

Filed on behalf of: Facet Technologies, LLC

Entered: April 26, 2024

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LIFESCAN, INC.,
Petitioner,

v.

FACET TECHNOLOGIES, LLC,
Patent Owner.

IPR2023-00712
Patent 8,840,635

PATENT OWNER'S MOTION TO EXCLUDE

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I. Introduction

Patent Owner Facet Technologies LLC moves to exclude: (1) Petitioner's Exhibit 1052; (2) Appendix F of Ex. 1046; and (3) portions of Exhibit 1046 that rely on Ex. 1052 and Appendix F, as inadmissible hearsay not subject to any valid exclusion or exception. Exhibit 1052 is the deposition transcript of Petitioner's employee Ms. Katherine Voyten from a pending litigation in the Central District of California. Appendix F is an unsworn statement by one of Petitioner's paid consultants Mr. Marc Kalan in the district court. Instead of filing a declaration from these witnesses in the IPR, Petitioner filed Exhibit 1052 and Appendix F. Mr. Rosenfarb relies on and repeats the assertions in those documents for their truth, serving as a conduit for hearsay. Similarly, Petitioner relies on these statements for the truth of the matters asserted therein. *See* Pet. Reply (Paper 32) at 42–43 (relying on Ex. 1046 and Ex. 1052 for the truth of the matters asserted therein); Ex. 1046 at ¶¶ 11, 15, 17, 20, 22, 23, 25, 27, 31.

Ex. 1052 and Appendix F are classic hearsay. They come from another proceeding and are relied on by Petitioner and Mr. Rosenfarb as evidence of driving factors for the lancet market. Petitioner could have submitted a declaration from these witnesses—its employee (Ms. Voyten) and paid consultant (Mr. Kalan) who previously testified in the related district court case. By choosing not to do so,

Petitioner attempts to avoid cross examination of these witnesses and use Mr. Rosenfarb as a conduit for her hearsay.

The Board should exclude Ex. 1052 and Appendix F, as well as portions of Mr. Rosenfarb's declaration relying on those statements.

II. The Board Should Exclude Ms. Voyten's Deposition Transcript

Ms. Voyten's deposition transcript (Ex. 1052) is inadmissible hearsay. Federal Rule of Evidence ("FRE") 801 defines hearsay as a statement that "(1) the declarant does not make while testifying at the current trial or hearing; and (2) a party offers in evidence to prove the truth of the matter asserted in the statement." Fed. R. Evid. 801(c). FRE 802 renders hearsay inadmissible, which is applicable to this proceeding. 37 C.F.R. § 42.62(a) ("the Federal Rules of Evidence shall apply to a proceeding"). No hearsay exception or exclusion applies here. Thus, the Board should exclude Ms. Voyten's deposition transcript.¹

A. Ms. Voyten's Statements Were Not Made While Testifying at the Current Proceeding

Ms. Voyten's deposition transcript statements come from her deposition in the related district court case (*Facet Techs., LLC v. LifeScan, Inc.*, No. 2:22-cv-01717 (C.D. Cal.)). There should be no dispute that the transcript is from another

¹ Facet timely objected to Ms. Voyten's deposition transcript as inadmissible under FRE 801 and 802. Patent Owner's Objections to Evidence (Paper 35) at 3.

proceeding. *See The Data Co. Techs. Inc. v. Bright Data Ltd.*, IPR2022-00135, Paper 51 at 82 (PTAB May 31, 2023) (noting no dispute between the parties that a federal court trial testimony transcript was “from another proceeding”); Fed. Rule Evid. 801(c).

B. Petitioner and Mr. Rosenfarb Rely on Ms. Voyten's Statements for the Truth of the Matter Asserted

Petitioner and Mr. Rosenfarb rely on Ms. Voyten's deposition transcript statements relating to nexus of the Delica and Delica Plus sales to the '635 Patent. LifeScan and Mr. Rosenfarb squarely rely on Ms. Voyten's out of court statements for the truth of the matter asserted.

Petitioner's Reply relies on Ms. Voyten's deposition transcript statements both directly and using Mr. Rosenfarb as a conduit for these statements. Pet. Reply at 42–43. In an effort to keep this Motion public, Patent Owner avoids substantive discussion of these sealed aspects of Petitioner's Reply and Ex. 1052. Nevertheless, the relevant aspects of Petitioner's Reply cite to Mr. Rosenfarb's declaration and voluminous portions of Ms. Voyten's deposition transcript in support of its affirmative arguments about the effects of the '635 patent on sales of the Delica and Delica Plus lancets. Paper 32 at 42. Petitioner quotes directly from Ms. Voyten's deposition transcript and cites to paragraphs of Mr. Rosenfarb's declaration that convey the subject matter of Ex. 1052. *Id.* at 42–43.

This is classic hearsay. *ABS Global, Inc. v. XY, LLC*, IPR2018-01224, Paper 28 (PTAB Dec. 9, 2019) is instructive. There, as part of its Petition and Reply, the Petitioner cited a co-inventor's deposition transcript from a related district court proceeding for the truth of the state of the art and the claimed invention being obvious. *Id.* at 18.² The Board held the statements in the deposition transcript were "hearsay" and excluded them. *Id.* at 18–19.

The Data Company Technologies Inc. v. Bright Data Ltd. is also instructive. There, as part of its Patent Owner's Response and Sur-Reply, the Patent Owner cited district court trial testimony, including from a Patent Owner employee, for the truth of secondary considerations. IPR2022-00135, Paper 51 at 80–82. The Board held the statements in the trial transcript were "hearsay" and excluded them. *Id.* at 82.

C. Ms. Voyten's Statements Do Not Fall Under Any Hearsay Exclusion or Exception

Hearsay is not admissible unless an exclusion or exception applies. FRE 802; 37 C.F.R. § 42.62(a). FRE 801 provides hearsay exclusions based on prior statements from a declarant available for cross examination and admissions. FRE

² *ABS Global, Inc. v. XY, LLC*, IPR2018-01224, Paper 21 at 1 (PTAB Aug. 7, 2019) confirms the exhibit at issue was a deposition transcript from a related district court proceeding used in the Petition and Reply.

803 provides hearsay exceptions regardless of the availability of the declarant.

FRE 804, conversely, provides hearsay exceptions in certain circumstances when a declarant is unavailable. Further, FRE 807 provides a “residual exception” to the hearsay rule, which may apply in “exceptional cases” when no specific exception of FRE 803 or 804 applies. *Neste Oil Oyj v. Reg Synthetic Fuels, LLC*, IPR2013-00578, Paper 53 at 10 (PTAB Mar. 12, 2015) (explaining that the residual exception is not a “broad license on trial judges to admit hearsay statements that do not fall within one of the other exceptions.”). As shown below, none of these exclusions or exceptions apply.

Ms. Voyten's deposition transcript does not meet the criteria for any hearsay exclusion or exception. None of the exclusions under FRE 801 apply—Ms. Voyten was not made available for cross examination and the statements LifeScan submits are not admissions as defined by the rule. None of the exceptions under FRE 803 apply. Nor was Ms. Voyten unavailable under FRE 804. For example, there can be no argument that Petitioner could have procured Ms. Voyten's testimony at least because Ms. Voyten is Petitioner's employee. *Cf.* Fed. R. Evid. 804(a)(5). Nor do any of the other criteria for the unavailability exception apply. Fed. R. Evid. 804(a).

The residual exception likewise does not save Ex. 1052 from exclusion. For FRE 807 to apply, Ms. Voyten's deposition transcript statements must be:

(1) “supported by sufficient guarantees of trustworthiness—after considering the totality of circumstances under which it was made and evidence, if any, corroborating the statement”; and

(2) “more probative on the point for which it is offered than any other evidence that the proponent can obtain through reasonable efforts.”

Fed. R. Evid. 807. Failing either prong is fatal. Here, Ms. Voyten’s deposition transcript statements fails at least the second prong.

Petitioner could and should have provided more probative evidence, such as a submitting declaration from Ms. Voyten in this proceeding. As a LifeScan employee, Petitioner presumably had access to her and could have persuaded her to submit such declaration—just as it secured her deposition testimony in a personal and corporate capacity in the related district court case. LifeScan should have made similar efforts to secure her testimony in this proceeding.

Submitting such declaration would have allowed Facet to cross examine Ms. Voyten. 37 C.F.R. § 42.51(b)(1)(ii). By not doing so, LifeScan deprived Facet of that opportunity. In similar situations, the Board has found the FRE residual exception not satisfied. *See, e.g., The Data Co. Techs. Inc.*, IPR2022-00135, Paper 51 at 83.

This is not an “exceptional case” worthy of the residual exception. The Board should exclude Ms. Voyten’s deposition transcript statements.

III. The Board Should Exclude Portions of Mr. Rosenfarb's Declaration That Rely on Inadmissible Hearsay³

The Board should not permit LifeScan to convey hearsay through Mr. Rosenfarb's declaration. Although FRE 703 permits experts to rely on hearsay in forming their opinions if they are of the type reasonably relied on by experts, an expert cannot act as a conduit for the hearsay of another. *Triboro Quilt Mfg. Corp. v. Luve LLC*, 10-cv-03604, 2014 WL 1508606, at *7 (S.D.N.Y. Mar. 18, 2014) (experts may not simply transmit hearsay to a jury); *Agha v. Feiner*, 965 A.2d 141 (N.J. 2009) (affirming exclusion of plaintiff's expert's reliance on hearsay based on New Jersey's counterpart to FRE 703). Mr. Rosenfarb's Declaration repeatedly parrots back the inadmissible hearsay testimony of Ms. Voyten for the truth of the matters asserted. *See* Ex. 1046 at ¶¶ 11, 15, 17, 20, 22, 23, 25, 27, 31 (conveying Ms. Voyten's hearsay and quoting various paragraphs of Mr. Rosenfarb's Amended Report citing same).

Mr. Rosenfarb also cites extensively to his Appendix F, which was not filed as a standalone exhibit in this proceeding. Ex. 1046 at 169–200 (Appendix F); *see* Ex. 1046, ¶¶ 13–19 (conveying Appendix F's hearsay and quoting paragraphs of Mr. Rosenfarb's Amended Report citing same). Appendix F is a hearsay report

³ Facet timely objected to Exhibit 1046 as inadmissible under FRE 801 and 802.

submitted in the related district court action. It is not a sworn statement either in district court or in this IPR. *E.g.* Ex. 1046 at 198.

Petitioner has requested to substitute Ex. 1046 with a redacted version that would redact, among other things, Appendix F. However, to the extent the Board declines Petitioner's request, Patent Owner moves to exclude Appendix F and the portions of Ex. 1046 that rely on it for the truth of the matter asserted. Ex. 1046 ¶¶ 13–18 (quoting Amended Report ¶¶ 81–87). Appendix F is not subject to any hearsay exclusion or exception for similar reasons as Ms. Voyten's transcript. For example, the purported author of Appendix F is Petitioner's hired consultant in district court, and Appendix F is not subject to the unavailable hearsay exceptions nor the residual exception.

For these reasons, the Board should exclude Mr. Rosenfarb's testimony relying on Ms. Voyten's hearsay statements and Appendix F.

IV. Conclusion

For the reasons set forth above, the Board should exclude Ms. Voyten's deposition transcript (Ex. 1052), Appendix F of Ex. 1046, and the portions of Mr. Rosenfarb's declaration relying on and conveying that hearsay.

Respectfully submitted,

Dated: April 26, 2024

By: / S. Giri Pathmanaban /

S. Giri Pathmanaban (Reg. No. 75,986)
giri.pathmanaban@lw.com
Latham & Watkins LLP
300 Colorado Street, Suite 2400
Austin, TX 78701-3295
Telephone: 737.910.7300
Fax: 737.910.7301

Counsel for Patent Owner
Facet Technologies, LLC

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 26th day of April, 2024, a true and correct copy of the foregoing **Patent Owner's Motion to Exclude** was served by electronic mail on Petitioner's lead and backup counsel at the following email addresses:

Michael J. Lyons (Reg. No. 37,386)
Alexander B. Stein (Reg. No. 71,397)
Gerald W. Griffin (*pro hac vice*)
MORGAN, LEWIS & BOCKIUS LLP
1400 Page Mill Road
Palo Alto, CA, 94304
Tel.: 650.843.4000
Fax: 650.843.4001
Email: LifeScanFacetIPRs@morganlewis.com

By: / S. Giri Pathmanaban /

S. Giri Pathmanaban (Reg. No. 75,986)
giri.pathmanaban@lw.com
Latham & Watkins LLP
300 Colorado Street, Suite 2400
Austin, TX 78701-3295
Telephone: 737.910.7300
Fax: 737.910.7301

*Counsel for Patent Owner
Facet Technologies, LLC*