

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

THE UNITED STATES POSTAL SERVICE (USPS)
AND THE UNITED STATES OF AMERICA,
AS REPRESENTED BY THE POSTMASTER GENERAL,

Petitioner,

v.

RETURN MAIL, INC.,

Patent Owner.

Case: CBM2014-00116

Patent: 6,826,548

**Petitioner's Motion to Exclude Evidence
Pursuant to 37 C.F.R. § 42.64(c)**

I. Relief Requested

Pursuant to 37 C.F.R. § 42.64(c), Petitioner The United States Postal Service (“USPS”) and The United States of America, as represented by the postmaster general, (“Petitioner”) moves to exclude certain evidence submitted by Patent Owner (“PO”) Return Mail, Inc. (“RMI”) in this proceeding. For the reasons detailed below, USPS’s motion to exclude should be granted.

A motion to exclude is available to a party wishing to challenge the admissibility of evidence and to preserve an objection made previously. *See* Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48,767 (Aug. 14, 2012).

II. Objections to RMI’s Exhibits

Pursuant to 37 C.F.R. § 42.64(b)(1), Petitioner served objections on December 22, 2014, objecting to Exhibits 2013, Exhibits 2015-2032, and Exhibits 2035-2052 submitted by RMI. RMI did not serve any supplemental evidence in response to Petitioner’s objections.

A. Exhibit 2013 – 21st Century Dictionary of Computer Terms (1994)

RMI cites Exhibit 2013, the 21st Century Dictionary of Computer Terms, on pages 29 and 56 of its PO Response to Petition (Paper No. 21) (“POR”) to support its claim construction position of the verb “decode.” But, the claim term “decode” is not defined by this exhibit—rather the noun “decoder” is defined and this word is not found in the challenged claims or the specification. Therefore, Petitioner objects to

Exhibit 2013 because the exhibit is not relevant under Federal Rules of Evidence (“FRE”) Rules 401-403 and should be excluded.

B. Exhibit 2015 - Declaration of Scott M. Nettles

RMI cites to paragraphs 37-95 of Exhibit 2015, the Declaration of Scott M. Nettles, on pages 12, 13, 29, 30, 32, 33, 34, 36, 38, 40, 43-48, 50, 51 of its POR to support its positions that claims 39-44 of the ’548 patent are patent eligible subject matter under 35 U.S.C. § 101. Petitioner objects to paragraphs 37-95 of this exhibit because these portions of the Declaration contain testimony on matters as to which the witness lacks sufficient knowledge (personal or otherwise) and testimony that directly opines on issues that are ultimately determinations of law (as opposed to underlying factual bases) including issues of patent law and/or patent examination practice in contravention of 37 C.F.R. § 42.65 (FRE 403 and 704). For example, as part of his patent-eligible subject matter opinion, Dr. Nettles creates his own two-part test—one that has no basis in legal precedent and, in fact, runs afoul of the holdings in *Alice*, *Bilski*, *Benson*, *Flook*, *Bancorp*, and *CyberSource*—to determine whether there is a technological improvement. *See* Exhibit 2015 at ¶ 50. Specifically, Dr. Nettles states:

When looking at the ’548 patent, there are two aspects that in my opinion are key to seeing that there is a technological improvement. First, it has an overall structure or “architecture” that supports automation. Second, it has key technological enablers that support and enable the architecture.

Id. Using this test and others, Dr. Nettles also opines on the ultimate issue that the claims recite patent-eligible subject matter and meet the requirements of 35 U.S.C.

§ 101, *id.* at ¶ 37. In doing so, Dr. Nettles improperly substitutes his opinion for that of the Board. Petitioner objects to paragraphs 37-95 of Exhibit 2015 because Dr. Nettles purports to provide his *legal opinion* based on a two-part test (of his own creation) that the claims are patent-eligible subject matter because they contain a "technological improvement." However, it is well-established that "whether the asserted claims . . . are invalid for failure to claim statutory subject matter under 35 U.S.C. § 101, is a question of law[.]" *AT&T v. Excel Comm., Inc.*, 172 F.3d 1352, 1355 (Fed. Cir. 1999).

Petitioner further objects to Exhibit 2015 as hearsay under FRE 802. RMI has not responded to Petitioner's objections asserting that paragraphs 37-95 do not fall within one of the FRE hearsay exceptions. In his Declaration, Dr. Nettles states that Petitioner agrees with his opinion regarding the technological improvement of the '548 patent. Ex. 2015 at ¶ 66. In his Declaration, Dr. Nettles also selectively quotes a paragraph of the exhibit, to prove the "truth" of the matter asserted that the USPS required significant changes over the 1997 ACS system and thus recite a technological improvement. Dr. Nettles quotes a paragraph from Exhibit 2020 PLANET ACS project, page 7:

The PLANET-ACS process will have a primary impact upon the Improve Delivery of the Mail by optimizing and streamlining the manual keying system used today. Scanned bar codes will reduce the number of keying errors and improve the speed of NIXIE and [Change of Address] mail through the current process. The mailer receives the larger benefit by receiving near real time address correction information to update their mailing files. Correctly addressed mail improves the sorting and

delivery of mail for carriers. . . . Providing PLANET-ACS to a wide range of mailer[s] will add value to the mail by improving deliverability, resulting in improved benefits via mail as a communication medium.

Ex. 2015 at ¶ 66. But Dr. Nettles omitted an important sentence in the middle: “The implementation of PLANET-ACS requires **minimal development investment, leveraging the existing processes already in place within USPS.**” Ex. 2020 at 7 (emphases added). This omission demonstrates Dr. Nettles mischaracterization of the information that he proffered for the “truth” asserted in violation of FRE 802. Therefore, paragraphs 37-95 should be excluded.

C. Exhibits 2016 – 2020 and Exhibit 2031 - Improper Reliance on USPS’s Systems

RMI relies on Exhibits 2016 - 2020, documents which describe a collection of USPS mail handling systems unrelated to the Instituted Reference from a prior art standpoint and later implemented, in its POR on pages 13, 35-37 in support of its arguments that the ’548 patent is a technological invention. Petitioner objects to Exhibits 2016 - 2020 under FRE 401-403 as being irrelevant to this argument. These exhibits refer to the USPS PLANET and OneCode ACS systems, described by the USPS to use a machine-readable barcodes for mail processing, which are not at issue in this proceeding. From a prior art perspective, the PLANET system, described in 2003 and the OneCode ACS system, described in 2004, cannot be related in any way to disclosure of the 1997 ACS prior art reference. In addition, the exhibits are irrelevant because they describe the state of the art but do not mention or describe the ’548

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