]." Opp. 6-7. First,

this was not an argument raised in the Reply. Second, the argument is nonsensical

as Exhibit 1061 (not prior art) is not reflective of a POSA at the time and, at any

rate, is entirely consistent with Dr. Divsalar's testimony.

C.   Cross-examination of witnesses does not cure Caltech's prejudice

Contrary to Federal Circuit guidance, Petitioner argues that prejudice to

Caltech regarding EXS1044-1049, 1032-1034, 1037, 1057-1061, 1062, 1064,

1065, and 1068 could be cured by post reply cross-examination (and presumably

observations on cross). Opp. 8-9, 12. But observations on cross-examination are

not "a substitute for the opportunity to present arguments and evidence." *In re

Nuvasive, Inc.*, 841 F.3d 966, 973 (Fed. Cir. 2016). And Caltech will have no

opportunity to submit its own evidence to rebut Petitioner's new belated evidence.

Moreover, Petitioner does not explain how its own improper questioning of Caltech's witnesses (EX1062, 1064) would be cured by cross-examination of its own declarants. And Caltech objected to EX1074 for violating the Board's prohibition on including substantive argument and the exhibit should be excluded under FRE 401-403. *See* Paper 59 (due after motion to exclude).

With particular regard to Dr. Frey, Petitioner does not dispute that he did not consider Dr. Davis's cross-examination. Cross-examination of Dr. Frey would not cure his failure to consider the full scope of Dr. Davis's testimony in the first place.

As to the Allerton witnesses and the supplemental information, Caltech responded to the petition's assertion that Frey was published on March 20. Caltech relied on the Board's guidance that worries about Petitioner pushing an earlier publication date were mere "speculat[ion]" and therefore premature. Paper 42, 3-4. Petitions require more than bare notice pleading, and "on or before March 20" is simply not adequate to apprise Caltech of intent to use an earlier date, let alone what that date might be. Moreover, with regard to antedating, only the last date of a range of dates is considered. *See Oka v. Youssefyeh*, 849 F.2d 581, 584 (Fed. Cir. 1988). No February date was asserted in the petition, and Caltech will have no opportunity to present its own evidence to rebut the new publication theory.

D. Dr. Davis's unavailability remains suspect

Petitioner falsely claims Caltech disputes the authenticity of Dr. Davis's

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