UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GLOBAL TEL*LINK CORP.,
Petitioner

v.

SECURUS TECHNOLOGIES, INC.,
Patent Owner

IPR2015-01223 (U.S. Patent No. 7,961,860)

PETITIONER'S MOTION TO EXCLUDE EXHIBITS 2006 AND 2011

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Petitioner Global Tel*Link Corporation ("GTL") moves to exclude Exhibits 2006 and 2011, two declarations that Patent Owner Securus Technologies, Inc. submitted to support its Motion for Additional Discovery (Paper 11). These declarations contain information allegedly communicated by GTL's CEO, Brian Oliver, during earlier settlement negotiations between GTL and Securus—even though the parties agreed that all information communicated at the negotiations "[would] be for settlement purposes only and subject to Federal Rule of Evidence 408." Ex. 1013. The Board should exclude these declarations because their use in these proceedings violates the parties' agreement and is prohibited by FRE 408.

I. Factual Background

In September 2013 and April 2014, GTL and Securus met to negotiate a possible settlement of intellectual-property disputes over patents covering the same technologies involved in these proceedings. As a condition to those meetings, the parties agreed: "any information exchanged at or in connection with this meeting will be for settlement purposes only and subject to Federal Rule of Evidence 408." Ex. 1013. Securus's recent Motion for Additional Discovery seeks information related to the real party-in-interest ("RPI"). Specifically, Securus alleges that American Securities should have been named as an RPI. To support its motion, Securus filed two declarations purporting to recount information communicated at the parties' earlier settlement talks: "GTL has conveyed to Securus that American

Securities, not GTL, controls disputed intellectual property matters" because "GTL's CEO, Brian Oliver, stated that he could not accept any settlement offer without American Securities's prior approval." Paper 11 at 1; Exs. 2006, ¶¶3-4; 2011, ¶2. GTL sought the Board's authorization to exclude Exhibits 2006 and 2011. The Board authorized this motion.

II. Rule 408 bars the admission of Exhibits 2006 and 2011 because they contain settlement statements and are offered to impeach or contradict GTL's statements concerning RPI.

A. Rule 408 broadly prohibits admitting the content of settlement discussions for the purpose of impeachment.

Rule 408 prohibits admitting settlement discussions to impeach a party's prior statement:

> (a) … Evidence of the following is not admissible — on behalf of any party — either to prove or disprove the validity or amount of a disputed claim or to impeach by a prior inconsistent statement or a contradiction: … conduct or a statement made during compromise negotiations about the claim….

FRE 408(a). In 2006, Rule 408 was broadened to prohibit admitting into evidence statements made during settlement negotiations for purposes of impeachment by a prior inconsistent statement or a contradiction. And courts recognize that Rule 408's amended text serves this purpose. *See, e.g., Eid v. Saint-Gobain Abrasives, Inc.*, 377 Fed. Appx. 438, 444-45, 445 n.6 (6th Cir. 2010) ("The plain text of Rule 408 precludes the use of settlement communications 'to impeach through prior

inconsistent statement or contradiction … Eid appears to quote an older version … that did not include this language"); *U.S. v. Park*, 2008 WL 2338298, *6 (C.D. Cal. May 27, 2008) (finding it improper to use settlement communications for impeachment purposes). And the comments to Rule 408 state this broadening amendment serves to prevent "broad impeachment [that] would tend to swallow the exclusionary rule and would impair the public policy of promoting settlements." FRE 408, 2006 Advisory Committee Note.

What is more, "[t]he dispute [involving settlement negotiations] need not be the one being tried in the case where the settlement is being offered" to fall within Rule 408's prohibition. *See, e.g., Lyondell Chem. Co. v. Occidental Chem. Corp.*, 608 F.3d 284, 296-98 (5th Cir. 2010) (internal citations omitted); *Playboy Enter., Inc. v. Chuckleberry Publ'g, Inc.*, 687 F.2d 563 (2d Cir. 1982) (evidence of plaintiff's settlement dealings with another alleged infringer were not admissible as evidence); *Scaramuzzo v. Glenmore Distilleries Co.*, 501 F. Supp. 727, 733 (N.D. Ill. 1980) ("[i]t would be logically inconsistent to uphold the vitality of Rule 408, while at the same time holding that a settlement offer could be used against the offeror in related cases").

Rule 408 excepts from its prohibition a narrow set of purposes: "[t]he court may admit this evidence for another purpose, [*i.e.*, a purpose not expressly prohibited by FRE 408(a),] such as proving a witness's bias or prejudice, negating

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