

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner

v.

PARUS HOLDINGS, INC.,

Patent Owner

Case No. IPR2020-00686

U.S. Patent No. 7,076,431

**PETITIONER APPLE INC.'S OPPOSITION TO PATENT OWNER'S
MOTION TO EXCLUDE EVIDENCE**

I. Introduction

Apple requests Parus's Motion to Exclude (Paper 29) be denied for failing to identify a proper reason for excluding evidence and for failure to comply with the Board's rules regarding motions to exclude. Parus seeks to exclude Apple's Supplemental Declaration of Dr. Terveen (Ex. 1040) on the basis that the Declaration is not responsive to the Patent Owner Response (Paper 15) and presents evidence that "should have been included" in the Petition. (Paper 29, 6).

Apple's Supplemental Declaration is proper because it responds to a new claim construction presented by Parus in the Patent Owner Response and addresses deposition testimony provided by Parus's declarant, Mr. Occhiogrosso. A petitioner is entitled to respond to a patent owner's arguments, including addressing new claim constructions presented by the patent owner. Parus's Motion to Exclude should thus be denied for failing to identify a proper basis for exclusion, which "is an exceptional remedy that the Board expects will be granted rarely." *PTAB's Consolidated Trial Practice Guide (November 2019)* (Nov. 2019 TPG) at 80.

Further, a motion to exclude is not the proper vehicle for Parus's argument, per the Board's rules; instead, Parus should have sought leave to file a motion to strike. Also for this reason, Parus's Motion to Exclude should be denied.

II. Apple’s Supplemental Expert Declaration Was Properly Responsive to Parus’s New Claim Construction

Parus asserts the Supplemental Declaration of Dr. Loren Terveen (Ex. 1040) is non-responsive to the Patent Owner Response and that Dr. Terveen’s opinions “should have been included in the Petition.” (Paper 29, 6). Parus’s argument fails to note that Parus presented a patentability argument based on a claim construction that was newly-presented in the Patent Owner Response. (Paper 15, 21). The Supplemental Declaration responds to the new claim construction from Parus by providing POSITA opinions and explanation as to how the prior art presented in the original ground (specifically, *Ladd*, Ex. 1004) teaches certain claim limitations even using Parus’s claim construction.

Parus construes limitations of the asserted claims (i.e., the “speaker-independent speech recognition device”) as performing speech recognition by not analyzing “voice patterns,” while arguing that *Ladd* does analyze “voice patterns.” *Patent Owner Response* (Paper 15) at 23. Dr. Terveen’s testimony addresses this new claim construction, which is exactly the kind of Reply testimony that is permitted. *Aisin Seiki Co., Ltd. et al v. Intellectual Ventures II LLC*, IPR2017-01539, Paper 43 at 69–70 (PTAB December 12, 2018) (denying Patent Owner’s motion to strike as the evidence provided by Petitioner responded to Patent Owner’s arguments, “as it was entitled to do”); *Eli Lilly and Company v. Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center*, IPR2014-00752,

Paper 100 at 4 (PTAB September 3, 2019) (noting that evidence “to document the knowledge that skilled artisans would bring to bear in reading the prior art identified as producing obviousness” is entirely proper (internal citations omitted)).

Parus argues Apple’s arguments “should have been included in the Petition,” but Parus does not explain *why* Apple should have known or could have known of Parus’s claim construction. (Paper 29, 6). Parus’s claim construction is a new claim construction first presented in the Patent Owner Response. (Paper 15, 21). Parus’s new claim construction is a variant of the District Court’s claim construction, which was issued almost six months after the Petition was filed. (Ex. 2012, 14-15; Ex. 1041, 2). At the time of filing the Petition, Apple did not know what the Court’s claim construction would be or that Parus would argue patentability using a variant of the Court’s construction. The Board’s rules and precedent do not require a petition to anticipate every possible claim construction a patent owner may proffer, and indeed, Parus provides no caselaw support stating otherwise.

Parus also contends “Petitioner failed to argue that speech recognition is a two-step process” in the Petition and supporting declaration. (Paper 29, 6). Apple’s discussion of the ’431 Patent describing a two-step process was born from Mr. Occhiogrosso’s testimony during his deposition, as discussed repeatedly in the Petitioner Reply and as further confirmed by Parus’s Sur-Reply. (Paper 21, 14) (agreeing that Mr. Occhiogrosso discussed the ’431 Patent’s speech recognition

device having two phases). Regardless, the discussion of the two-step process was merely a tool to show how the “predefined voice pattern” discussed in the ’431 Patent is not the same as the “speech patterns” disclosed in *Ladd*. Apple’s use of Mr. Occhiogrosso’s testimony regarding speech recognition as described in the ’431 Patent to help explain Apple’s argument in the Petitioner Reply is a proper response. *Eli Lilly*, IPR2014-00752, Paper 100 at 4.

Because Apple’s Supplemental Declaration presents evidence responding to a new claim construction first presented in this IPR in the Patent Owner Response and deposition testimony from Parus’s declarant, the Supplemental Declaration properly responds to Parus’s arguments, which Apple is entitled to do. *Aisin Seiki Co., Ltd. et al*, IPR2017-01539, Paper 43 at 70.

III. Parus’s Motion to Exclude Is Procedurally Improper and Is Not Authorized by the Board’s Rules

Parus’s Motion to Exclude should also be denied because it improperly seeks to exclude Petitioner’s Supplemental Declaration (Ex. 1040) on the basis that it exceeds the scope of the Patent Owner Response. (Paper 29, 2-4). A motion to exclude is not the proper paper for addressing arguments a party believes are non-responsive. Per the PTAB’s Trial Practice Guide, “[n]or should a motion to exclude address arguments or evidence that a party believes exceeds the proper scope of reply or sur-reply.” (Nov. 2019 TPG at 79). The proper procedure for addressing whether a reply raises new issues is to request authorization to file a motion to strike, not

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