

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 REPLY IN SUPPORT OF MOTION TO EXCLUDE
EVIDENCE**

As the proponent of Exhibit 2001, Patent Owner bears the burden to prove the Exhibit is admissible. Fed. R. Evid. 104(a)¹. Patent Owner has failed to meet that burden. Petitioner respectfully requests that the Board grant the Motion and exclude Exhibit 2001 from evidence.

I. Exhibit 2001 Should Be Excluded Under 37 C.F.R. § 42.23(b)

Section 42.23(b) is fatal to Patent Owner’s position. Patent Owner does not dispute that Exhibit 2001 is new evidence that accompanied its Sur-Reply, and does not dispute that Exhibit 2001 is not the deposition transcript of a reply witness. For these reasons alone, Exhibit 2001 should be excluded from evidence. *See* 37 C.F.R. § 42.61(a) (“Evidence that is not taken, sought, or filed in accordance with this subpart is not admissible.”)

A. The Exhibit is Uncompelled Direct Testimony.

Patent Owner claims, without evidence or authority, that Exhibit 2001 is somehow “compelled.” Response, at 2. If Exhibit 2001 were in any way “compelled,” then Patent Owner would have been required to seek prior authorization from the Board prior to filing the Exhibit. 37 C.F.R § 42.52(a). Patent Owner did not do so. Rather than being compelled testimony, Exhibit 2001

¹ *See also Sci. Applications Int’l Corp. v. U.S.*, No. 17-cv-825, 2025 WL 733114, at *2 (Fed. Cl. Feb. 28, 2025) (citing *Bourjaily v. U.S.*, 483 U.S. 171, 175-76 (1987)).

is a declaration that was freely submitted by Patent Owner. Thus, it is un compelled direct testimony, and should be excluded.

B. The Exhibit is Untimely.

Patent Owner’s contention that it “was compelled to file the paper when it did, because Petitioner did not properly lay out a case of obviousness in the Petition” is also incorrect. Response, at 2. To the contrary, the Board instituted review on all grounds in the Petition, including obviousness. Paper 8, at 26. Patent Owner cites to no authority for the proposition that the alleged merits or structure of an obviousness ground included in the Petition (*i.e.*, single-reference obviousness under § 103) permits new, non-deposition transcript evidence to be filed with a sur-reply in contravention of § 42.23(b).

Patent Owner does not—and cannot—dispute that it had the burden of production to submit any alleged secondary considerations evidence in this proceeding. *ZUP, LLC v. Nash Mfg., Inc.*, 896 F.3d 1365, 1373 (Fed. Cir. 2018). Furthermore, the Board’s rules are clear that “the response should include any affidavits or additional factual evidence sought to be relied upon and explain the relevance of such evidence.” Patent Trial and Appeal Board Consolidated Trial Practice Guide (84 Fed. Reg. 64,280) (Nov. 21, 2019)) (“CTPG”), at 66. Because the Board instituted on all grounds in the Petition and those grounds included

obviousness, the Patent Owner Response should have included “any affidavits or additional factual evidence sought to be relied upon.” *Id.* Patent Owner therefore failed to present the Exhibit at the appropriate time.

Patent Owner also does not dispute that 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 about secondary considerations. Instead, Patent Owner alleges that the Reply contains a purportedly new argument that “the person of skill in the art **would have understood** the transmission channels of Horie to be ‘distinct’ from one another and that the Horie disclosure thus reads on the transmission channels of the claims.” Response, at 4 (emphasis in original). That argument, however, is not new—it appears in the Petition. Paper 1, at 39 (“To the extent that Horie does not disclose that the second transmission channel is distinct from the first transmission channel, a POSITA would have understood that the transmission channels were distinct.”) (citing Ex. 1003 ¶ 228). For at least these reasons, Exhibit 2001 should be excluded under 37 C.F.R. § 42.23(b).

II. Exhibit 2001 Should Be Excluded Under Rule 802 As Hearsay

Patent Owner asserts that “Petitioner is mistaken” that Exhibit 2001 is not hearsay and contains hearsay-within-hearsay. Response, at 6. Notably, however,

nowhere in its Response does Patent Owner attempt to lay all of the required foundation to overcome the objections under FRE 802 set forth in the Motion. Patent Owner does not dispute that the declarant cannot be cross-examined as required by the rules², that it relies on Exhibit 2001 for the truth of the matter asserted (*i.e.*, the “Patent-in-Suit and other members of the patent family have been licensed to a multitude of licensees”), or that the Exhibit purports to describe the contents of specific licenses and the licensing payments received.

Instead, Patent Owner alleges that the “Declaration was executed by Werner H. Stemer in his position as the manager (= Director) of Patent Owner Calabrese Stemer LLC.” Response, at 6 n.13. However, Patent Owner has not provided any evidence on the record that Mr. Stemer (who is acting as counsel for Patent Owner³) is, in fact, also an officer of Patent Owner. Patent Owner contends that “[p]ersonal knowledge is evident and must be presumed,” but cites to no authority

² See, e.g., *Vudu, Inc. v. Ideahub, Inc.*, IPR2020-01688, -01689, Paper 47 (P.T.A.B. Mar. 16, 2022) at 8.

³ The impropriety of an individual acting as both a witness and advocate in an *inter partes* review is beyond the scope of Petitioner’s Motion. See USPTO Rules of Professional Conduct, 37 C.F.R. § 11.307 (“A practitioner shall not act as advocate at a proceeding before a tribunal in which the practitioner is likely to be a necessary witness” subject to non-applicable exceptions). None of the exceptions to § 11.307 apply in the current proceeding, as the declarant’s testimony is directed to substantive issues regarding obviousness and alleged secondary considerations.

for this proposition and fails to dispute that Exhibit 2001 in fact contains no attestation of personal knowledge. Response, at 6. Regarding the hearsay-within-hearsay of Exhibit 2001, the response fails to lay any proper foundation for the underlying admissibility of the hearsay statement at issue—namely, that the Exhibit purports to describe the contents of specific licenses and the licensing payments received. Because the Response fails to address any of the actual bases for Petitioner’s hearsay objection, the Exhibit should be excluded under FRE 802.

III. Exhibit 2001 Should Be Excluded Under the Best-Evidence Rule

None of the alleged licenses described in Exhibit 2001 are in evidence and the declarant of Exhibit 2001 does not state that he has personal knowledge of any of the contents of Exhibit 2001. The Exhibit is therefore inadmissible under FRE 1002. Patent Owner’s contention that “[a] license – a signed, currently active license – has been filed and is of record as Exhibit 2003” is neither supported by the contents of Exhibit 2003 nor sufficient to satisfy the requirements of FRE 1002. Response, at 6. Exhibit 2003 as-filed is undated, unsigned, and does not contain any visible conferment of any rights in any patent. As filed, it is not an operative legal document of any kind, much less one of the specific licenses referred to in Exhibit 2001. As such, the Motion is correct and Exhibit 2001 is inadmissible, regardless of Patent Owner’s filing of Exhibit 2003.

IV. Conclusion

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

Date: March 24, 2025

Respectfully submitted,

By: /s/ Andrew W. Rinehart

Andrew W. Rinehart

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