

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

METAVANTE CORPORATION and
FIDELITY NATIONAL INFORMATION SERVICES

Petitioner

v.

CHECKFREE CORPORATION

Patent Owner

Case CBM2013-00032

**PATENT OWNER'S MOTION TO EXCLUDE
UNDER 37 C.F.R. 42.64**

Pursuant to 37 C.F.R. 42.64(c), Patent Owner moves to exclude certain paragraphs of the declaration of Michael Shamos, Ph. D., J.D. (Ex. 1017).

I. Certain Paragraphs of Exhibit 1017 Should be Excluded

In support of its Reply to Patent Owner's Response, Petitioner filed Ex. 1017, a declaration from Dr. Michael Shamos. The declaration purportedly was filed to rebut the testimony of Patent Owner's experts, John P. J. Kelly, Ph. D., and Elliott McEntee, regarding the patentability of the claims of the '749 patent under 35 U.S.C. § 101. On June 27, 2014, Patent Owner timely served Petitioner with objections to Ex. 1017 pursuant to 37 C.F.R. 42.64(b). Patent Owner objected to paragraphs 20, 72, 90-91, 93, 96-98, 100, 103, 109 and 112 because those paragraphs contain "arguments that are outside the scope of Patent Owner's Opposition." *See* Attachment 1. Patent Owner further objected to paragraph 13 because Dr. Shamos cites to and relies on "evidence not of record in this proceeding." *See id.* Patent Owner also objected by paragraph 93 because it "raises new arguments and grounds not contained in the petition." *See id.*

Petitioner elected to file its Petition in this proceeding without providing any expert testimony to support its arguments about whether the claims read in light of the specification defined patent eligible subject matter

under 35 U.S.C. § 101. Recognizing this omission, Petitioner has sought to use a new declaration from Dr. Shamos to remedy the evidentiary shortcomings of its petition. Thus, while many of the paragraphs in Dr. Shamos' declaration (Ex. 1017) are framed as “rebuttal” to testimony provided Patent Owner’s experts, this testimony in reality presents a series of new theories and arguments not responsive to any argument or testimony advanced by Patent Owner or its experts. Petitioner is improperly presenting this untimely evidence in an attempt to establish a *prima facie* showing the claims are patent ineligible. The time for doing that, however, was when Petitioner filed its petition. Trial Practice Guide, 77 Fed. Reg. 48756 at 48767 (“Examples of indications that a new issue has been raised in a reply include new evidence necessary to make out a *prima facie* case for the . . . unpatentability” of a claim). This evidence is therefore improper and should be excluded.

Entering this belated evidence also is highly prejudicial to Patent Owner, and contrary to the Board's rules governing presentation of evidence. By waiting until its Reply to file this new evidence, Petitioner has deprived Patent Owner of the opportunity to submit rebuttal testimony to address the errors in this new evidence. Consistent with its own rules and Federal Rule of Evidence 611, the Board should “exercise reasonable control over the

mode and order of . . . presenting evidence so as to [] make those procedures effective for determining the truth.” 37 C.F.R. § 42.62 (Federal Rules of Evidence apply to Patent Trials). That is best done in this case by the Board following the rules adopted by the Office to govern presentation of evidence in a CBM proceeding. *See* 37 C.F.R. § 42.23(b)(“[a] reply may only respond to arguments raised in the corresponding . . . patent owner response.”); 77 Fed. Reg. 48756 at 48767 (explaining that it is improper to present in a reply “new evidence necessary to make out a prima facie case for the . . . unpatentability” of a claim). In determining whether reply evidence is admissible, the Board should consider whether admitting the evidence will further the goal of providing “procedures effective for determining the truth.” Here, it plainly will not.

Consequently, the following paragraphs from Dr. Shamos’ declaration should be excluded:

Ex. 1017 at ¶ 13. In ¶ 13, Dr. Shamos attempts to incorporate by reference in their entirety declarations (the “Shamos ’524 Declaration” and the “Shamos ’311 Declaration”) submitted by Dr. Shamos in CBM2013-00030 and CBM2013-00031. These declarations concern other unrelated patents owned by Patent Owner: U.S. Patent Nos. 7,853,524 and 7,996,311. Dr. Shamos makes no effort to cite to specific paragraphs of the Shamos

'524 Declaration and the Shamos '311 Declaration, nor does he provide any explanation regarding how the entirety of these declarations address arguments made by Patent Owner in this proceeding. The improper testimony in ¶ 13 and the underlying evidence Petitioner improperly attempts to introduce in this proceeding through this paragraph should be excluded.

Ex. 1017 at ¶ 20. Dr. Shamos contends that his testimony in ¶ 20 is responding to Mr. McEntee's testimony at ¶ 165 of Ex. 2016. Without citing to any underlying facts or evidence, Dr. Shamos presents a new theory not previously raised by Petitioner; namely, that "[t]he so-called 'consolidator' model of EBPP was well-known and implemented prior to the '749 Patent." This statement does not address an argument raised by Mr. McEntee in his declaration. Specifically, Mr. McEntee did not take any position regarding whether the "consolidator model of EBPP" existed or if it was known prior to the '749 patent or not. Dr. Shamos' testimony in ¶ 20 is an improper attempt to belatedly introduce new evidence to support the Petitioner's *prima facie* case, and should be excluded on this basis.¹

¹ Moreover, Dr. Shamos' statement about what was "well-known and implemented" is unsubstantiated by any underlying facts and evidence, and is therefore entitled to no weight.

Ex. 1017 at ¶ 72. Dr. Shamos contends that his testimony in ¶ 72 is responding to Dr. Kelly’s testimony at ¶ 134 of Ex. 2015. Without citing to any underlying facts or evidence, Dr. Shamos contends that “data lookup is a purely conventional function not invented by the applicant.” This statement does not address any position taken by either Patent Owner or its expert, Dr. Kelly. Specifically, Dr. Kelly does not contend in ¶ 134, or anywhere else in his declaration, that the invention described in the ’749 patent was “data lookup.” Thus, Dr. Shamos’ testimony is not responding to any testimony presented by Dr. Kelly or to a position advanced by Patent Owner, but is instead a new theory designed to bolster Petitioner’s *prima facie* case. Consequently, ¶ 72 should be excluded.

Ex. 1017 at ¶¶ 90-91. Dr. Shamos contends that his testimony in ¶¶ 90 and 91 is responding to Dr. Kelly’s testimony at ¶¶ 164 and 170 of Ex. 2015 (concerning claim 59). In ¶¶ 90 and 91, Dr. Shamos contends that certain functions—“adding an element to a list and sending the list along with a notification” and “determining whether the payer has previously activated electronic bill presentment”—are “purely conventional.” Dr. Shamos is not presenting any opinions responding to (much less disputing the accuracy of) Dr. Kelly’s testimony, or responding to positions advanced by Patent Owner in this proceeding. Instead, Dr. Shamos is presenting a

new theory to support Petitioner's *prima facie* case for unpatentability.

Consequently, ¶¶ 90 and 91 of Ex. 1017 should be excluded.²

Ex. 1017 at ¶ 93. In ¶ 93, Dr. Shamos contends that his testimony is responding to ¶¶ 180-181 of Ex. 2015, arguing that the steps recited in claims 2, 21 and 41 are “purely conventional steps (looking up data).” In his declaration, Dr. Kelly does not take a position regarding whether these steps were known or conventional techniques. Thus, Dr. Shamos’ testimony is not directed toward responding to Dr. Kelly's testimony or a position advanced by Patent Owner, but instead is directed to a new theory to support of Petitioner’s *prima facie* case.³ Paragraph 93 of Ex. 1017 should therefore be excluded.

Ex. 1017 at ¶¶ 96-97. Dr. Shamos contends that his testimony in ¶¶ 96 and 97 is responding to ¶¶ 185-190 of Ex. 2015. But Dr. Shamos does not dispute Dr. Kelly’s testimony in ¶¶ 185-187 regarding the functions

² Moreover, Dr. Shamos’ statements about these functions being “conventional” are unsubstantiated by any facts or evidence and are therefore entitled to no weight.

³ Again, Dr. Shamos’ statements about these steps being “conventional” are unsubstantiated by any facts or evidence and are therefore entitled to no weight.

specified in claims 4, 23 and 43. Instead, Dr. Shamos advances new theories not previously advanced by Petitioner (i.e., that “[t]o the extent these functions are moved to a computer, they can be implemented by purely conventional operations (e.g., receiving a character string and setting a bit in a record).”) Dr. Shamos also does not dispute Dr. Kelly’s testimony in ¶¶ 188-190 about the functions specified in claims 5, 24 and 44. Instead, Dr. Shamos advances another new theory that “[e]ven if a computer is used, transmitting a message is a purely conventional function not requiring a technological invention.” Thus, instead of responding to testimony presented by Dr. Kelly or a position advanced by Patent Owner, Dr. Shamos in ¶¶ 96-97 of Ex. 1017 is improperly presenting testimony related to new theories to support Petitioner’s *prima facie* case.⁴ This testimony should thus be excluded.

Ex. 1017 at ¶ 100. Dr. Shamos contends that his testimony in ¶ 100 is responding to Dr. Kelly’s testimony in ¶¶ 180-181 of Ex. 2015 concerning regarding claims 7, 26 and 46. In ¶ 100 of Ex. 1017, Dr. Shamos contends that “[r]eceiving and transmitting data are purely conventional functions that

⁴ Patent Owner also notes that because Dr. Shamos cites no evidence or facts supporting his testimony regarding certain functions being “conventional,” this testimony is entitled to no weight.

can be performed by exchanging paper or by computer and do not require a technological invention.” However, in ¶¶ 180-181 of his declaration (Ex. 2015), Dr. Kelly does not take a position regarding whether the steps of receiving and transmitting data were known or conventional techniques. Thus, in ¶ 100 of Ex. 1017, Dr. Shamos is not presenting testimony responsive to Dr. Kelly's testimony or a position advanced by Patent Owner, but instead is presenting a new theory to support Petitioner's *prima facie* case. Paragraph 100 of Ex. 1017 should therefore be excluded.

Ex. 1017 at ¶ 102. Dr. Shamos contends that his testimony in ¶ 102 is responding to Dr. Kelly's testimony at ¶¶ 199-200 of Ex. 2015 (concerning claims 8, 27 and 47). Dr. Shamos' testimony in ¶ 102 states that “[t]ransmitting a notification is a conventional function that can be performed by telephone, letter or a computer.” However, in ¶ 102 of his declaration (Ex. 2015), Dr. Kelly does not take a position regarding whether "transmitting a notification is a conventional function" at the time of the invention of the '749 patent or not. Dr. Shamos' testimony in ¶ 102 of his declaration thus is not responsive to the testimony in ¶¶ 199-200 of Dr. Kelly's declaration or any argument advanced by Patent Owner. Consequently, ¶ 102 of Ex. 1017 should be excluded.

Ex. 1017 at ¶ 109. Dr. Shamos contends that his testimony in ¶ 109 is responding to Dr. Kelly’s testimony in ¶¶ 215-216 of Ex. 2015 (regarding claims 15, 34 and 54). In ¶ 109 of Ex. 1017, Dr. Shamos states: “The first limitation is simply a naming convention. The second limitation fundamentally allows a payor to receive notifications of bills from two or more payees, which was already known in the art to be conventional.” However, in his declaration (Ex. 2015), Dr. Kelly does not take a position regarding whether or not these features of the claimed invention were known or conventional techniques at the time of the invention of the ’749 patent. Thus, Dr. Shamos testimony is not directed toward responding to Dr. Kelly’s testimony any argument advanced by Patent Owner, but is instead a new theory presented to support Petitioner’s *prima facie* case. Paragraph 109 of Ex. 1017 therefore should be excluded.

Ex. 1021 at ¶ 112. Dr. Shamos contends that his testimony in ¶ 112 is responding to Dr. Kelly’s testimony at ¶¶ 219-220 of Ex. 2015. In ¶¶ 219-220 of Ex. 2015, Dr. Kelly analyzes claims 18, 37 and 57 and concludes that “these claims are not directed toward an abstract process, but to a specific applied system that provides a tangible service to users.” In ¶ 112 of Ex. 1021, Dr. Shamos does not respond to or address this testimony. Instead, Dr. Shamos states that “[s]toring an indication can be done by making a

check mark on a piece of paper or marking a bit in a file, both of which are entirely conventional bookkeeping operations.” Dr. Shamos’ testimony in ¶ 112 of his declaration thus is not responsive to the testimony in ¶¶ 219-220 of Dr. Kelly’s declaration or any argument advanced by Patent Owner. Consequently, ¶ 112 of Ex. 1021 should be excluded.

II. Conclusion

For the foregoing reasons, Patent Owner requests that its Motion to Exclude be granted.

Dated: August 11, 2014

Respectfully Submitted,

/s/Jeffrey P. Kushan
Jeffrey P. Kushan
Registration No. 43,401
Sidley Austin LLP
1501 K Street NW
Washington, DC 20005
Attorney for Patent Owner

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of August, 2014, a copy of this Patent Owner's Motion to Exclude has been served in its entirety by electronic mail on the following counsel of record for Petitioner:

Jeffrey A. Berkowitz
Michael V. Young, Sr.
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER,
L.L.P. 11955 Freedom Dr.
Reston, VA 20190-5675
jeffrey.berkowitz@finnegan.com

E. Robert Yoches
Jason Melvin
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.
901 New York Avenue, NW
Washington, DC 20001-4413
jason.melvin@finnegan.com
bob.yoches@finnegan.com

Stephen E. Kabakoff
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.
3500 SunTrust Plaza
303 Peachtree Street, NE
Atlanta, GA 30308-3263
Stephen.Kabakoff@finnegan.com

Dated: August 11, 2014

Respectfully submitted,

/Jeffrey P. Kushan/
Jeffrey P. Kushan
Reg. No. 43,401
Attorney for Patent Owner



SIDLEY AUSTIN LLP
1501 K STREET, N.W.
WASHINGTON, D.C. 20005
(202) 736 8000
(202) 736 8711 FAX

tbroughan@sidley.com
202-736-8314

BEIJING	HONG KONG	SHANGHAI
BOSTON	HOUSTON	SINGAPORE
BRUSSELS	LONDON	SYDNEY
CHICAGO	LOS ANGELES	TOKYO
DALLAS	NEW YORK	WASHINGTON, D.C.
FRANKFURT	PALO ALTO	
GENEVA	SAN FRANCISCO	

FOUNDED 1866

June 27, 2014

By Email

Jeffrey A. Berkowitz
E. Robert Yoches
Stephen E. Kabakoff
Jason W. Melvin
Michael V. Young, Sr.
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

Re: CBM2013-00032, Metavante et al. v. CheckFree Corp.

Counsel:

Patent Owner objects to Exhibit 1017, which was filed with your Reply Brief in CBM2013-00032. *See* 37 C.F.R. 42.64(b)(1). Exhibit 1017 is entitled the “Declaration of Michael I. Shamos, Ph.D., J.D.” Because the exhibit contains improper material (*e.g.*, “rebuttal” arguments that are outside the scope of Patent Owner’s Opposition and therefore not rebuttal), Patent Owner objects to the entire exhibit. In addition, Patent Owner specifically objects to at least the following paragraphs of Exhibit 1017 as improper for the reasons stated below:

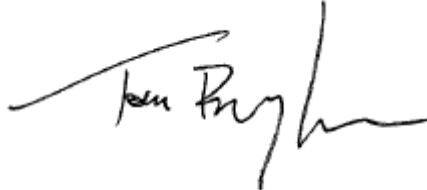
<u>Paragraph(s)</u>	<u>Objection(s)</u>
13	Cites and relies on evidence not of record in this proceeding
20	Contains arguments that are outside the scope of Patent Owner’s Opposition
72, 77, 90-91	Contains arguments that are outside the scope of Patent Owner’s Opposition
93	Raises new arguments and grounds not contained in petition; contains arguments that are outside the scope of Patent Owner’s Opposition
95-98, 100, 102-03, 109, 112	Contains arguments that are outside the scope of Patent Owner’s Opposition

If you fail to cure these objections, Patent Owner may file a motion to exclude the evidence at the appropriate time.

June 27, 2014

Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Broughan", with a long, sweeping horizontal line extending to the right.

Thomas Broughan III

TB