

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC. AND HULU, LLC,

Petitioners,

v.

DIVX, LLC,

Patent Owner.

Case No. IPR2020-00558

U.S. Patent No. 10,225,588

**PETITIONERS' REPLY TO PATENT OWNER'S OPPOSITION TO
PETITIONERS' MOTION TO EXCLUDE EVIDENCE**

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I. Paragraphs 54-82 of Exhibit 2012 are inadmissible.

Dr. Nielson applied the wrong legal standard. PO does not dispute that Dr. Nielson “did not do [his] analysis with [the] presumption” that a “POSITA is presumed to be aware of all pertinent prior art”—a presumption required by the Federal Circuit. EX1029, 230:7-12. This failure is reflected in his analysis.

The problem is not whether Dr. Nielson failed to consider “every possible paper.” Opp., 2. The problem is that Dr. Nielson formed his opinions on file formats – a subject in which he does not consider himself an expert – without looking to *any* prior art on file formats. *See* EX1029, 13:17-25. Exhibit 1016 is just one example. Dr. Nielson also failed to consider, for example, Exhibit 1010, which was filed with the Petition and teaches using partial encryption for adaptive streaming with the MP4/3GPP file formats. Dr. Nielson applied the wrong legal standard for his opinions on file formats; those opinions should be excluded.

PO cites *Weatherford*, which did not exclude evidence but held that “[e]xpert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight.” *See Weatherford*, IPR2016-01517, Paper 65 at 9 (PTAB Apr. 3, 2018). *Weatherford* did not consider whether the expert applied the wrong legal standard.

Dr. Nielson failed to disclose underlying facts and data. PO argues the ’588 patent is directed to video streaming and media security, *not encoding*, and

therefore, expertise in video encoding is “irrelevant.” *See* Opp., 2-3. Indeed, the specification does not go into details on video encoding. Nevertheless, PO attempts to distract the Board with rabbit trails on scalable video encoding—an irrelevant feature not required by the claims or prior art.

PO asked Dr. Nielson to opine on details of “scalable video encoding.” EX2012, ¶¶56, 66. Regardless of whether Dr. Nielson might be an expert in security, Dr. Nielson does not have knowledge of such granular details. Even in the Opposition, PO only cites a vague claim that “he has worked with concepts *similar* to scalability layers.” Opp., 3. Dr. Nielson cites no factual basis for his scalable video opinions but relied on materials that he could not identify. *See* EX1029, 155:13-156:5, 156:13-17. PO does not dispute this fact, and for that reason, Dr. Nielson’s opinions on scalable layers should be excluded.

II. Exhibits 2016-2020 are inadmissible.

Exhibit 2016 is not self-authenticating. Nothing in Exhibit 1016 identifies it as a webpage from WIRED magazine. The headers and footers, which PO relies on, *were generated by PO’s counsel when it created the PDF* and are not part of the purported webpage itself. The cited *Cisco* case is inapposite because it relied on characteristics of the exhibits themselves—not information inserted by counsel.

Exhibits 2017-2020 have not been authenticated. PO argues these were published documents from the 2011 timeframe. But PO relies on a declaration

from its counsel that these exhibits were downloaded in 2020. Therefore, PO has not introduced evidence that these exhibits are what PO claims them to be.

Exhibits 2016-2020 are hearsay. PO's arguments rely on an unproven assumption that these purported documents were publicly available by 2011. PO cites case law that "prior art" is not hearsay because it shows the knowledge of a POSITA. But PO offers no evidence that these exhibits were prior art. Relying on dates stated on the exhibits themselves would be another layer of hearsay, and even the purported dates shown in Exhibits 2017 and 2020 point to December 3, 2020. Exhibit 2019 has no purported publication date.

III. Exhibit 2025 is prohibited new evidence on sur-reply.

Relying on FRCP 30(f)(2), PO argues Exhibit 2025 is not prohibited because it was "used during deposition." Opp., 12. However, FRCP 30(f)(2) only applies "on a party's request" to have the documents "attached to the deposition." No such request was made, and the exhibit was not attached. Moreover, the Federal Rules of *Evidence* apply to PTAB proceedings (*see* 37 CFR § 42.62), not the Federal Rules of *Civil Procedure*, and not the FRCP rules regarding the production of documents for inspection. The PTAB rules for deposition exhibits require them to be numbered separately from the transcript. *See* 37 CFR § 42.53(c). Exhibit 2025 was filed as a separate exhibit from the transcript (EX2026).

The PTAB rules prohibit new evidence on sur-reply, other than the

deposition transcript itself. 37 CFR § 42.23(b). There is no exception for exhibits, regardless of whether used at a deposition. PO asks the Board to create a new exception to § 42.23(b) because it showed Exhibit 2025 to Dr. McDaniel during deposition. This is a clear attempt at circumventing the PTAB's rules—the Sur-Reply does not cite the deposition for any discussion of Exhibit 2025 other than a question about what the document appears to be. SR, 14-15.

New Sur-Reply evidence is prejudicial. Petitioners are prejudiced by new Sur-Reply evidence because they have no opportunity to address PO's mischaracterizations. For example, PO argues that applying FEC to an encrypted stream results in a layering violation. SR, 15. But in the following sentence Exhibit 2025 states that “[e]ncrypting just one [stream] may also make certain *known-plaintext attacks* possible. For these reasons, applications utilizing encryption SHOULD encrypt both streams.” EX2025, 45 (emphasis added). This context refers to a situation where an FEC stream is generated from an *unencrypted* stream, with encryption performed after on one stream or another, leading to a layering violation.

PO argues that they were “forc[ed]” to introduce Exhibit 2025 on Sur-Reply. Opp., 13. Wrong. PO chose to rely on Dr. Nielson's unsupported testimony for FEC (*see* POR, 15-17) and could have introduced Exhibit 2025 with POR. PO had the opportunity to depose Dr. McDaniel about reply exhibits and respond to them

in Sur-Reply. Petitioners do not have that opportunity with Exhibit 2025. PO argues that the Petitioners had opportunity to address Exhibit 2025 “in exactly the same manner as Patent Owner.” Opp., 13. But PO did not serve the new exhibit before the deposition, and on-the-fly redirect (without proper time to analyze the new exhibit) is hardly the same opportunity.

Petitioners’ objections were timely. Petitioners objected during deposition (EX2026 22:8-10) and subsequently upon service (Paper 41). PO argues Rule 42.64(b) “expressly does not apply” (Opp., 15) to deposition exhibits—but PO has regularly objected to deposition exhibits based on § 42.64(b). *See, e.g., Netflix Inc. v. DivX, LLC*, IPR2020-00052, Paper 65 at 1 (PTAB Apr. 22, 2021) (“Pursuant to **37 C.F.R. § 42.64(b)(1)** ... Patent Owner DivX, LLC hereby objects to” deposition exhibits 1013-1016).

Moreover, Rule 42.64(b) is for the *deposition* evidence itself, not for exhibits used at deposition. And PO conflates evidentiary objections with 37 CFR § 42.23(b), which prohibits sur-reply evidence regardless of admissibility.

PO argues exhibits used in deposition should be maintained in the record, but cites a case before 37 CFR § 42.23(b) was amended to prohibit new sur-reply evidence. *See* 85 FR 79121 (Dec. 9, 2020).

Date: May 7, 2021

Respectfully,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that on May 7, 2021, a complete and entire copy of the foregoing document was filed with the PTAB through its E2E system and served via email on attorneys of record at the following addresses:

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