

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EARLY WARNING SERVICES, LLC,

Petitioner,

v.

INTELLECTUAL VENTURES II, LLC,

Patent Owner.

Case No. IPR2024-01221

U.S. Patent No. 7,314,167

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

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I. INTRODUCTION

Petitioner's Motion To Exclude ("Motion") improperly seeks to exclude evidence of how a person of ordinary skill in the art would have understood terms in the '167 Patent. The Motion is based on Federal Rule of Evidence (FRE) 403, which provides:

The court may exclude relevant evidence if its probative value is substantially outweighed by a danger of one or more of the following: unfair prejudice, confusing the issues, misleading the jury, undue delay, wasting time, or needlessly presenting cumulative evidence.

The Motion does not contest that the evidence in question is relevant (i.e., has probative value) or argue that the evidence in question presents any danger at all. In fact, the word "danger" fails to appear anywhere in the Motion. The Motion also fails to mention -- let alone demonstrate -- the requirement that the probative value of the challenged evidence be "substantially outweighed" by some such danger. In fact, neither the term "substantially outweighed" or any variants thereof appear anywhere in the Motion.

With respect to the other criterion set forth in FRE 403, the Motion again never mentions -- let alone demonstrates -- even the possibility of "unfair prejudice," "misleading the jury, undue delay, wasting time, or needlessly presenting cumulative evidence." While the Motion mentions "confusing the issues" twice in passing (on pages 1 and 10), the Motion fails to (i) explain how the evidence in question is "confusing," (ii) make a case why there is any danger that the Board would be

confused by such evidence, or (iii) even allege that the probative value of the challenged evidence is “substantially outweighed” by such danger.

Putting the Motion in the context of these proceedings as a whole explains why Petitioner filed the Motion, which borders on being frivolous. The Patent Owner Response provided substantial evidence that practitioners in the field used the terms “image capture device” and “captured image” only in connection with image-based readers, and that such practitioners would have understood that human-readable alphanumeric characters detected by an (OCR) reader are not “information embedded in [an] image.” Petitioner’s expert failed to submit a Reply Declaration contesting any of these points. The Motion is intended to distract from Petitioner’s own failure of proof.

For the reasons set forth below, the Motion should be denied.

II. PATENT OWNER’S EVIDENCE OF HOW A PERSON OF ORDINARY SKILL IN THE ART WOULD HAVE UNDERSTOOD “IMAGE CAPTURE DEVICE” AND “CAPTURE AN IMAGE” IS HIGHLY PROBATIVE OF WHAT THOSE TERMS MEAN

Claim terms “are generally given their ordinary and customary meaning” which “is the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1326 (Fed. Cir. 2005). In many cases, “determining the ordinary and customary meaning of the claim requires examination of terms that have a particular meaning in a field of art.” *Id.*, 415 F.3d at 1314 (emphasis added). “It is the person of ordinary

skill in the field of the invention through whose eyes the claims are construed. Such a person is deemed to read the words used in the patent documents with an understanding of their meaning in the field, and to have knowledge of any special meaning and usage in the field.” *Id.* (emphasis added). Because the meaning of a claim term as understood by persons of skill in the art is often not immediately apparent, and because patentees frequently use terms idiosyncratically, the court looks to ‘those sources available to the public that show what a person of skill in the art would have understood disputed claim language to mean.’” *Phillips*, 415 F.3d 1314.

Exhibits 2024-2026 and paragraphs 44-63, 66-67, 69-76, 88, 90 and 101-102 of Ex. 2029 (the Declaration of Patent Owner’s Expert) are all highly probative evidence that a person of ordinary skill in the art would have understood “image capture device” to mean an imaging-based bar code reader and not a laser-based barcode scanner, and would have understood “captured image” to mean the image captured by an imaging-based bar code reader. Each item of challenged evidence evidencing the meaning of “image capture device” is discussed next:

1. Ex. 2024 is a copy of U.S. Patent No. 7,137,555 entitled “Multi-Format Bar Code Reader.” The inventors of this patent characterized the state of the art of bar code readers at the time of the ‘167 Patent as follows:

Most, if not all, conventional barcode readers use one of two general approaches to gathering data: either by using a flying-spot laser

scanning technique, or by using an imaging technique. In flying-spot laser scanning systems, a beam of light is swept across a target barcode, and the reflected and/or refracted light from the target is detected and processed to decode the barcode. In imaging barcode readers, an image of the barcode is typically captured using an array of pixels (CCD or CMOS, for example), and the captured image is processed to decode the barcode. ...

Because both flying-spot and imaging readers have drawbacks, neither type is optimum for all situations. For example, imaging readers are best suited for situations in which the imaging head can be positioned very close to the target bar code. Ex. 2024, 1:19-39 (emphasis added).

Exhibit 2024 is probative evidence that a person of ordinary skill in the art would have understood “image capture device” to mean an imaging-based bar code reader and not a laser-based barcode scanner. Exhibit 2024 is probative evidence that practitioners at the time of the ‘167 Patent (i) understood that barcode laser (flying-spot) scanners and imaging readers (based on image capture) were different types of barcode readers, and (ii) referred to a “captured image” as the image captured by an imaging bar code reader.

2. Ex. 2025 is a copy of U.S. Patent No. 7,490,744 entitled “Hand-Supportable Imaging Based Bar Code Symbol Reader Employing Automatic Light Exposure Measurement And Illumination Control Subsystem Integrated Therein.” Exhibit 2025 is probative evidence demonstrating that practitioners at the time of the ‘167 Patent understood “laser scanning based” barcode readers as being different from “imaging-based” barcode readers:

Imaging-based bar code symbol readers have a number advantages over laser scanning based bar code symbol readers, ...

Prior art imaging-based bar code symbol readers generally require capturing multiple frames of image data of a bar code symbol, and special apparatus for synchronizing the decoding process with the image capture process within such readers ...

Prior art imaging-based bar code symbol readers generally require large arrays of LEDs in order to flood the field of view within which a bar code symbol might reside during image capture operations, ...

Prior art imaging-based bar code symbol readers generally require processing the entire pixel data set of capture images to find and decode bar code symbols represented therein. ... Ex. 2025, 3:4-49 (emphasis added).

Exhibit 2025 is thus probative evidence demonstrating that practitioners at the time of the '167 Patent: (i) understood that laser based scanning barcode readers and imaging-based bar code readers were different types of devices, and (ii) referred to "image capture" (or "capturing ... image data" or "image capture operations") solely in connection with imaging-based bar code readers.

3. Ex. 2026 is a copy of U.S. Patent No. 7,637,430 entitled "Picture Taking Optical Reader." Exhibit 2026 is probative evidence demonstrating that practitioners at the time of the '167 Patent referred to "laser scan engine" based readers and "image sensor based" barcode readers as different classes of barcode readers:

Optical readers tend to fall into one of three classes: wand readers, laser scan engine optical readers and image sensor based optical readers. ...

Laser scan engine based optical readers comprise a laser diode assembly generating a laser light beam, a moving mirror for sweeping the laser light beam across a decodable symbol and a signal is generated corresponding to the decodable symbol.

Image sensor based optical readers comprise multielement image sensors such as CID, CCD, and CMOS image sensors and an imaging optic for focusing an image onto the image sensor. ... Image sensor based optical readers are more durable and offer additional features relative to laser scan engine based bar code readers. ... Ex. 2026, 1:19-47.

Exhibit 2026 is thus probative evidence demonstrating that practitioners at the time of the ‘167 Patent: (i) understood that laser based scanning barcode readers and imaging-based bar code readers were different classes of devices, and (ii) referred to a “captured image” solely in connection with image-based readers.

4. Ex. 2029 is the Declaration of Patent Owner’s Expert. The paragraphs of the Expert Declaration that discuss, rely on or cite to Exhibits 2024 -2026 are set forth below. These paragraphs are likewise probative of how a person of ordinary skill in the art would have understood the meaning of the disputed claim terms.

<u>Exhibit Number</u>	<u>Paragraphs of Expert Declaration (Ex. 2029) That Discuss, Rely On Or Cite To Exhibit</u>
Ex. 2024	¶¶47-48, 54, 62-63, 66, 69-71, 76, 88 and 101
Ex. 2025	¶¶49-50, 63, 66-67, 72-73, 76, 88 and 101
Ex. 2026	¶¶51-52, 63, 66-67, 74-75, 76, 88 and 101.

The Motion To Exclude also seeks to exclude paragraphs 44-46, 53, 55-61, 90 of the Declaration of Patent Owner’s Expert, but fails to explain how the evidence

in question is “confusing,” or make a case for why there is a danger that the Board would be confused by such evidence, as required by FRE 403. Each of these paragraphs is addressed next:

Paragraphs 44-46: These paragraphs do not even refer to Exhibits 2024-2026. Rather, they rely on Exhibit 2022 to discuss “image capture devices for scanning one-dimensional images.” Exhibit 2022 is not part of the Motion To Exclude, and the Motion fails to provide any reason why paragraphs 44-46 of the Expert Declaration (which rely on Exhibit 2022) should be excluded.

Paragraph 53: This paragraph does not refer to Exhibits 2024-2026. Rather, it relies on Exhibit 2023 to discuss 2D barcode formats. Exhibit 2023 is not part of the Motion to Exclude, and the Motion fails to provide any reason why paragraph 53 of the Expert Declaration (which relies on Exhibit 2023) should be excluded.

Paragraphs 55-56: These paragraphs do not refer to Exhibits 2024-2026. Rather, they rely on Exhibit 2023 to discuss an image capture device that reads a QR code. Again, Exhibit 2023 is not part of the Motion, and the Motion fails to provide any reason why paragraphs 55-56 of the Expert Declaration (which relies on Exhibit 2023) should be excluded.

Paragraphs 57-61: These paragraphs do not refer to Exhibits 2024-2026. Rather, they discuss the specification of the ‘167 Patent. The Motion fails to provide any reason why the discussion of the ‘167 Patent specification set forth in these

paragraphs of the Expert Declaration should be excluded.

Paragraph 90: This paragraph does not refer to Exhibits 2024-2026. Rather, it discusses why Wang fails to meet the claim language. The Motion fails to provide any reason why paragraph 90 of the Expert Declaration should be excluded.

Paragraph 102: This paragraph does not refer to Exhibits 2024-2026. Rather, it relies on Exhibits 2009-2010 to discuss the operation of “SPT units from Symbol Technologies.” Exhibits 2009 and 2010 are not part of the Motion, and the Motion fails to provide any reason why paragraph 102 of the Expert Declaration (which relies on Exhibits 2009 and 2010) should be excluded.

III. PETITIONER’S ARGUMENTS THAT IT IS “READILY APPARENT” FROM THE SPECIFICATION THAT AN IMAGE CAPTURE DEVICE INCLUDES A BAR CODE LASER SCANNER ARE UNSUPPORTED AND UNPERSUASIVE

The Motion makes two erroneous attorney arguments that Exhibits 2024-2026 -- which are probative evidence that an “image capture device” is different from a barcode laser scanner -- contradict the specification. In fact, the ‘167 Patent specification *never even mentions* “laser scanners” -- let alone discloses that barcode “laser scanners” are a type of “image capture device.” Petitioner’s attorney arguments that it is “readily apparent” from the specification that barcode “laser scanners” are a type of “image capture device” are completely without merit, and, tellingly, lack support from Petitioner’s expert who has remained silent on this issue. Each attorney argument is addressed below.

First, the Motion To Exclude (at 3-4) argues:

... in referring to FIG. 7, the ‘167 Patent indicates that a printed barcode is ***one type (not the only type) of “image.”*** Ex. 1001, 10:29-25 (“[t]he printed form 700 includes certain transaction information as well as an image 710, such as a barcode”) (emphasis added).

Assuming for purposes of argument that the ‘167 Patent indicated that a printed barcode was one type (and not the only type) of image captured by an “image capture device,” that fact has no bearing on whether an “image capture device” as used in the ‘167 Patent is an imaging-based reader as opposed to a laser-based barcode scanner.

Second, the Motion To Exclude (at 4) argues:

The ‘167 Patent goes on to teach the image capture device may include a digital camera ***“or other types of image capture devices.”*** Ex. 1001, 5:21-22. Therefore, the plain reading of the intrinsic evidence makes clear that other types of image capture devices do not require a camera and in view of the intrinsic evidence, “image capture device” should not be limited to mean “imaging-based bar code readers and not a laser-based barcode scanner.”

Patent Owner has never contended that a digital camera is the only type of image capture device, nor has Petitioner introduced evidence or expert testimony supporting that proposition. Again, the fact that digital cameras are one type of image capture device has no bearing on whether an “image capture device” as used in the ‘167 Patent is an imaging-based reader rather than a laser-based barcode scanner.

In summary, the attorney argument set forth in the Motion fails to demonstrate that the meaning of “image capture device” as evidenced by Exhibits 2024-2026

contradicts the specification in any respect.

IV. PETITIONER'S OUT-OF-CONTEXT QUOTATIONS FROM PATENT OWNER'S EXPERT ARE MERITLESS

The Motion next departs from its argument that the challenged evidence contradicts the intrinsic record, and argues that the challenged evidence should be excluded because it is alleged to be inconsistent with other testimony of Patent Owner's expert. The Petition cites no authority that evidence can be excluded under FRE 403 simply because it is alleged to be inconsistent with other evidence -- because no such authority exists.

In any event, the deposition testimony relied on in the Motion is not inconsistent with the challenged evidence. The Motion quotes Patent Owner's expert (Dr. Berisso) out of context and wrongly suggests, e.g., that he testified "that a laser-based bar code scanner ... can "capture" an image." Motion, 4. As was clear from the context, the prior questions in the deposition were tied to Petitioner's confusing contention that the printed barcode image and captured image were somehow different. See, Ex. 1048, 162:12-25. At the end of the line of questioning, after Petitioner's counsel stated that he "just want[ed] to make sure that I understand" Dr. Berisso's position, Dr. Berisso agreed that "a laser barcode scanner can scan an image." *Id.*, 163:25-164:4 (emphasis added). However, scanning an image (by a laser reading the bars and spaces in one dimension) is not the same as capturing a digital representation of an image (or picture), which requires information in two

dimensions. Dr. Berisso was unequivocal that it is *impossible* for a laser-based barcode scanner to capture such two-dimensional information. *Id.*, 95:17-96:13.

Simply put, nothing in Dr. Berisso's deposition testimony contradicts the meaning of "image capture device" as evidenced by Exhibits 2024-2026.

V. THE DECLARATION OF PATENT OWNER'S EXPERT CONCERNING THE MEANING OF "EMBEDDED" DOES NOT CONFLICT WITH THE SPECIFICATION

The Motion also seeks to exclude paragraphs 77-79 of the Declaration of Patent Owner's Expert, which explain how the term "embedded" would have been understood by a person of ordinary skill in the art. These paragraphs state:

77. In the Institution Decision, the Board determined that the term "embedded" should be given its "plain and ordinary meaning," but did not articulate the specifics of what constitutes the plain and ordinary meaning of "embedded" to a person of ordinary skill at the time of the '167 Patent reading the claims in light of the specification. Institution Decision, at 17. However, the Board credited Mr. Purves testimony that "the transaction information *derived from the barcode*" constitutes "embedded information." *Id.*, at 15 (emphasis added). In this regard, Mr. Purves testified that "it is my opinion that the plain and ordinary meaning of "embedded" includes *information contained in any barcode*." Ex. 1036, ¶8 (emphasis added). I understand that Patent Owner accepts Mr. Purvis's opinion that "embedded" information includes *information contained in any barcode*." However, a person of ordinary skill in the art at the time of the '167 Patent would have understood that *human readable text* information in the form of unencrypted human readable alphanumeric characters is outside the scope of "embedded" information.

78. The understanding of a person of ordinary skill in the art at the time of the '167 Patent that human readable text is not "embedded" information is consistent with the specification of the '167 Patent, which never uses the term "embedded" to refer to human readable text.

This position is also consistent with the dictionary definition of “embedded,” which defines something as being “embedded” when it is “incorporated into something else as an essential characteristic.” Ex. 2021, 1 and see also Ex. 2022, 1 (defining “embedded” as functioning as part of a larger device rather than as an independent unit or system.”) In this respect, Mr. Purvis’s opinion that “embedded” information includes information contained in any barcode is in keeping with dictionary definition which defines something (e.g., information) as being “embedded” when it is “incorporated into something else” (e.g., a barcode). Ex. 1036, ¶8 (emphasis added).

79. Unlike a barcode where information is embedded into the bars and spaces of a barcode, human readable text in the form of unencrypted human readable alphanumeric characters is not embedded into (or incorporated into) something else. Accordingly, a person of ordinary skill at the time of the ‘167 Patent reading the claims in light of the specification would have understood that human readable text in the form of unencrypted human readable alphanumeric characters is not “embedded” information.

Petitioner’s expert failed to dispute any of these points. Faced with a lack of evidence of its own, Petitioner advances an attorney argument incorrectly alleging that “the intrinsic evidence expressly references human readable alphanumeric characters (e.g., numbers) from information embedded in the image.” Motion, 8-9. Petitioner’s attorney argument in turn relies on a single citation (7:55-59) from the ‘167 Patent. This passage of the specification discloses a “nonce” (e.g., a number to be used “to derive an authentication code,”) but does not say that the nonce is presented in the form of human-readable alphanumeric characters. On the contrary, it would have been clear to a POSITA reading the ‘167 Patent that the nonce would have been presented as a barcode. In connection with the digital signature referenced

in the ‘167 Patent a few lines below the nonce at 7:60, Patent Owner’s expert testified that the digital signature disclosed in the ‘167 Patent would not have been presented in the form of alphanumeric characters -- but rather in the form of a barcode. Ex. 1048, 65:8-67:6 and 67:23-25 (explaining that the patent is teaching information being presented as a barcode and “doesn’t clarify other options”). There is no evidence in the record (and particularly no testimony from Petitioner’s expert) that the nonce referred to in the ‘167 Patent is presented in the form of human-readable alphanumeric characters (as opposed to a barcode).

Simply put, Petitioner’s erroneous attorney argument based on 7:55-59 of the ‘167 Patent fails to demonstrate that the testimony of Patent Owner’s expert concerning the meaning of “embedded” (Ex. 2029, ¶¶77-79) contradicts the specification in any respect.

VI. THE DECLARATION OF PATENT OWNER’S EXPERT CONCERNING THE MEANING OF “EMBEDDED” DOES NOT CONFLICT WITH HIS DEPOSITION TESTIMONY

The Motion incorrectly alleges that Patent Owner’s expert “acknowledged that alphanumeric characters can contain embedded product information.” Motion, at 9 (emphasis added), *quoting*, Ex. 1048, at 214:8-11. The quoted testimony, however, refers only to information in general -- and makes no mention of embedded information. Below is the quoted testimony:

Q. And isn’t it also true, then, that the numbers at the bottom of

what is shown in Exhibit 1046 [(a UPC Barcode)] also contain product information?

A. Again, indirectly, yes.

This testimony does not refer to the term “embedded,” and therefore cannot be an acknowledgement “that alphanumeric characters can contain embedded product information.” Again, the Motion fails to demonstrate any conflict between the Declaration of Patent Owner’s expert concerning the meaning of “embedded” (Ex. 2029, ¶¶77-79) and his deposition testimony.

VII. THE FACT THAT EVIDENCE MAY BE “CONFLICTING” PROVIDES NO BASIS FOR EXCLUSION OF SUCH EVIDENCE

The Motion repeatedly argues that the challenged evidence should be excluded because it “conflicts with” other evidence. Motion To Exclude, 2, 3, 5, 6, 7, 8 and 10. As explained above, there is no conflict between the meaning of “image capture device” as evidenced by Exhibits 2024-2026 and the specification of the ‘167 Patent or the testimony of Patent Owner’s expert. Nor is there any conflict between the Declaration of Patent Owner’s expert concerning the meaning of “embedded” (Ex. 2029, ¶¶77-79) and either the specification of the ‘167 Patent or the expert’s deposition testimony. However, even if the challenged evidence “conflicted with” other evidence, it would in no way support exclusion of such evidence. Most evidence in any contested case is conflictual. Nothing in FRE 403 even remotely suggests that evidence can be excluded merely because one party alleges that such evidence conflicts with other evidence.

VIII. CONCLUSION

FRE 403 provides for exclusion of evidence only where “the probative value is substantially outweighed by a danger of one or more of the following: unfair prejudice, confusing the issues, misleading the jury, undue delay, wasting time, or needlessly presenting cumulative evidence.” The Motion fails to come close to meeting this standard.

The Motion does not argue that the challenged evidence poses even a risk of “unfair prejudice,” “misleading the jury, undue delay, wasting time, or needlessly presenting cumulative evidence.” Nor does the Motion contest that the challenged evidence is relevant (meaning that it has probative value) or explain why there is a danger that the Board would be confused by the challenged evidence. The Motion fails to even allege -- let alone demonstrate -- that the probative value of Patent Owner’s relevant evidence is substantially outweighed by a danger that the Board would be confused by such evidence.

For the above reasons, Petitioner’s Motion To Exclude should be denied.

Respectfully submitted,

Dated: October 30, 2025

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CERTIFICATE OF SERVICE

The undersigned certifies that pursuant to 37 C.F.R. § 42.6(e), a copy of the foregoing **PATENT OWNER'S OPPOSITION TO PETITIONER'S MOTION TO EXCLUDE** was served via email (as consented to by counsel) on October 30, 2025 to lead and backup counsel of record for Petitioners as follows:

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