UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ACTIVISION BLIZZARD, INC.,
ELECTRONIC ARTS INC.,
TAKE-TWO INTERACTIVE SOFTWARE, INC.,
2K SPORTS, INC., and
ROCKSTAR GAMES, INC.,
Petitioner,

v.

ACCELERATION BAY, LLC,
Patent Owner.

Case IPR2016-00747
Patent No. 6,732,147 B1

PATENT OWNER'S MOTION TO EXCLUDE EVIDENCE

I. Introduction

Pursuant to 37 C.F.R. § 42.64, Patent Owner Acceleration Bay, LLC ("Patent Owner"), through this Motion to Exclude, moves to exclude certain evidence that Petitioner submitted in this proceeding. The Board should grant Patent Owner's Motion to Exclude for the reasons set forth below.

Patent Owner timely raised the objections set forth herein. On September 26, 2016, Patent Owner timely served Petitioner with objections to the exhibits in its Petition. Paper 14. On March 14, 2017, Patent Owner timely served Petitioner with objections to the exhibits in its Reply brief. Paper 41.

II. The Board Should Exclude Exhibits Outside the Proper Scope of Reply.

Petitioner's Reply (Papers 38, 40) improperly introduced new evidence and arguments that are inadmissible under 37 C.F.R. § 42.61, and are properly subject to exclusion. *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1081 (Fed. Cir. 2015) ("a party may move to exclude evidence, whether as improper under the response-only regulation, under the Trial Practice Guide's advice, or on other grounds.") (citation omitted). On March 24, 2017, Patent Owner requested to file a paper identifying arguments it contends are outside the proper scope of reply. Because the Board indicated that it was not proper to file such a paper at that time, Patent Owner now seeks relief through this Motion to Exclude.

Petitioner's belated evidence and arguments should be excluded because it is improper for Petitioner to introduce new evidence and arguments in its Reply in order to resolve the deficient arguments and evidentiary shortcomings of its Petition. *See, e.g.*, *Toshiba Corp. v. Optical Devices, LLC*, Case IPR2014-01447, Paper 34 at 44 – 47 (P.T.A.B. Mar. 9, 2016) ("[Section 42.23(b)], however, does not authorize or otherwise provide a means for supplementing the evidence of record."); *Toyota Motor Corp. v. Am. Vehicular Scis. LLC*, Case IPR2013-00424, Paper 50 at 21 (P.T.A.B. Jan. 12, 2015) ("[Petitioner] cannot rely belatedly on this evidence in its Reply and Reply Declaration of [its expert] to make up for the deficiencies in its Petition.").

Specifically, Petitioner introduced for the first time in its Reply two new exhibits – Exhibits 1204 and 1205 – which it improperly relies upon in a belated attempt to remedy the deficiencies in its Petition. As a preliminary matter, Petitioner does not cite to Exhibit 1204 in its Reply and thus, on this basis alone, it should be disregarded and excluded. *SK Innovation Co. v. Celgard, LLC*, Case IPR2014-00679, Paper 58 at 49 (P.T.A.B. Sept. 25, 2015) (granting motion to exclude exhibits not cited). Moreover, Petitioner relies on Exhibit 1205 for allegedly representing "relevant portions of the Tanenbaum reference" and then cites Dr. Goodrich's testimony where, as Petitioner contends, he "considers a paper's citations to other references as evidence of relatedness." Reply at 21.

However, this portion of Dr. Goodrich's testimony does not pertain to the Tanenbaum but rather is a general discussion where Dr. Goodrich was asked, by Petitioner's counsel, whether "anyone ever cited [his] papers" and why, Dr. Goodrich believes, "someone [would] cite [his] paper." Ex. 1202, Goodrich Tr. at 22:7-12; *see also* Reply at 21 (citing same). Petitioner's reliance, therefore, on Exhibit 1205 is misleading and thus improper. Moreover, neither Exhibit 1204 or 1205 is properly authenticated and thus both are hearsay. Fed. R. Evid. 401-403, 801-803, 901. Accordingly, Exhibits 1204 and 1205 should be excluded as unauthenticated, prejudicial, hearsay and improper new evidence belatedly introduced in a Reply. *See* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,156, 48,767 (Aug. 14, 2012) ("[A] reply that raises a new issue or belatedly presents evidence will not be considered and may be returned. The Board will not attempt to sort proper from improper portions of the reply.").

Petitioner also sets forth new arguments in its Reply on:

- Page 10:11-17
- Page 11:1-12:9
- Page 14:6-15:4
- Page 15:12-19
- Page 20:20-21:11
- Page 21:16-18

Patent Owner is unfairly prejudiced by the new arguments and evidence included in Petitioner's Reply because Petitioner belatedly raises new arguments

and evidence that it could have included in its Petition. *See generally*, Fed. R. Evid. 403. Patent Owner does not have an opportunity to respond to Petitioner's newly raised evidence and arguments in support thereof because of Petitioner's strategy to wait until its Reply to introduce these belated arguments which could have been included in its Petition. It would thus be highly prejudicial for the Board to allow Petitioner to sandbag the Patent Owner with this belated argument and evidence. Therefore, under Fed. R. Evid. 403, the Board should exercise its discretion in excluding the above identified portions of Petitioner's Reply.

III. The Board Should Exclude the Declaration of Dr. David Karger (Ex. 1003).

The testimony of Dr. Karger should be excluded because his opinions are conclusory, do not disclose underlying facts or data in support of his opinions, and are unreliable. Fed. R. Evid. 702; *Intellectual Ventures Mgmt., LLC v. Xilink, Inc.*, Case IPR2012-00020, Paper 34 at 10 (P.T.A.B. Feb. 11, 2014) (an expert's "conclusory testimony is entitled to little or no weight."); *Tietex Int'l, Ltd. v. Precision Fabrics Grp., Inc.*, Case IPR2014-01248, Paper 39 at 17 (P.T.A.B. Jan. 27, 2016) (a lack of objective support for an expert opinion "may render the testimony of little probative value in [a patentability] determination.") (quoting *Ashland Oil, Inc. v. Delta Resins & Refractories, Inc.*, 776 F.2d 281, 294 (Fed. Cir. 1985)).

Dr. Karger was required to interpret and consider the claim language to compare the claims to the alleged prior art. *See In re Suitco Surface, Inc.*, 603 F.3d 1255, 1259 (Fed. Cir. 2010). Dr. Karger failed to do so. For example, Dr. Karger provides *no* discussion or opinion regarding how the reference Shoubridge allegedly teaches a broadcast channel – a claim term throughout the challenged claims of the '147 Patent. *See generally*, Patent Owner Response (Paper 24) at 25-26.

In addition, Dr. Karger failed to consider secondary considerations in forming his obviousness analysis and on this basis alone, his declaration should be excluded. Secondary considerations are a part of the obviousness analysis that should be taken into account at the time of forming any such obviousness opinion, not as an afterthought as Dr. Karger intended to do. Ex. 1003 ("Karger Declaration") at ¶ 359 ("I may be asked to review such evidence and to formulate an opinion."); *Intri-Plex Techs., Inc. v. Saint-Gobain Performance Plastics Rencol Ltd.*, Case IPR2014-00309, Paper No. 83 at 35 (P.T.A.B. Mar. 23 2014) (citing *Leo Pharm. Prods., Ltd. v. Rea*, 726 F.3d 1346, 1358 (Fed. Cir. 2013)).

Therefore, because Dr. Karger did not conduct a proper analysis, his opinion is not based on sufficient facts or data and thus is unreliable. The Board should exclude the testimony of Dr. Karger in Exhibit 1003 as not credible, irrelevant and unable to assist the trier of fact. Fed. R. Evid. 401-402, 702.

IV. The Board Should Exclude Exhibits 1203 and 1206.

Exhibits 1203 and 1206 are exhibits drawn by Petitioner's counsel during the deposition of Patent Owner's expert, Dr. Goodrich. As a preliminary matter, neither of these exhibits is cited in Petitioner's Reply and on this basis alone, both exhibits should be excluded. *SK Innovation Co., Ltd.*, Case IPR2014-00679, Paper 58 at 49 (granting motion to exclude exhibits not cited). In addition, this manufactured evidence is plainly irrelevant because it was based on an incomplete hypothetical and one which was solely fabricated by Petitioner's counsel. Accordingly, because these exhibits were created well after the priority date of the '147 Patent and were based on attorney argument posed as a hypothetical, they are not relevant evidence and thus should be excluded. Fed. R. Evid. 401; 402. Accordingly, Petitioner's reliance on Exhibit 1203 and 1206 are unfairly prejudicial to Patent Owner and should be excluded. Fed. R. Evid. 403.

V. Conclusion

Therefore, the Board should grant Patent Owner's Motion to Exclude Petitioner's Evidence.

Respectfully submitted,

Dated: April 10, 2017

/James Hannah/

James Hannah (Reg. No. 56,369)
jhannah@kramerlevin.com
Michael Lee (Reg. No. 63,941)
mhlee@kramerlevin.com
Kramer Levin Naftalis & Frankel LLP
990 Marsh Road
Menlo Park, CA 94025
Tel: 650.752.1700
Fax: 650.752.1800

Shannon Hedvat (Reg. No. 68,417)
shedvat@kramerlevin.com
Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
Tel: 212.715.9185
Fax: 212.715.8385

Case No. IPR2016-00747

Attorneys for Patent Owner

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that a true and correct copy of the foregoing Patent Owner's Motion to Exclude Evidence was served on April 10, 2017, by filing this document through the Patent Review Processing System as well as delivering via electronic mail upon the following counsel of record for Petitioner:

Andrew R. Sommer
WINSTON & STRAWN LLP
1700 K Street, N.W.
Washington, D.C. 20006-3817
asommer@winston.com

Kathleen B. Barry
WINSTON & STRAWN LLP
35 W. Wacker Dr.
Chicago, IL 60601
kbarry@winston.com

Michael M. Murray
WINSTON & STRAWN LLP
200 Park Avenue
New York, NY 10166-4193
mmurray@winston.com

Michael A. Tomasulo
David K. Lin
WINSTON & STRAWN LLP
333 S. Grand Avenue, 38th Floor
Los Angeles, CA 90071-1543
mtomasulo@winston.com
dlin@winston.com

/James Hannah/
James Hannah (Reg. No. 56,369)
Kramer Levin Naftalis & Frankel LLP
990 Marsh Road,
Menlo Park, CA 94025
(650) 752-1700