

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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MASTERCARD INTERNATIONAL INCORPORATED  
Petitioner

v.

LEON STAMBLER  
Patent Owner

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Case Number CBM2015-00044  
Patent 5,793,302

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**REPLY BRIEF IN SUPPORT OF PETITIONER'S MOTION TO EXCLUDE  
OPINION TESTIMONY OF SETH NIELSON, PH.D.**

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Patent Owner's opposition largely fails to challenge the merits of MasterCard's objections to Dr. Nielson's claim construction "opinions." Instead, Patent Owner: (1) incorrectly asserts that MasterCard's objections to Dr. Nielson's testimony were inadequate; (2) ignores the objectionable aspects of the testimony to be excluded; (3) appears to concede what MasterCard believed to be the case all along — that Dr. Nielson has no independent opinion regarding claim construction, but instead is merely "rely[ing] on counsel's claim construction," without saying so explicitly, Paper No. 25, at 10; and (4) relies on inapplicable caselaw.

**I. MASTERCARD'S OBJECTIONS WERE PRESERVED**

Patent Owner argues that MasterCard's objections fail to point to "qualifications" under Rule 702 as a basis for excluding Dr. Nielson's testimony. To the contrary, those objections *twice* specifically identify Dr. Nielson's lack of qualifications. Paper No. 17, at 1–2. The objections also specifically identify Dr. Nielson's failure to comply with Federal Rule of Evidence 702. As such, Patent Owner's waiver argument lacks merit.

**II. PATENT OWNER MISCHARACTERIZES DR. NIELSON'S TESTIMONY IN AN ATTEMPT TO AVOID EXCLUSION**

Patent Owner's arguments in opposition to MasterCard's motion are based on a mischaracterization of Dr. Nielson's testimony. In particular, Patent Owner asserts several paragraphs objected to by Petitioner are "technical opinions" where

Dr. Nielson does not formulate any “claim construction” Paper No. 25, at 3. Patent Owner’s arguments lack merit.

Patent Owner asserts that, in Paragraph 84 of his declaration, Dr. Nielson simply observes “a matter of technological fact.” *Id.* The alleged “technological fact” asserted by Dr. Nielson, however, is actually a rehash of the objectionable claim construction he proffers earlier in his declaration that “information for identifying the account of the second party” cannot include “the name of a party.” *See, e.g.,* Ex. 2004, at 48, 51. Patent Owner asserts that these and other challenged paragraphs constitute “mere application” of a claim construction. Paper No. 25, at 4. But this argument misses the point. MasterCard objects *both* to Dr. Nielson’s baseless claim constructions *and his reliance* on those baseless constructions. (Paper No. 20, at 1-2). Dr. Nielson’s baseless constructions are no less objectionable when he applies them than when he formulates them.

Patent Owner identifies additional portions of Dr. Nielson’s declaration that allegedly concern “written description” or “enablement” of certain claim terms. Paper No. 25, at 4. These paragraphs, however, are extensions of the unreliable claim construction opinions proffered by Dr. Nielson, as they rely on those flawed claim construction. *See, e.g., In re Katz Interactive Call Processing Patent Litigation*, 639 F.3d 1303, 1319–20 (Fed. Cir. 2011) (stating that “[t]he construction of the claims [is] important to the written description analysis”);

*Chiron Corp. v. Genentech, Inc.*, 363 F.3d 1247, 1254 (Fed. Cir. 2004) (“Because a patent specification must enable the full scope of a claimed invention, an enablement inquiry typically begins with a construction of the claims.”).

### **III. PATENT OWNER’S ATTEMPT TO COMPARE DR. NIELSON’S BASELESS CLAIM CONSTRUCTION OPINIONS TO MR. DIFFIE’S TESTIMONY IS MERITLESS**

Patent Owner asserts that its expert’s unreliable claim construction opinions are “no different” from certain opinions submitted by Petitioner’s expert, Mr. Diffie. Paper No. 25, at 6.<sup>1</sup> This overlooks the striking difference between Dr. Nielson’s testimony and Mr. Diffie’s: Mr. Diffie explains rather than omits the methodology he used to arrive at his opinions. *See* Ex. 1020, at ¶ 18 (“I have applied the following ordinary and customary meanings, as understood by a person of ordinary skill in the art....”). In stark contrast, Dr. Nielson’s declaration provides no explanation of the basis for his claim constructions. *Cf.* Ex. 2004, at ¶¶ 41–67. Petitioner learned why this was so at his deposition when Dr. Nielson candidly admitted that he had “no knowledge” of the methodology that is supposed to be used when interpreting claims. Ex. 1023, at 57:12–17.

Patent Owner also falsely suggests (without citation or supporting evidence)

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<sup>1</sup> Petitioner notes that Mr. Diffie was recently named a recipient of the 2015 ACM A.M. Turing Award, often referred to as the “Nobel Prize of Computing.” *See* <http://awards.acm.org/turing-award-2015.pdf>.

that MasterCard “works with its own expert in the same way” as Patent Owner worked with Dr. Nielson. Paper No. 25, at 10. Quite the contrary. Petitioner appears to have fed claim constructions to Dr. Nielson, then asked him to parrot those constructions back, purportedly as his own, under the guise of an “expert opinion.” See Paper No. 25, at 10 (Patent Owner defending Dr. Nielson’s declaration on the basis that it “is entirely proper for an expert to rely on counsel’s claim construction”).<sup>2</sup> MasterCard did nothing like this. Instead, Mr. Diffie was provided with the legal framework for claim construction and asked to opine about claim meanings under that legal framework. Ex. 1020, at ¶ 17-18. He did so. *Id.*

#### **IV. THE DECISIONS RELIED UPON BY PATENT OWNER ARE DISTINGUISHABLE**

Patent Owner cites to various opinions denying motions to exclude expert testimony. Paper No. 25, at 6-10 (citing *Teva Pharms. USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831, 834 (2015); *Alien Tech. Corp. v. Intermec, Inc.*, No. 3:06-cv-51, 2008 U.S. Dist. LEXIS 38212, at \*3-4 (D.N.D. May 9, 2008); *Aspex Eyewear, Inc. v. E’Lite Optik, Inc.*, No. 3:98-cv-2996-D, 2002 U.S. Dist. LEXIS 14834, at \*96 (N.D. Tex. Apr. 4, 2002); *Silicon Motion Technology Corp. v. Phison Electronics*

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<sup>2</sup> While it may be proper for an expert to rely on counsel’s claim construction, it is not proper for an expert to do so while giving the false impression that those constructions are his own. *Cf. Butera v. D.C.*, 235 F.3d 637, 661 (D.C. Cir. 2001).

*Corp.*, IPR2013-00473, Paper 36, at 19-20 (P.T.A.B. Jan. 28, 2015)). These cases are distinguishable.

*Teva* does not overrule or call into question the Supreme Court's holding in *Daubert v. Merrell Dow Pharm., Inc.*, that unreliable expert testimony must be excluded. 509 U.S. 579, 597 (1993). In *Silicon Motion*, the expert applied a dictionary definition rather than the Board's construction. In *Aspex Eyewear*, the court concluded the expert's methodology was reasonable and permitted it. 2002 U.S. Dist. LEXIS 14834, at \*94. In *Alien Tech*, the challenge related to the expert's application of claim construction law, not his technical reasoning. 2008 U.S. Dist. LEXIS 38212, at \*3-4. In contrast to those cases, Dr. Nielson does not identify *any* methodology or reasoning forming the basis for his claim construction opinions. This is so because, as he subsequently admitted, he has none. Ex. 1023, at 57:12-17.

## V. CONCLUSION

Because Dr. Nielson purports to offer claim construction opinions based on no discernable principles or methodology, those opinions must be excluded under Federal Rule of Evidence 702.

Respectfully submitted,

Date: March 2, 2016

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing REPLY BRIEF IN SUPPORT OF PETITIONER'S MOTION TO EXCLUDE OPINION TESTIMONY OF SETH NIELSON, PH.D. was filed and served electronically via e-mail on March 2, 2016, in its entirety on the following:

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