

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TELESIGN CORPORATION

Petitioner

v.

TWILIO, INC.

Patent Owner

Patent 8,755,376

IPR Case Number: IPR2017-01977

**PETITIONER'S MOTION TO EXCLUDE EVIDENCE SUBMITTED BY
PATENT OWNER UNER 37 C.F.R. § 42.64**

I. INTRODUCTION

Although this proceeding involves a great many issues and Petitioner does not concede that numerous filings are improper, it brings this motion to exclude on only one evidentiary excerpt because of its severity: the Board should exclude paragraphs 144-149 of Dr. Negus's expert declaration EX2010. These paragraphs are merely a conduit for inadmissible hearsay by an interested witness, followed by an unsupported and prejudicial conclusion. Dr. Negus simply repeats back hearsay statements of Mr. John Wolthuis – Patent Owner's co-founder and named co-inventor of the instant '376 Patent. Mr. Wolthuis did not submit his own declaration. He was unwilling to provide sworn testimony. Instead, Dr. Negus purports to have heard from Mr. Wolthuis (instead of performing his own analysis) that Patent Owner's Programmable Voice and Programmable Messaging products practice the challenged claims of the '376 Patent. The Board should exclude these paragraphs of Dr. Negus's expert declaration, namely paragraphs 144-148 as well as paragraph 149, concluding that Patent Owner's Programmable Voice and Programmable Messaging products practice the challenged '376 Patent, because Dr. Negus's ultimate opinion is not based on sufficient facts or data or the product of reliable principles or methods as Federal Rule of Evidence 702 requires. Petitioner timely served objections to this evidence on June 29, 2018.

II. FACTUAL BACKGROUND

Dr. Negus opines that secondary indicia of non-obviousness, including the alleged commercial success of Patent Owner's Programmable Voice and Programmable Messaging products, demonstrate the non-obviousness of the challenged '376 Patent. EX2010 at ¶¶ 130-158. In an attempt to show the required nexus for his opinions regarding commercial success, Dr. Negus states that he spoke with Mr. Wolthuis – Patent Owner's co-founder and co-inventor of the challenged '376 Patent. EX2010 at ¶¶ 144-148. According to Dr. Negus, Mr. Wolthuis told him “that the architecture and operating methodologies of [Patent Owner's] Programmable Voice and Programmable Messaging products follows the teachings of the '376 Patent, including at least as described by challenged claim 1” EX2010 at ¶¶ 146-148. Based exclusively on these unsubstantiated statements for certain required claim limitations, Dr. Negus concludes that these products practice the '376 Patent. EX2010 at ¶ 149.

III. ARGUMENT

Dr. Negus' ultimate opinion that Patent Owner's Programmable Voice and Programmable Messaging products practice the challenged '376 Patent, paragraph 149 of EX2010, should be excluded under Federal Rule of Evidence 702 because it is not based on sufficient facts or data or the product of reliable principles or methods. Expert testimony is admissible if offered by a witness qualified as an

expert “by knowledge, skill, experience, training, or education,” and if (1) the testimony is based upon sufficient facts or data, (2) the testimony is the product of reliable principles or methods, and (3) the witness has applied the principles and methods reliably to the facts of the case. Fed. R. Evid. 702

Here, Dr. Negus simply parrots back Mr. Wolthuis’s statements, which themselves are uncorroborated and conclusory averments that Patent Owner’s Programmable Voice and Programmable Messaging products practice the challenged claims of the ’376 Patent. Critically, this reflects no independent analysis of whether Patent Owner’s Programmable Voice and Programmable Messaging products practice the challenged ’376 Patent claims. Moreover, Mr. Wolthuis’s statements are hearsay under Federal Rule of Evidence 801, do not fall under any hearsay exception, and should therefore be excluded on Federal Rule of Evidence 802.

“Although experts may rely on hearsay or other inadmissible evidence if experts in their field reasonably rely on such evidence in forming their opinions, *see* Fed.R.Evid. 703, it is inappropriate for experts to testify as ‘mere conduits for others’ hearsay.” *United States v. Am. Exp. Co.*, No. 10-CV-4496 NGG RER, 2014 WL 2879811, at *17 (E.D.N.Y. June 24, 2014) (quoting *Island Intellectual Prop. LLC v. Deutsche Bank AG*, No. 09–CV–2675 (KBF), 2012 WL 526722, at *2 (S.D.N.Y. Feb.14, 2012); *Vondrak v. City of Las Cruces*, No. CIV 05-0172 JBLFG, 2007 WL

2219449, at *3 (D.N.M. May 14, 2007), *rev'd in part on other grounds*, 535 F.3d 1198 (10th Cir. 2008) (“[R]ule 703 of the Federal Rules of Evidence allows an expert to rely on inadmissible facts in reaching an opinion or inference, but does not allow the proponent of the expert testimony to use the expert as a conduit for a party to get in otherwise inadmissible evidence, the Court will not consider those portions of Gaut’s report discussing statements . . . that are hearsay.”). Patent Owner should be precluded from performing an end-run around the rule against hearsay by having its expert Dr. Negus testify in his expert declaration as to unsworn statements of interested witness Mr. Wolthuis’s.

Patent Owner might argue that the content in question need not be excluded in favor of giving it little weight. But exclusion is the proper remedy in view of the potential prejudice to Petitioner. The content violates Federal Rules of Evidence 702 and 802 and retaining the paragraphs in question would allow Patent Owner to evade exclusion of Mr. Wolthuis’s hearsay statements simply by having its expert repeat the hearsay in a declaration.

IV. CONCLUSION

For the reasons discussed above, the Board should exclude paragraphs 144-149 of Dr. Negus’s expert declaration EX2010.

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