

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE, INC.,
Petitioner,

v.

ALIVECOR, INC.,
Patent Owner

IPR2021-00970
U.S. Patent No. 9,572,499

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

PATENT OWNER'S REPLY ISO MOTION TO EXCLUDE

Petitioner fails to respond to the heart of PO's motion: that the rules governing practice before this Board do not permit a petitioner to jettison its petition-expert at the 11th hour, on reply, proffering *new testimony* from *another expert*, given in *another forum*, related to *different issues* (§ 101) and *different prior art*. The reason Petitioner did so here is clear: during cross-examination, Petitioner's IPR expert conceded he lacked the necessary expertise to offer opinions regarding machine learning, which is core to claims of the AliveCor patents. Petitioner must have known its expert lacked this expertise when it filed its Petition, and should not be permitted to remedy this failing at this late stage by effectively swapping experts. If the Board sanctions this approach, petitioners will be encouraged to hide their true expert testimony until reply after the weaknesses in their expert's testimony have been exposed, and submit new expert testimony under the guise of responding to a patent owner's dispositive arguments in a POR. This should not be allowed.

I. NEW EVIDENCE ON REPLY IS NOT PERMITTED

On Reply, Petitioner submitted an ITC expert report, deposition, and trial testimony from its ITC expert, Dr. Stultz ("ITC Testimony") and several new prior art references not raised in the Grounds ("New Prior Art"). Dr. Stultz did *not* submit a declaration in this case. Petitioner also did not submit a reply declaration from its IPR expert, Dr. Chaitman, instead jettisoning him when he admitted on cross that he was not an expert on machine learning. Ex. 2017, 27:23-28:1. Petitioner instead

PATENT OWNER'S REPLY ISO MOTION TO EXCLUDE

relies on the new ITC Testimony, which relates primarily to patent eligibility under § 101, to support its *prima facie* case of obviousness of the machine learning claims and the New Prior Art to bolster its obviousness positions based on Shmueli and Osorio. However, not a single reference submitted with the New Prior Art was part of the asserted grounds and Petitioner has not argued that it was unable to raise this New Prior Art in the Petition, or that it was unable to rely on its ITC Expert in the Petition. The TPG is clear that a Petitioner “*may not submit new evidence or argument* in reply that it could have presented earlier, *e.g. to make out a prima facie case of unpatentability.*” TPG at 73. Petitioner’s new evidence should be excluded. *See Acceleration Bay, LLC v. Activision Blizzard Inc.*, 908 F.3d 765, 775 (Fed. Cir. 2018). This is thus all plainly new evidence, prohibited on Reply.

Remarkably, Petitioner argues that the ITC Testimony and New Prior art do not constitute impermissible new evidence and should not be excluded because PO “doesn’t even appear to contest” that the new evidence was “offered in support of arguments that are directly responsive to those made by AliveCor in its Patent Owner Response.” Resp. at 6. This is incorrect—PO argued that this was impermissible new evidence. Mot. at 5; Sur-Reply at 2-5.

Allowing Petitioner to rely on this new evidence would also have a deleterious impact on IPR practice, encouraging IPR petitioners to submit unlimited new evidence in reply including *new testimony* from *new experts*, on *unrelated topics*,

PATENT OWNER’S REPLY ISO MOTION TO EXCLUDE as well as *new prior art* that could have been raised in the Petition, with no ability for a patent owner’s expert to respond. Reply evidence should not be without limits—the purpose of the rules is not to allow a petitioner to sidestep a patent owner’s ability to defend itself. Moreover, Petitioner’s approach is fundamentally unfair to patent owners who have only one opportunity for an expert to respond—the POR. *See Acceleration Bay*, 908 F.3d at 775.

II. PETITIONER’S LEGAL AUTHORITY IS UNAVAILING

Apple does not cite a single case where hearsay testimony on unrelated issues and new prior art was accepted on Reply.¹ Apple first cites *Intel Corp. v. Tela Innovations, Inc.*, IPR2019-01255, Paper 79 (PTAB Jan. 26, 2021) for the proposition that PO’s motion puts “form over substance.” But in that case, the Board simply declined to rule on the motion to exclude ITC evidence, as the evidence of record was sufficient for its decision. In any event, the ITC evidence submitted on reply in that case was directly related to issues raised in the proceeding – secondary considerations – and was submitted to support Petitioner’s Reply declaration from the petition expert. *Id.* at 6, 77. Here, neither is true.

In *Apple Inc. v. VirnetX*, IPR2016-00332, Paper 29 (PTAB June 22, 2017), the petitioner reused *fact* witness declarations from an earlier filed *ex parte*

¹ Exhibits 1065-1068, 1074-1080, 1085 are hearsay as well. *See* Sur-Reply at 2-5. No hearsay exception applies, these exhibits should be excluded.

PATENT OWNER’S REPLY ISO MOTION TO EXCLUDE reexamination involving a related patent. That testimony also was directly related to the issues in the IPR—it was used to establish that the prior art relied upon in the grounds were printed publications. *Id.* at 3, 80-81 (PTAB June 22, 2017). Thus, in *VirnetX*, the “main distinction” was simply the caption. *Id.* Here, Dr. Stultz’s opinion has nothing to do with the IPR art or issues at all.

Moreover, the Rule 804(b)(1) hearsay exception for former testimony for unavailable declarants does not apply. Apple argues “because the Board doesn’t allow for live testimony at an IPR hearing [] all experts are ‘unavailable’ to testify”—in essence, Apple argues that Rule 804(b)(1) should *always* apply because experts are *always* unavailable in IPR hearings. Resp. at 3. But the Board *does* permit live testimony; this proposed hearsay exception would subsume the rule—any prior art author or inventor would be “unavailable” and their testimony not hearsay. Moreover, at the same time, Petitioner argues that its expert *was* available and could have sat for deposition. *Id.* at 1. Petitioner cannot have it both ways.²

The real issue is whether the hearsay exception applies at all—it doesn’t. Because Dr. Stultz’s ITC testimony related to § 101 and to unrelated prior art, PO

² Petitioner’s complaint that Patent Owner could have deposed Dr. Stultz as uncompelled testimony is both wrong and unavailing. Dr. Stultz’s testimony was not submitted as a declaration in this case, and is therefore *compelled* testimony. See 37 C.F.R. § 42.53. Petitioner would have this Board excuse its improper new evidence because PO did not jump through the additional expense of moving for and then cross examining its replacement expert. This turns the analysis on its head—the new evidence is improper and should never have been submitted in the first place.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.