

**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.

ALIVECOR, INC.,  
*Patent Owner*

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IPR2021-00972  
U.S. Patent No. 10,638,941

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**PATENT OWNER'S REPLY IN SUPPORT OF  
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 11<sup>th</sup> 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

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 in the co-pending IPRs against AliveCor's '499 and '731 patents (in this proceeding, Petitioner filed but did not rely on the ITC Testimony) 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

## PATENT OWNER'S REPLY ISO MOTION TO EXCLUDE

impact on IPR practice, encouraging IPR petitioners to submit unlimited new evidence in reply including *new testimony* from *new experts*, on *unrelated topics*, 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.<sup>1</sup> 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.

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<sup>1</sup> 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.

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* 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.<sup>2</sup>

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<sup>2</sup> 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

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