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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

RED.COM, LLC,
Patent Owner.

Case No. IPR2019-01065
Patent No. 9,245,314

PATENT OWNER RED'S SUR-REPLY TO PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE

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I. RED'S EVIDENCE OF PRIOR REDUCTION TO PRACTICE WARRANTS DENYING INSTITUTION

A. Lack Of Cross Examination Does Not Warrant Institution

Petitioner mischaracterizes the nature and breadth of RED's reduction to practice evidence. RED provided comprehensive inventor declarations detailing how the Boris and Natasha motion-picture cameras met the limitations of the claims and worked for their intended purpose. Exs. 2001, 2011. RED corroborated its inventor testimony with additional testimony from non-inventor witnesses having independent knowledge (Exs. 2017, 2023), third-party Academy Award-winning directors (Ex. 1002 at 293-310, 317-28), and a former employee (Ex. 2022). RED also provided non-testimonial corroborating evidence in the form of (1) photographs memorializing the testing of Boris and the resolution and frame rate of its recorded video files (Exs. 2002-2009), (2) photographs showing Boris and Natasha on location during the shooting of Peter Jackson's mini-movie "Crossing the Line" (Exs. 2013-16), and (3) a Release Note confirming the cameras' performance and functionality (Ex. 2010).

This type of testimonial and documentary corroboration was wholly proper, as "[i]ndependent corroboration may consist of testimony of a witness, other than the inventor, to the actual reduction to practice or it may consist of evidence of surrounding facts and circumstances independent of information received from the

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inventor." *See Medichem, S.A. v. Rolabo, S.L.*, 437 F.3d 1157, 1169 (Fed. Cir. 2006) (internal quotation and citation omitted). Moreover, under a rule of reason analysis, such evidence is considered according to the totality of the evidence as a whole, not individually. *See, e.g.*, *Price v. Symsek*, 988 F.2d 1187, 1196 (Fed. Cir. 1993).

Eschewing a rule of reason analysis, Petitioner focuses only on RED's testimonial evidence and argues that Petitioner's inability to cross-examine RED's witnesses creates a genuine issue of material fact. Reply at 1-2. Petitioner argues that the lack of cross-examination of RED's witnesses leaves the Board unable "to assess the truth of these statements relied on by RED to antedate [Petitioner's] primary reference." *Id.* at 2. The Board has rejected this argument at the institution stage, recognizing that "[c]ross-examination 'is not generally available to *either party* during the preliminary proceeding,' and 'the Board routinely makes institution decisions without the benefit of declarant cross-examination.'" *See LG Elecs., Inc. v. Wi-LAN Inc.*, IPR2018-00704, 2018 WL 4224234, at *6 (quoting *Freebit AS v. Bose Corp.*, IPR2017-01308, 2017 WL 5202106, at *11 (P.T.A.B. Nov. 8, 2017)) (emphasis in original); *see also id.* ("[W]e are able to assess [the declarant's] credibility and his testimony because the [ ] testimony is corroborated sufficiently by independent evidence in the record. . . . [and] we can properly weigh the corroborating evidence as a whole under a rule of reason.").

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Further, if Petitioner were correct, then "[i]n essence, Petitioner suggests that [the Board] should ignore all testimonial evidence, including Petitioner's own declarant's testimony when deciding whether to institute a trial." *Id.* at *5. The Board has not adopted such a rule, and should not apply such a rule here. *Id.*

Petitioner also implores the Board to view the supposed "genuine issue" created by Petitioner's inability to cross examine RED's declarants in a light most favorable to Petitioner. Reply at 2. However, Petitioner overlooks that the "light most favorable" standard applies only to "a ***genuine*** issue of material fact." 37 C.F.R. § 42.208 (emphasis added). Importantly, Petitioner offers no contravening evidence or facts to challenge the veracity of RED's reduction to practice evidence. Thus, Petitioner has not identified any genuine issues of material fact. Accordingly, the Board should reject Petitioner's argument, weigh RED's independent corroborating evidence as a whole under a rule of reason analysis, and deny institution on this record. *See LG Elecs.*, at *5 (denying institution in part because "[p]etitioner does not articulate what specific fact is in dispute, much less how [p]atent [o]wner's testimonial evidence creates a genuine issue of material fact.").

B. RED Has Provided Sufficient Evidence To Deny Institution

Petitioner argues that RED failed to provide sufficient evidence of reduction to practice concerning three claim limitation groups. Reply at 3-4. Regarding the

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"image sensor" limitations ([1.3.0]-[1.3.4]), RED submitted non-inventor witness testimony corroborating that Boris and Natasha used a Bayer-pattern image sensor. POPR at 35-36. As mentioned above, independent corroboration may consist of non-inventor witness testimony. *See Medichem*, 437 F.3d at 1171. Moreover, Petitioner offers no contra-indicating facts, nor points to any inconsistencies in the record, that would refute or call this testimony into question. Petitioner also ignores its own admission that a Bayer-pattern image sensor satisfies limitations [1.3.0]-[1.3.4]. Pet. at 21-31.

The same rule of reason analysis applies to RED's evidence regarding the "memory device" ([1.2], [1.7]) and "modules" limitations ([1.4]-[1.5.2]). RED offered corroboration from non-inventor witnesses detailing how those components were arranged and operated within the cameras in accordance with the claim requirements, e.g., POPR at 34-41, and Petitioner offers no contra-indicating facts or inconsistencies in the record to cast the evidence of record into doubt or dispute. Moreover, on the "memory device" limitations, Petitioner ignores the evidence of record showing that the cameras worked with 320 or 500 GB memory devices and captured 4K video "to disk at 24 FPS." POPR 35-36. Petitioner complains that there is "no explanation how" the memory device received and processed the image data. Reply at 4. However, such explanation has no basis in the claim language of [1.7], as Petitioner's cropped quotation of that claim language evidences. *Id*.

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