

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Sony Interactive Entertainment LLC
Petitioner

v.

Intellectual Pixels Limited
Patent Owner

Case IPR2021-00237
Patent No. 10,681,109
Filed: December 4, 2020

PETITIONER'S OPPOSITION TO MOTION TO EXCLUDE

I. Patent Owner’s Motion to Exclude Exhibits 1029, 1030, and Paragraph 79 of Exhibit 1033 Is Procedurally Improper

Patent Owner’s Motion to Exclude (“Mot.”) fails to state a proper basis to exclude any of Exhibits 1029 or 1030, or paragraph 79 of Exhibit 1033 and, for that reason, should be denied with respect to this evidence.

A motion to exclude must be directed to the admissibility of evidence. *See* 37 C.F.R. § 42.64; PTAB Consolidated Trial Practice Guide (“TPG”) at 79 (“A motion to exclude must explain why the evidence is not admissible (e.g., relevance or hearsay) but may not be used to challenge the sufficiency of the evidence to prove a particular fact.”). As the Trial Practice Guide confirms, a “motion to exclude is not a vehicle” to “address arguments or evidence that a party believes exceeds the scope of reply or sur-reply.” TPG at 79. Rather, “[i]f a party believes that a brief filed by the opposing party raises new issues, is accompanied by belatedly presented evidence, or otherwise exceeds the proper scope of reply or sur-reply, it may request authorization to file a motion to strike.” *Id.* at 80.

Patent Owner has not filed a motion to strike. Nor has it requested or received authorization to do so. And its Motion to Exclude does not dispute the admissibility of Exhibits 1029 or 1030, or paragraph 79 of Exhibit 1033.

Instead, Patent Owner moves to exclude these exhibits based solely on the

precise argument the Trial Practice Guide prohibits—because they supposedly “constitute improper new evidence or contain improper new argument not permitted with a reply” (Mot. at 2). As the Board ruled in *Apple Inc. v. Parus Holdings, Inc.*, this is not a permissible basis upon which to move to exclude. IPR2020-00686, Paper 37, at 42 (Sep. 9, 2021) (“Patent Owner’s Motion to Exclude does not address the admissibility of [evidence]. Rather, it argues that the testimony exceeds the proper scope of reply evidence, because it does not respond to the Patent Owner Response, because Petitioner did not follow our rules in seeking to submit supplemental information, or because Petitioner attempts to incorporate material by reference improperly. Patent Owner’s Motion to Exclude does not state a proper basis for excluding evidence and, therefore, we deny the motion for that reason.”). Accordingly, even apart from the motion’s substantive failings discussed below, Patent Owner’s motion should be denied because it is procedurally defective.

II. Exhibits 1029 and 1030 Are Proper Reply Exhibits

Patent Owner’s contention that Exhibits 1029 and 1030 are “improper new evidence” to “fill a gap in [Petitioner’s] prima facie case” of obviousness (Mot. at 2-3) is wrong.

Contrary to Patent Owner’s argument, Exhibits 1029 and 1030 are within “the

proper scope of a reply.” Mot. at 2 (citing *Sotera Wireless v. Masimo Corp.*, IPR2020-00912, Paper 30, at 3 (P.T.A.B. June 10, 2021)). Petitioner cites these exhibits for one simple point—to rebut the suggestion in Patent Owner’s Response that ADSL was for residential use only, but not for business use. *See* Reply at 26 (“Further, it was well known that ADSL could be used for the ‘last mile’ to **both** ‘businesses and residences.’ Ex. 1029 (Ahamed 1995), Abstract; *see also* Ex. 1030 (Kompatsiaris 2000), Abstract (DSL ‘reach[es] practically every home **and business**’).”).¹ More specifically, Patent Owner argued that Wiltshire (Ex. 1004) and Chen (Ex. 1006) would not be combined because Wiltshire is supposedly limited to commercial casino establishments while Chen’s ADSL is supposedly limited to residential applications. POR at 53-54 (“But Petitioner’s proposed use of Chen’s ADSL for home installation relies on hindsight and ignores Wiltshire’s description of its system as a gambling system for commercial establishments that is not disclosed or suggested to be installed in homes. Chen only disclosed using ADSL in the residential context”); *id.* at 55 (arguing “ADSL” was for “residential homes” only).

As the Board pointed out in its Institution Decision, and as Petitioner argued in

¹ Emphasis appearing in quotations has been added unless otherwise indicated.

reply, “Chen does not expressly limit the use of ADSL to residential service.” ID at 43; Reply at 26. Further, Exhibits 1029 and 1030 rebut Patent Owner’s incorrect contention that ADSL was meant for use only in residential homes. Reply at 26. Prior to receiving the Patent Owner Response, Petitioner had no way of knowing that Patent Owner would argue that ADSL, including Chen’s disclosure of ADSL, is for residential use only, but not for business use. Nor, given Chen’s disclosure of ADSL and its uses in business and residential settings, are Exhibits 1029 and 1030 necessary for a prima facie case of obviousness. Thus, unlike *Dexcom, Inc. v. Waveform Techs., Inc.*, Exhibits 1029 and 1030 are not “evidence necessary to make out a prima facie case of unpatentability.” IPR2016-01680, Paper 46, at 30 (P.T.A.B. Feb. 28, 2018). Rather, Petitioner relies on the exhibits to rebut Patent Owner’s counterfactual argument about ADSL and are proper reply evidence. *Nintendo of America Inc. v. Motion Games, LLC*, IPR 2014-00164, Paper 51, at 24 (P.T.A.B. June 15, 2015) (“The very nature of a reply is to respond to the opposition[.]”).

III. Paragraph 79 of Exhibit 1033 Is Proper Reply Evidence

Paragraph 79 of Dr. Fuch’s reply declaration, Exhibit 1033, is proper reply evidence, and does not include an “entirely new theory of invalidity in violation of 37

C.F.R. § 42.23(b),” as Patent Owner contends. Mot. at 4. Patent Owner’s two arguments for excluding this evidence are wrong.

First, Patent Owner argues that Petitioner limited its invalidity theory in its Petition to multiple client devices shown in Wiltshire as meeting the language of claims 1 and 2 of the ’109 patent and that Petitioner is now changing that theory. Mot. at 5. This is not true. The Petition refers to a single client of Wiltshire in discussing how claim 1’s “a client device” limitation is met. *See, e.g.*, Petition at 22 (“Wiltshire discloses that an ‘input command’ is detected ***at the client***.”). The Petition also reproduced Wiltshire’s Figure 2, which describes steps performed by a single “Client/Terminal Computer” and highlights step 250, which states in singular terms “input command on client?”

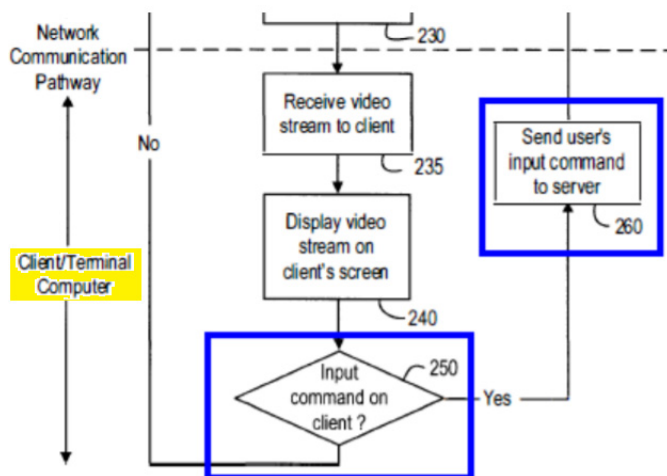


Fig. 2

Id. (yellow highlight added, blue emphasis in original).

The fact that for a different limitation—limitation 1[a], reciting “running at a server the interactive software application”—Petitioner cited text in Wiltshire that includes reference to “a plurality of remote client/terminal computers” does not mean that Petitioner limited its theory to multiple clients in Wiltshire. Mot. at 4. To the contrary, the Petition cited this passage because it discloses “a *server/host computer 120*”—the subject matter at issue in limitation 1[a]. See Petition at 20-21 (quoting Ex. 1004 (Wiltshire) at 3:62-66). Indeed, the Petition specifically emphasized Wiltshire’s “*server*” disclosure in bold italics; a fact omitted from Patent Owner’s motion via ellipses. Compare Petition at 20-21 with Mot. at 4.² Petitioner did not argue that Wiltshire’s column 3:62-66 or Figure 1A teach the “client” device because limitation 1[a] does not recite a client.

Petitioner also referred in its Petition to a single client of Wiltshire for dependent claim 2. See, e.g., Petition at 59 (for claim 2, “Wiltshire discloses (1) transmitting user input signals between *the client* and the server and (2) transmitting

² Moreover, just seven lines above the quotation that Patent Owner cites, on the same page 20 of the Petition to which Patent Owner’s motion points, when addressing limitation 1[p], the Petition explains how users interact “with the gaming programs by sending input commands ‘such as mouse movements, mouse clicks or keystrokes’ from *a client* [singular] to the sever running the game program” Petition at 20.

the compressed updated image from the server to *the client*."); *id.* at 62 ("As discussed for claim 1, Wiltshire's system also includes sending user input commands to the server and transmitting an updated image to *the client device*."). Petitioner referred to the single client in Wiltshire for '109 patent claims 1 and 2 for the simple reason that these claims only require a single client device. Ex. 1001 at claim 1 ("one or more client/terminal computers"), claim 2 ("the client device"); Reply at 27.

Patent Owner ignores these disclosures from the Petition and instead cites to the Petition's references to disclosures in Wiltshire that include more than one client. But the fact that Wiltshire shows multiple client devices in certain figures (such as Figure 1D), or refers to multiple clients in certain sections (such as the bottom of column 3), does not mean Petitioner's invalidity theories are limited to the use of multiple clients.³ The Petitioner refers to Wiltshire's single client for claims 1-2

³ Indeed, in demonstrating the "client" limitations of claims 1-2, the Petition consistently refers to Wiltshire's disclosures of "a client" or "the client," singular. *See e.g.*, Petition at 23 (discussing input commands "detected at *the client*"); *id.* ("in Figure 2, *the client / terminal* program 122 causes the input command" to be transmitted to the server); *id.* ("Wiltshire discloses 'receiving at the server user input signals from *a client* device.'"); *id.* at 24 (describing Wiltshire "updating the state of the gaming program in response to the user input commands sent by *the client*"); *id.* at 26 (discussing updating the image to be displayed on the screen of "*client/terminal computer* 120," singular); *id.* at 28 (discussing transmitting updated images "to *the client*" and how "*the client* 'causes the image[s] to be displayed'"); *id.* (a "POSITA would understand from Wiltshire that *the client* device must therefore be capable of

because those claims require a single client. Conversely, the Petition cites to Wiltshire's disclosures of multiple clients for claim 3 because claim 3 requires multiple clients.

Second, Patent Owner argues that Dr. Fuchs' opinion in paragraph 79 of Exhibit 1033 about how much downstream bandwidth would be required for an MPEG stream should be excluded because it is allegedly a new invalidity argument that is inconsistent with Dr. Fuchs' statement in Exhibit 1002 that "an MPEG stream may require rates of at least 1.3 megabits per second." Mot. at 5 (quoting Ex. 1002, ¶ 200). As an initial matter, even if Patent Owner were correct—which it is not—an alleged new argument is not a basis for exclusion of an opinion. *Foundation Medicine, Inc. v. Guardant Health, Inc.*, IPR2019-00652, Paper 47, at 11 (P.T.A.B. Aug. 18, 2020) ("A motion to exclude is not a mechanism to argue that reply contains new arguments or relies on evidence necessary to make out a prima facie case.").

decompressing"); *id.* at 30 ("Wiltshire teaches ... updated images that are sent to *the client*"); *id.* at 31 ("Wiltshire's teaching that *a client* displays frames"); *id.* (discussing "Wiltshire's disclosure that the images are sent to *the client*"); *id.* at 31-32 (discussing "Wiltshire's express teaching to ...transmit the compressed image to *the client* for display"); *id.* at 32 ("Wiltshire describes ... sending a video stream to *the client*"); *id.* at 33 ("Wiltshire also describes a client-server system that generates images on a server and transmits those images to *one or more clients*").

Moreover, Dr. Fuch's opinions in paragraph 79 of Exhibit 1033 are not inconsistent with his opinion in Exhibit 1002 and are not a new invalidity argument. In Exhibit 1002, Dr. Fuchs quoted Chen's disclosure of MPEG's recommendation of "full motion video at rates of around 1.3 Mb/s." Ex. 1002 at ¶ 200 (quoting Ex. 1006 at 69). Dr. Fuchs then explained that the downstream bandwidth for a video stream would be more than the upstream bandwidth in Chen, thus meeting the "asymmetric" bandwidth requirement of claim 2. *Id.* Notably, Dr. Fuchs did **not** opine or contend that MPEG requires or must always use at least 1.3 Mb/s. He instead made the point that certain full motion video using MPEG **may** require up to 1.3 Mb/s. Ex. 1002 at 88. Dr. Fuchs further explained at his deposition "[the use of 1.3 megabits per second] is not a requirement for MPEG," "MPEG can use all kinds of bandwidth" and that MPEG can be used "at a small fraction of [1.3 Mb/s]." Ex. 2010 (Fuchs Dep.) at 72:21-73:4, 73:11-17.

In his reply declaration, Dr. Fuchs once again points out that the mere fact that certain MPEG streams **may** require rates of 1.3 Mb/s for "full motion video" (Ex. 1006 (Chen) at 69) does not mean that all 1.3 Mb/s **will** be required for all uses or all applications of MPEG, and that some applications consume only a small portion of that bandwidth. Ex. 1033 ¶79. Dr. Fuchs did not offer a new invalidity opinion in his

reply declaration; his opinion remains exactly as it had been in his initial declaration and the Petition—that Chen’s disclosure of more bandwidth in the downstream than the upstream meets the requirements of claim 2. Petition at 59-60; Ex. 1002 at ¶195.

IV. Petitioner Does Not Object to Exclusion of Exhibit 1024

Exhibit 1024 is an exhibit to the deposition of Patent Owner’s expert, Dr. John C. Hart (Exhibit 1025). Petitioner filed Exhibit 1024 so that the Board would have a complete record of what transpired at Dr. Hart’s deposition, and would have before it when reviewing the deposition transcript the same document that Dr. Hart had before him as he was answering deposition questions. Petitioner does not refer to Exhibit 1024 in its briefing. Thus, if the Board sees no benefit from having Exhibit 1024 available as it reviews Dr. Hart’s deposition testimony, Petitioner has no objection to excluding Exhibit 1024 from the record.

V. Conclusion

For the reasons set forth above, Exhibits 1029 and 1030, and paragraph 79 of Exhibit 1033, should not be excluded.

Respectfully submitted,

Date: February 25, 2022

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Certificate of Service

I hereby certify that on February 25, 2022, I caused a true and correct copy of the foregoing materials:

• PETITIONER’S OPPOSITION TO MOTION TO EXCLUDE

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