UNITED STATES PATENT AND TRADEMARK OFFICE

_____

BEFORE THE PATENT TRIAL AND APPEAL BOARD

_____

LIBERTY MUTUAL INSURANCE CO.
Petitioner

v.

PROGRESSIVE CASUALTY INSURANCE CO.
Patent Owner

_____

Case CBM2013-00002
Patent 7,877,269

_____

PATENT OWNER'S OPPOSITION TO PETITIONER'S MOTION TO EXCLUDE UNDER 37 C.F.R. §§ 42.62 AND 42.64

Table of Contents

I. Introduction

Petitioner's motion to exclude the expert testimony of Dr. Kevin Jeffay and Ruth Ann Cacchione should be denied. Even Petitioner argues for this result. *See* Pet'r's Motion, Paper 48, at 1-3. Petitioner is so concerned about the admissibility of its own "expert' testimony that Petitioner uses the first three pages of its own motion to explain why its motion should be *denied*. Thus, the Board should grant Petitioner's stated wishes on this issue by *denying* Petitioner's motion to exclude the testimony of Jeffay and Cacchione.[1]

Additionally, Petitioner's motion should be denied on the merits because Petitioner's evidentiary objections (Ex. 1040) fail to provide "sufficient particularity to allow correction in the form of supplemental evidence" in violation of 37 C.F.R. § 42.64(b)(1). The motion should also be denied because Patent Owner's experts are qualified "by knowledge, skill, experience, training, or education" and their testimony is "based on sufficient facts or data" in accordance with Rule 702 of the Federal Rules of Evidence. Furthermore, Petitioner's use of alleged prior art and other documents in this motion to challenge Patent Owner's experts is improper and irrelevant to the issues of this trial.

[1] However, Patent Owner's motion to exclude Klausner's testimony and other evidence (Paper 47) should still be granted because it is based on different reasons and facts that warrant exclusion.

II. Petitioner's Objections Lack "Sufficient Particularity"

Before a party may file a motion to exclude evidence it must first object to the evidence and "must identify the grounds for the objection with ***sufficient particularity*** to allow correction in the form of supplemental evidence." 37 CFR § 42.64(b)(1). Petitioner served objections on May 23, 2013 (Ex. 1040), but these objections fail to provide "sufficient particularity to allow correction in the form of supplemental evidence" in violation of 37 C.F.R. § 42.64(b)(1). Rather, Petitioner's objections do little more than paraphrase the cited Federal Rules of Evidence. *See* Ex. 1040.

With respect to Jeffay's testimony on the computer aspects relevant to the claims and cited reference at issue, the objections simply state he "lacks sufficient commercial experience in designing, developing and maintaining on-line computer systems." Ex. 1040, at 4. This objection does not provide any analysis or reasoning as to ***why*** Jeffay's commercial and other experiences with on-line computer systems that are listed on his Curriculum Vitae (*see e.g.*, Ex. 2203, at 4 under the heading "Industry Experience"), as discussed in more detail in Section III below, are not sufficient in Petitioner's eyes. Without this analysis or reasoning, Petitioner's objections lacked "sufficient particularity," and Patent Owner was not given notice of any specific perceived shortcomings with Jeffay's experiences.

With respect to the Cacchione's testimony, the objections simply state "she is not sufficiently knowledgeable about on-line computer systems." Ex. 1040, at 5. This objection fails to provide any analysis or reasoning as to ***why*** Cacchione's knowledge of on-line computer systems is allegedly insufficient. The missing analysis and reasoning is especially necessary here in view of *Cacchione's role in drafting the very NAIC paper that Petitioner is relying on in this trial* for an alleged description of on-line computer systems for use in the insurance industry. *See* Ex. 2204, ¶ 33-36; Ex. 2205, at 5; Ex. 1007, at 1.

Further, Petitioner's objections are silent with respect to any challenge to Cacchione's insurance knowledge or experience. Ex. 1040, at 5. However, in its motion to exclude, Petitioner challenges Cacchione's insurance knowledge and experience by questioning her memories and experiences about insurance processing techniques, rating, underwriting, and policy adjustments. *See* Pet'r's Motion, Paper 48, at 6-7. These challenges to Cacchione's insurance knowledge are not included in Petitioner's prior objections, and therefore, cannot form a basis for Petitioner's motion to exclude.

Petitioner's other objection to the testimony of Jeffay and Cacchione was that the experts allegedly "provide[] insufficient underlying facts or data upon which they (sic) could legitimately be based." Ex. 1040, at 4, 5. This objection also fails to provide any reasoning, details, or examples to show ***why*** the testimony

from Jeffay or Cacchione allegedly provides insufficient underlying facts. Rather, the objection merely paraphrases the standard under Rule 702 of the Federal Rules of Evidence without applying the standard to any testimony.

The problem with the lack of particularity in Petitioner's objections is made worse by Petitioner's cancellation of Jeffay's and Cacchione's cross-examination one week before they were scheduled to take place. Cross-examination, not a motion to exclude, is the proper venue for Petitioner to explore Jeffay and Cacchione's experiences and qualifications.

By providing vague objections, canceling the depositions, and then springing this motion to exclude after discovery is closed does not give Patent Owner or its experts a fair opportunity to correct any alleged issues with their qualifications. As a result of Petitioner's failure to make objections with "sufficient particularity to allow correction in the form of supplemental evidence," its motion to exclude should be denied.

III. Patent Owner's Experts are Qualified "By Knowledge, Skill, Experience, Training, or Education" to Testify in this Trial

A. Dr. Kevin Jeffay is Qualified to Testify in this Trial

Petitioner wrongly challenges Patent Owner's expert Jeffay as lacking "commercial programming experience" and knowledge "in the on-line computer system aspects pertinent to the '269 patent" because Jeffay "has exclusively been involved in a University setting." Pet'r's Motion, Paper 48, at 5-6. Petitioner's

challenge is misplaced for many reasons. First, Jeffay does, indeed, have many years of experience in a university setting – experience directly relevant to this trial. He is the "Gillian T. Cell Distinguished Professor in Computer Science" at the University of North Carolina at Chapel Hill. His role as a recognized professor has given him many opportunities to research, write, publish, and speak on topics related to the Internet and real-time computer systems, both of which are technical areas at issue in this trial. In fact, over one hundred matters (e.g., publications, books, papers, conferences, etc.) listed on Jeffay's Curriculum Vitae involve "real-time" and/or Internet technology. *See* Ex. 2203, at 4-27. Jeffay's time as a professor also included experiences researching for commercial enterprises. Specifically, Jeffay's Curriculum Vitae includes a section titled "Grants and Awards," which includes research grants in Internet, networking, and real-time technologies sponsored by commercial enterprises such as IBM, Lucent Technologies, Dell Computer, Sun Microsystems, Digital Equipment Corporation, and the National Science Foundation. Ex. 2203, at 20-23.

Second, contrary to Petitioner's arguments, Jeffay has significant commercial programming experience and knowledge of Internet computer systems pertinent to the '269 Patent. As one example, Jeffay's Curriculum Vitae includes a section titled "Industry Experience," which lists his roles with IBM, Hewlett-Packard, Boeing, Ganymede Software, Monterey Technologies, Softbank, R.R.

Donnelley, U.S. Army Corps of Engineers, and the National Science Foundation. Ex. 2203, at 3. Jeffay's Curriculum Vitae also includes a section titled "Software Distributions," which includes computer programming experience with software related to web browsing, the structure of web pages, Internet protocols, Internet traffic modeling, Internet connection analysis, and Internet performance evaluation. Ex. 2203, at 18-19. Significantly, Petitioner failed to discuss or identify any of these qualifications in its motion when it argued that Jeffay is not qualified. If Petitioner had any doubt or questions about these commercial and computer programming experiences, Petitioner had an opportunity to cross-examine Jeffay, but chose not to do so.

Petitioner also challenges Jeffay's ability to testify on insurance issues. Pet'r's Motion, Paper 48, at 6. Jeffay's testimony is clear that he is "relying on the analysis and opinions of Ms. Ruth Ann Cacchione, an NAIC contributor, for the insurance perspective," and that his testimony "provides the computer technology perspective" of the hypothetical person of skill in the art. Ex. 2202, ¶ 10. Petitioner only calls out paragraphs 26-30 of Jeffay's declaration as allegedly containing insurance opinions. However, Jeffay's opinions in those paragraphs are directed to technical aspects, such as computer systems, e-mail, home pages, web sites, Internet communications, and real-time operation. Ex. 2202, ¶¶ 26-30. The insurance perspective comes from one of the drafters of NAIC, Cacchione.

B. Ruth Ann Cacchione is Qualified to Testify in this Trial

Petitioner wrongly challenges Patent Owner's expert Cacchione as lacking knowledge of or about online computer systems used for insurance processing in 1998. Pet'r's Motion, Paper 48, at 6-7. But, Cacchione did not provide any testimony about the computer aspects; Jaffay provided those opinions. Moreover, Cacchione had a significant role in drafting the NAIC paper (Ex. 1007) that Petitioner describes as being directed to on-line computer systems for use in the insurance industry. Ex. 2204, ¶ 33-36; Ex. 2205, at 5; Ex. 1007, at 1; Paper 1, at 14. In fact, NAIC acknowledged Cacchione for making "outstanding contributions" over and above the "consumer groups, regulators, and industry representatives who spent considerable time reviewing and commenting on the white paper throughout its drafting." Ex. 1007, at 1. Nonetheless, Petitioner ignores that express acknowledgement and somehow tries to argue that despite her outstanding contributions to the NAIC paper, Cacchione does not have relevant knowledge and experience about the subject matter of the NAIC paper. *See* Ex. 1007, at 1; Ex. 2204, ¶ 33-36. This challenge is absurd and should be dismissed accordingly.[2]

[2] Furthermore, Petitioner also now challenges Cacchione's insurance knowledge and experiences, such as in insurance underwriting, rating, policy adjustments, and similar functions. *See* Pet'r's Motion, Paper 48, at 6-7. Not only is this challenge

IV. The Testimony from Patent Owner's Experts is "Based on Sufficient Facts or Data"

Petitioner alleges that the testimony from Patent Owner's experts fails to provide sufficient underlying facts or data upon which their opinions could legitimately be based. Pet'r's Motion, Paper 48, at 8. However, this challenge fails to provide any reasoning, details, or examples to show ***why*** the testimony from Jeffay or Cacchione allegedly provides insufficient underlying facts. The motion does not identify a single specific opinion as missing sufficient underlying

---

untimely for failing to previously object on this basis, as discussed in Section II above, it also fails on the merits. Cacchione has 34 years of experience in the insurance industry, including experience with insurance underwriting, rating, policy adjustments, and similar functions. *See* Ex. 2204, ¶¶ 1-12; Ex. 2205. She worked directly for insurance companies during the entire period of 1979-2006, including the time period relevant to this trial when she was contributing her knowledge to the NAIC paper at issue here. "NAIC" is the National Association of Insurance Commissioners, which is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia, and five U.S. territories. Cacchione's inclusion on the panel for the NAIC paper is a tacit endorsement of Cacchione's standing in the insurance field.

facts. Rather, Petitioner distorts testimony and evidence to fabricate reasons to introduce other alleged "facts" (e.g., disclosures from new alleged prior art references introduced for the first time in the Petitioner's reply). However, even ignoring Petitioner's distortions, merely because other evidence is available does not necessarily render the expert's original conclusion unsupported by sufficient facts obtained from different sources. Specifically, the availability of new alleged prior art references (especially the references here, which are hearsay and of questionable relevance to the points at issue) does not render the facts, references, and experiences that were considered by the expert to be insufficient to support the expert's opinions. Thus, Petitioner has failed to show that the opinions of Jeffay and Cacchione lack sufficient underlying facts or data upon which their opinions could legitimately be based.

V. Petitioner's Use of Alleged Prior Art and Other Documents to Challenge Patent Owner's Experts is Improper and Irrelevant to the Issues of this Trial

Petitioner argues that the testimony of Patent Owner's experts should not be admitted because they allegedly "ignore prior art known to a POSITA." Pet'r's Motion, Paper 48, at 8-9. This argument fails because: (1) this challenge is not a true objection to the *admissibility* of the testimonial evidence, and thus is improper for this motion to exclude; (2) the evidence used to allegedly rebut the testimonial evidence is hearsay and lacks authentication; and (3) Petitioner's arguments

misconstrue testimony in effort to fabricate reasons to introduce evidence that is irrelevant to the true issues at trial.

A. Petitioner's Objection is Not a True Challenge to the *Admissibility* of the Testimonial Evidence

The allegation that Patent Owner's experts "ignore[d] prior art known to a POSITA" is not a challenge to the admissibility of the testimonial evidence. The Patent Trial Guide makes clear that "a motion to exclude must explain why the evidence is not admissible (e.g., relevance or hearsay) but may not be used to challenge the sufficiency of the evidence to prove a particular fact." Trial Practice Guide, 77 Fed. Reg. 48756, at 48767 (emphasis added). Petitioner's challenge regarding allegedly ignoring prior art, at best, falls into the latter category (a challenge to the sufficiency of the evidence), and is thus not a proper basis for a motion to exclude.

B. Petitioner's Evidence is Hearsay and Lacks Authentication

The evidence used to allegedly rebut the testimonial evidence from Jeffay and Cacchione is hearsay and lacks authentication. Petitioner cites to several articles that are out of court statements cited for the truth of the matter asserted in them, and thus should be excluded as hearsay. Pet'r's Motion, Paper 48, at 9-10. The Federal Rules of Evidence require exclusion of these exhibits as hearsay, and lacking authentication, as described on pages 11-15 of Patent Owner's Motion to

Exclude Evidence. Paper 47, at 11-15. Because Petitioner's evidence is itself inadmissible it cannot serve as the basis to challenge the admissibility of the testimonial evidence from Jeffay and Cacchione.[3]

C. Petitioner's Arguments Misconstrue the Testimonial Evidence

Petitioner's arguments misconstrue the testimony from Jeffay and Cacchione in attempt to fabricate an opportunity to contradict the misconstrued testimony. These efforts do not render the underlying testimony inadmissible, but rather provide further reasons why Petitioner's motion should be denied.

Petitioner argues that Jeffay "ignores even his own writings that confirm Internet traffic by 1998 was in fact dominated by web usage *other than email*." Pet'r's Motion, Paper 48, at 9. However, this so-called "evidence" does not contradict any of Jeffay's testimony. Petitioner's argument is a blatant

[3] Additionally, to the extent that Petitioner alleges that it is introducing these exhibits for purposes of impeachment, that attempt is also improper because the alleged impeachment evidence was not presented to the witness during cross-examination. *See, e.g.*, F.R.E. 613(b) ("Extrinsic evidence of a witness's prior inconsistent statement is admissible only if the witness is given an opportunity to explain or deny the statement and an adverse party is given an opportunity to examine the witness about it, or if justice so requires.").

mischaracterization because ***Jeffay never testified that Internet traffic was limited to e-mail.*** To the contrary, Jeffay's testimony clearly analyzes the disclosed use of both "e-mail" as well as "home page capabilities" as the available data upload mechanisms in the cited page 4 passage of NAIC. Ex. 2202, ¶¶ 17-19.

Petitioner also wrongly represents that "Ms. Cacchione assumes in rendering her opinions that automated underwriting was not used in 1998 (*see* EX2204, ¶¶ 26-31)." Pet'r's Motion, Paper 48, at 9. But Cacchione's cited testimony does not "assume" anything or even include the term "automated underwriting." Rather, her testimony describes the process for "endorsing existing insurance policies as of July 1998." Ex. 2204, ¶¶ 26-31. Furthermore, the exhibits cited by Petitioner to allegedly contradict Cacchione's misconstrued testimony are not even relevant. For example, Petitioner calls out the Lockwood patent for allegedly being relevant to automated *underwriting* for the policy *endorsement* process (which are two distinctly separate processes). However, the Lockwood patent does not use the word "underwriting" or even discuss policy endorsements. The next reference cited by Petitioner on this point is the Peterson patent, but the Peterson patent similarly does not contain the word "underwriting." Thus, not only does Petitioner misconstrue testimony to fabricate a reason to introduce additional evidence, it also misconstrues that additional evidence in attempt to make it seem relevant.

Next, Petitioner argues Cacchione has testified that "NAIC's teachings of

submitting policy changes to an insurer on Internet web pages are somehow negated because NAIC mentions insurance forms originally created by the Association for Cooperative Operations Research and Development ('ACORD')." Pet'r's Motion, Paper 48, at 9-10. Petitioner cites to paragraph's 26-31 and 53-56 of Cacchione's declaration as allegedly supporting this statement. However, this is yet another example of Petitioner's distortions. There is nothing in the cited testimony about "negating" any of NAIC's disclosures. Petitioner relies on Exs. 1033-1034 to criticize Cacchione's testimony. Pet'r's Motion, Paper 48, at 9. But, in addition to being hearsay, those exhibits do not rebut Cacchione's testimony in any way. In fact, they support her testimony in that both exhibits make clear that the technology described in the articles was not yet ready at the time and there is no confirmation that anything ever was developed: "will work together to develop" (Ex.1033, at 1); "a beta (test) version of the DNAfs kit is expected to be available by Dec. 1" (Ex.1034, at 1). Further, these exhibits are not relevant in that they are purportedly from October 1998, which is after the time period of "July 1998, at the latest" used by both of Petitioner's experts as the relevant time period. Ex. 1010, ¶ 14, Ex. 1017, ¶ 20.

VI. Conclusion

Petitioner's motion should be denied because Petitioner's evidentiary objections (Ex. 1040) fail to provide "sufficient particularity to allow correction in

the form of supplemental evidence" in violation of 37 C.F.R. § 42.64(b)(1). The motion should also be denied because Patent Owner's experts are qualified "by knowledge, skill, experience, training, or education" and their testimony is "based on sufficient facts or data" in accordance with Rule 702 of the Federal Rules of Evidence. Furthermore, Petitioner's use of alleged prior art and other documents in this motion to challenge Patent Owner's experts is improper and irrelevant to the issues of this trial.

Respectfully submitted,

BRINKS HOFER GILSON & LIONE

October 4, 2013

By /James A. Collins/

James A. Collins (Registration No. 43,557)
Joseph S. Hanasz (Registration No. 54,720)
Robert S. Mallin (Registration No. 35,596)
BRINKS HOFER GILSON & LIONE
NBC Tower, Suite 3600
455 North Cityfront Plaza Drive
Chicago, IL 60611-5599
312.321.4200
312.321.4299 (fax)
Attorneys for Patent Owner

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Patent Owner's Opposition to Petitioner's Motion to Exclude was served, in accordance with the parties' electronic service agreement, on October 4, 2013 by electronic mail upon the following counsel for Petitioner Liberty Mutual Insurance Co.:

Steven.Baughman@ropesgray.com
Nicole.Jantzi@ropesgray.com
James.Myers@ropesgray.com
LibertyMutualPTABService@ropesgray.com

Respectfully submitted,

BRINKS HOFER GILSON & LIONE

October 4, 2013

By /James A. Collins/

James A. Collins (Registration No. 43,557)
Joseph S. Hanasz (Registration No. 54,720)
Robert S. Mallin (Registration No. 35,596)
BRINKS HOFER GILSON & LIONE
NBC Tower, Suite 3600
455 North Cityfront Plaza Drive
Chicago, IL 60611-5599
312.321.4200
312.321.4299 (fax)
Attorneys for Patent Owner