UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Askeladden LLC,
Petitioner

v.

Calabrese Stemer LLC,
Patent Owner

Patent No. 8,783,564
Title: Transaction Notification and Authorization Method

Inter Partes Review No. IPR2024-00368

PETITIONER'S MOTON TO EXCLUDE EVIDENCE

I. Statement of Relief Requested

Petitioner Askeladden LLC ("Petitioner") respectfully requests that the Board exclude Exhibit 2001.

II. Legal Standards

Pursuant to the Trial Practice Guide, a motion to exclude evidence should:

(a) Identify where in the record the objection originally was made;

(b) Identify where in the record the evidence sought to be excluded was relied upon by an opponent;

(c) Address objections to exhibits in numerical order; and

(d) Explain the basis and grounds for each objection. Patent Trial and Appeal Board Consolidated Trial Practice Guide (84 Fed. Reg. 64,280) (Nov. 21, 2019)) ("CTPG"), at 79.

III. Exhibit 2001 – "Patent Owner's Declaration"

Patent Owner apparently relies on Exhibit 2001 in its Sur-Reply ("Sur-Reply"), Paper 19, at 19-22.[1] Exhibit 2001 is a declaration executed by counsel for Patent Owner, and it was first served on Petitioner on March 4, 2025. Petitioner

[1] The Sur-Reply does not contain an express citation or reference to Exhibit 2001 because Patent Owner did not initially file the declaration (also referred to by Patent Owner as an "affidavit") as an exhibit. *See* Paper 21. Petitioner presumes any reference to "Patent Owner's Affidavit" in the Sur-Reply is intended to refer to Exhibit 2001. Because the availability of Paper 21 remains "Filing Party and Board Only" in P-TACTS, Petitioner is not able to compare the contents of Exhibit 2001 and Paper 21.

presumes Exhibit 2001 is substantially similar to Paper 21 ("Patent Owner's Affidavit (AEO)"), which was filed with the Sur-Reply on January 24, 2025. Petitioner objected to this Exhibit on March 6, 2025, pursuant to the Board's Order on the Conduct of the Proceeding (Paper 30). Paper 31, at 1-2 (citing FED. R. EVID. 402, 403, 802, 1002; 37 C.F.R. §§ 42.23(b), 42.53(b)).

IV. Argument

The Board's rules are clear: the only evidence that may accompany a sur-reply is the deposition transcript of a reply witness. 37 C.F.R. § 42.23(b). Exhibit 2001 is not a deposition transcript, and it should therefore be excluded.

37 C.F.R. §§ 42.23(b), 42.53(b); FRE 403. Exhibit 2001 should be excluded under 37 C.F.R. §§ 42.23(b), 42.53(b), and FRE 403 because it is uncompelled direct testimony that was not timely submitted in the proceeding in accordance with the Board's Scheduling Order (Paper 7) and the Board's Rules governing sur-reply evidence.

"Uncompelled direct testimony may be taken at any time to support a petition, motion, opposition, or reply." 37 C.F.R. § 42.53(b). "A sur-reply may only respond to arguments raised in the corresponding reply and may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness." 37 C.F.R. § 42.23(b); *see also* CTPG, at 73-74

("Sur-replies should only respond to arguments made in reply briefs, comment on reply declaration testimony, or point to cross-examination testimony.")

Exhibit 2001 should be excluded because it fails to comply with these rules. The Exhibit is new evidence that was not previously filed and served with Patent Owner's Response. It is not a deposition transcript of a reply witness. Nor are there any extraordinary circumstances in this case that would otherwise render Exhibit 2001 admissible. *See Omega Liner Co., Inc. v. Buergofol GmbH*, IPR2023-01372, Paper 44 (P.T.A.B. Nov. 18, 2024), at 2 (denying Patent Owner's motion to file new declarations with sur-reply).

Furthermore, Exhibit 2001 is unduly prejudicial and should therefore be excluded under FRE 403 because (1) the Exhibit was not timely filed and served with Patent Owner's Response during the discovery period in accordance with the Board's Scheduling Order; (2) the Exhibit fails to comply with 37 C.F.R. §§ 42.23(b) and 42.53(b), as explained above, and (3) Petitioner has no opportunity to cross-examine the declarant (counsel for Patent Owner) because discovery and substantive briefing have concluded. *See* 37 C.F.R. 42.53(d)(2) ("Cross-examination should ordinarily take place after any supplemental evidence relating to the direct testimony has been filed and more than a week before the filing date for any paper in which the cross-examination testimony is expected to be used."). Petitioner is unduly prejudiced because it has no opportunity to cross-examine the

declarant or otherwise substantively respond to the allegations made in Exhibit 2001, and Patent Owner's belated service of Exhibit 2001 less than one month before oral argument in this proceeding undermines the basic principles of fairness contemplated by the Board's Rules. *See Grünenthal GmbH v. Antecip Bioventures II LLC*, PGR2018-00062, Paper 32 (P.T.A.B. Oct. 29, 2019), at 15 ("Fairness is ensured by the Board rule that provides an opposing party the opportunity, as of right, to cross-examine declarants under oath in a deposition.") (citing 37 C.F.R. § 42.51(b)(ii)).

Patent Owner may argue that the Exhibit was timely filed because it is allegedly responsive to arguments made in Petitioner's Replies. However, the Petition raised obviousness as a ground of invalidity in this proceeding and the Board instituted review on that ground. Paper 8, at 25-26. Patent Owner therefore had the burden of production to submit any alleged secondary considerations evidence with Patent Owner's Response, but failed to do so. *ZUP, LLC v. Nash Mfg., Inc.*, 896 F.3d 1365, 1373 (Fed. Cir. 2018) ("…a patentee bears the burden of production with respect to evidence of secondary considerations of nonobviousness.") Furthermore, there are no arguments regarding secondary considerations of non-obviousness in the Reply because Patent Owner failed to raise any in its Response, and thus Exhibit 2001 is not responsive to any argument made in the Reply.

Patent Owner may also argue that Exhibit 2001 is not uncompelled direct testimony. Patent Owner would simply be wrong. "Without exception, the Board accepts the filing of sworn witness declarations in lieu of live testimony in administrative patent trials." *Grünenthal GmbH*, PGR2018-00062, Paper 32, at 15; *see also* 37 C.F.R. § 42.53(a) ("Uncompelled direct testimony must be submitted in the form of an affidavit.")

Additionally, Patent Owner may allege that striking Exhibit 2001 would deprive Patent Owner of any opportunity to address all of the *Graham* factors. But Patent Owner had the opportunity to argue non-obviousness in its Response, and indeed did so. *See, e.g.*, Paper 12, at 22-24. Patent Owner's decision to omit any alleged secondary considerations evidence in its Response does not justify Patent Owner's non-compliance with 37 C.F.R. §§ 42.23(b) and 42.53(b) by submitting Exhibit 2001 with its Reply.

FRE 802. Exhibit 2001 should be excluded as hearsay for several reasons. *First*, the declarant cannot be cross-examined because the declaration was filed and served outside of the discovery period set by the Board. 37 C.F.R. § 42.51(b)(ii). *Second*, Patent Owner relies on Exhibit 2001 for the truth of the matter asserted, namely that the "Patent-in-Suit and other members of the patent family have been licensed to a multitude of licensees." Ex. 2001. *Third*, Exhibit 2001 contains hearsay-within-hearsay because the Exhibit purports to describe the contents of

specific licenses and the licensing payments received. Ex. 2001, at 2-3. Declaration testimony proffered in an *inter partes* review where the declarant cannot be cross-examined constitutes hearsay. *See, e.g.*, *Vudu, Inc. v. Ideahub, Inc.*, IPR2020-01688, -01689, Paper 47 (P.T.A.B. Mar. 16, 2022) at 8 ("We are persuaded that Patent Owner did not meet the requirements set forth by the applicable rules, guidelines, and scheduling order, and in so doing, failed to make Mr. Lee available for cross-examination…As such, the testimony in the Lee Declaration constitutes inadmissible hearsay not covered by an exception to the rule.") Petitioner has no opportunity to cross-examine the declarant to assess the credibility of the self-serving, biased statements in Exhibit 2001 and the Exhibit should be excluded.

Patent Owner may argue that Exhibit 2001 is somehow admissible under the business records exception of Rule 803(6). However, there is no evidence in the record that Exhibit 2001 (or any other document referenced therein) meets any of the requirements for Rule 803(6). For example, there is no testimony of a qualified witness establishing that Exhibit 2001 or any document described therein was made by someone with personal knowledge of the recorded act.

FRE 1002. As explained above, Exhibit 2001 purports to describe the contents of specific licenses, such as the licensees and the licensing payments received. Ex. 2001, at 2-3. None of those licenses are in evidence, however, and

the declarant of Exhibit 2001 does not state that he has personal knowledge of any of the contents of Exhibit 2001. At least for these reasons, Exhibit 2001 is inadmissible under FRE 1002.

"An original writing, recording, or photograph is required in order to prove its content unless these rules or a federal statute provides otherwise." FED. R. EVID. 1002. Patent Owner has not filed any of the purported licenses described in Exhibit 2001 as exhibits in this proceeding. And yet Patent Owner—through Exhibit 2001—attempts to establish the existence and contents of these alleged licenses. FRE 1002 requires Patent Owner to submit those licenses in order to prove their existence and contents, and Patent Owner has failed comply with that Rule. *See, e.g.*, *Bobcar Media, LLC v. Aardvark Event Logistics, Inc.*, 354 F. Supp. 3d 375, 382 (S.D.N.Y. 2018) ("Because Bobcar seeks to prove the contents of a written document that it claims was once executed—and, in particular, seeks to prove that the document contained an assignment of all six of the patents here at issue—it would ordinarily need to do so by producing the document itself.")

Patent Owner may argue that Exhibit 2001 is somehow the "best" evidence of the contents of any alleged licenses because Patent Owner is bound by confidentiality agreements within those purported licenses. This argument, however, only demonstrates that any alleged licenses are in Patent Owner's possession and could have been filed as evidence here. The Board has entered a

protective order in this proceeding and Patent Owner could have submitted any alleged licenses as evidence under an appropriate confidentiality designation. Because Patent Owner opted not to do so, Exhibit 2001 should be excluded.

For the foregoing reasons, Petitioner respectfully requests that the Board exclude Exhibit 2001.

Date: March 13, 2025

Respectfully submitted,

By: */s/ Andrew W. Rinehart*
Andrew W. Rinehart
Reg. No. 75,537
Counsel for Petitioner