

June 8, 2016

Post-Grant for Practitioners

Evidentiary Trends at the PTAB Part II: "Paper" Witness Testimony



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- III. Evidentiary Trends at the PTAB, Part II:
 - I. Recap of Rules of Witness Testimony in PTAB Trials: Testimony on the Papers
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 - III. PTAB Treatment of Witness Bias and Credibility
 - IV. Expert Competence: PTAB Treatment of Daubert
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Overview of Webinar Series

- Where? ... see invitation
- How often? ... monthly
- When? ... 2nd Wednesday
- Topics? ...
 - Important decisions
 - Developments
 - Practice tips
- Housekeeping
 - CLE
 - Questions
 - Materials
 - <http://fishpostgrant.com/webinars/>

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Evidentiary Trends at the PTAB Part II: "Paper" Witness Testimony

Join Fish Principals [John Adkisson](#) (District Court trial lawyer experienced in PTAB Trials), [Stephen Schaefer](#) (PTAB practitioner), and [Thomas Rozlowicz](#) (PTAB practitioner), as they continue our recent discussion of evidentiary trends at the Patent Trial and Appeal Board (PTAB), focusing on "paper" witness testimony. Witness testimony in a PTAB trial is presented on the papers instead of through live witness testimony. Our speakers will provide best practices and practical tips for post-grant practitioners to consider in light of this.

Topics will include:

- How the PTAB treats issues of bias and credibility
- Expert witness competence, and Daubert Standards in PTAB trials
- Strategy considerations given witness testimony is on the papers
- Exceptions when live testimony may be permitted

[Register](#) now for this Post-Grant for Practitioners Webinar.

Wednesday, June 8, 2016
1:00 PM - 2:00 PM ET
Via the web

Speakers:

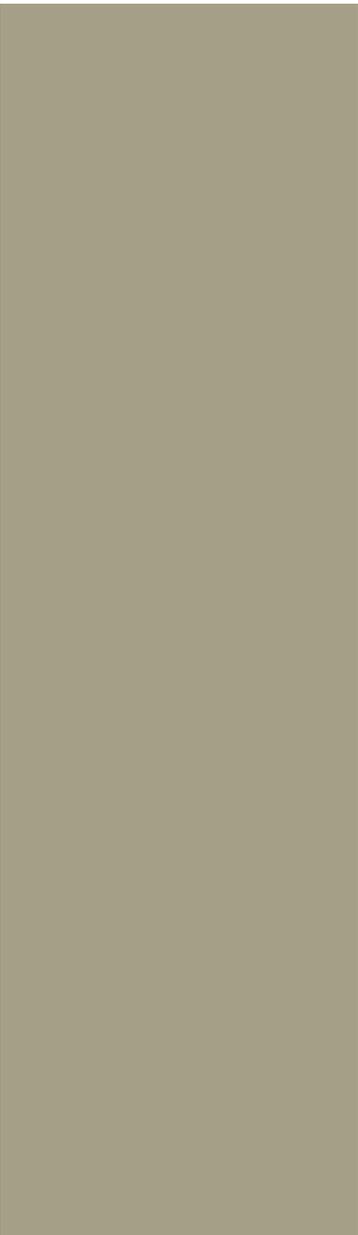
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[REGISTER](#)

Fish & Richardson will apply for 1.0 hour of general CLE credit in most states. If you would like to receive CLE credit, register with your state bar information.

If you have questions, please contact Crystal Chisholm at chisholm@fr.com

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PTAB Statistics and Trends

PTAB Statistics and Trends

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Trial Filings



*2016 numbers are year-to-date. Numbers are through June 1, 2016.

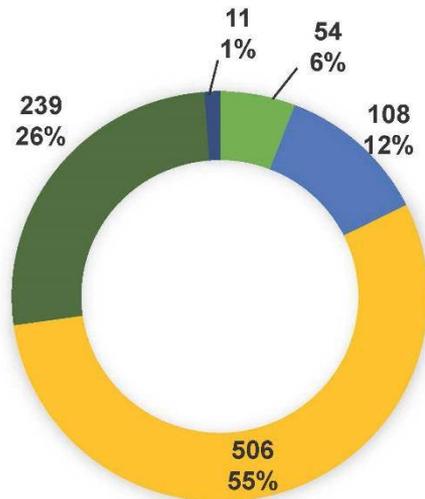
Trial Status



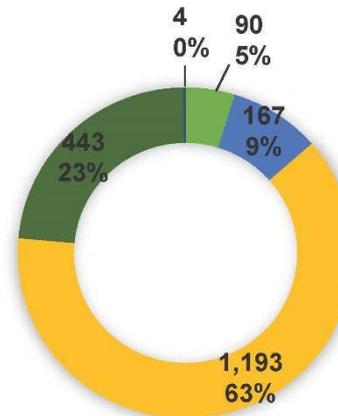
Source: LexMachina PTAB Trial Data, filed between 2013 and June 1, 2016.

PTAB Statistics and Trends

918 Total AIA Petitions in FY 16*
(Technology Breakdown)

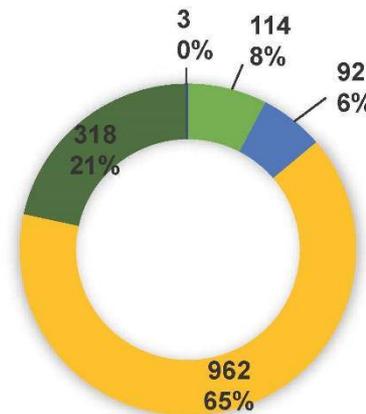


1897 Total AIA Petitions in FY 15*
(Technology Breakdown)



Narrative: The pie chart shows the total number of AIA petitions filed in the current fiscal year to date as well as the number and percentage of these petitions broken down by technology.

1489 Total AIA Petitions in FY 14*
(Technology Breakdown)



- Electrical/Computer - TCs 2100, 2400, 2600, 2800
- Mechanical/Business Method - TCs 3600, 3700
- Chemical - TC 1700
- Bio/Pharma - TC 1600
- Design - TC 2900

*Data current as of 4/30/2016

Source: USPTO Patent Trial and Appeal Board Statistics, 4/30/16



Evidentiary Trends at the PTAB, Part II

Evidentiary Trends at the PTAB, Part II

- Recap of Rules of Witness Testimony in PTAB Trials: Testimony on the Papers
- Exceptions to Paper Testimony: Live Testimony before PTAB and Videotaped Deposition Clips
- PTAB Treatment of Witness Bias and Credibility
- Expert Competence: PTAB Treatment of *Daubert*



Recap of Rules of Witness
Testimony in PTAB Trials:
Testimony on the Papers

- Direct testimony:
 - Uncompelled direct testimony (typical situation) –only by affidavit or declaration, to support petition, motion, opposition, reply. 37 CFR §§ 42.53(a), 42.53(b).
 - Compelled direct testimony (rare) –by deposition. 37 CFR §§ 42.53(c)(1), 42.53(d)(3), 42.53(d)(5)(i); see *also* 35 USC § 24 (PTO subpoena rule).
- Cross-examination:
 - By deposition. 37 CFR §42.53(a).
 - During breaks in cross-examination, witness not allowed to speak with defending attorney. See Patent Trial Practice Guide, Testimony Guide 6

Witness Testimony in PTAB Trials (continued)

- Re-direct:
 - By deposition. 37 CFR § 42.53(c).
 - Witness proponent may consult with attorney before taking redirect.
See Focal Therapeutics v. Senorex, Paper 19, IPR2014-00116 (July 21, 2014).
 - Consulting with attorney before redirect may negatively impact witness credibility, assuming that is brought out on the record.
- Re-cross:
 - By deposition. 37 CFR § 42.53(c).

Filing Deposition Transcripts With the PTAB

- Filing transcript as exhibit with the Board:
 - Filed when corresponding paper filed (opposition, reply, observations).
 - Taking party **must** file transcript as an exhibit. 37 CFR §42.53(f)(7).
 - Entire transcript, not snippets, and including redirect.
 - Including all exhibits used in the deposition, including the redirect exhibits.
- Submission of videotaped testimony permitted, if helpful and PTAB authorizes (more on this in a later slide).

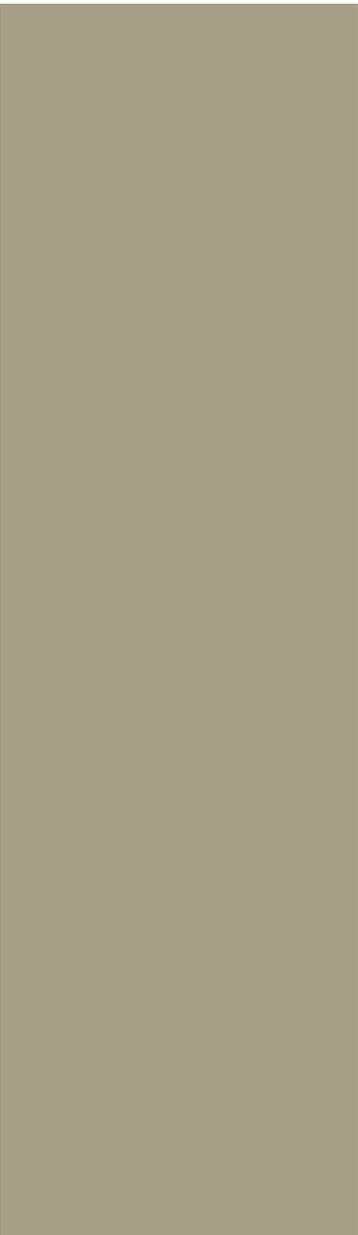


Exceptions to Paper Testimony:
Live Testimony before PTAB and
Videotaped Deposition Clips

- Live testimony before the Board:
 - Rare, but may be ordered where Board “considers the demeanor of a witness critical to assessing credibility.” Trial Practice Guide, ¶ F.5.
 - Examples: Cases where derivation is an issue; where misconduct is alleged to have occurred during the proceedings; where testimony is given through an interpreter. *Id.*
 - Permitted live inventor “swear-behind” testimony when Petitioner attacked the inventor’s credibility, in *K-40 Electronics LLC v. Escort Inc.*, IPR2013-00203.
 - Denied Petitioner’s request to present live testimony of its own expert witness on one discrete point (10 minutes for direct), because the issue was the reliability of certain scientific literature (and thus an apparent attempt to bolster the expert’s prior testimony), not an issue of the demeanor of the witness (which the Board said “may” be authorized if “critical to assessing credibility”), in *Edmund Optics, Inc. v. Semrock, Inc.*, Paper 55, IPR2014-00599 (May 13, 2015).

Submission of Deposition Video Clips

- Rarely allowed.
- In support of submission, must show how videos will aid credibility assessment.
- PTAB authorized submission of six videos as exhibits with Patent Owner Response, but only where testimony involved demonstrations not clear from the paper record. IPR2014-00561, *Pacific Market Int'l L.L.C. v. Ignite U.S.A.*, Paper 27 (Feb. 5, 2015).
- PTAB authorized submission of 30 minutes of video clips of expert deposition “to assess his demeanor and credibility.” *Seoul Semiconductor v. Enplas Corp.*, Paper 23, IPR2014-00878 (April 19, 2015)



PTAB Treatment of Witness Credibility and Bias Challenges

Board Treatment of Credibility Challenges

- **Allegedly Unreliable (Entirely) Expert Declaration:**
 - Allegedly unreliable and misleading Patent Owner declaration, in view of alleged inconsistencies with deposition testimony, not excluded upon motion by Petitioner because:
 - (1) arguments bear on weight afforded testimony and not admissibility, in that the totality of the statements in the declaration and the weaknesses explored in cross-examination are helpful to the PTAB in deciding the issues.
 - (2) *Daubert's* gatekeeping framework is less compelling in bench proceedings than in jury trials.
 - Petitioner succeeded in proving all claims unpatentable.
 - Teaching Point: PTAB seems to want to see the weaknesses.
 - *Search America, Inc. v. Transunion Intelligence, LLC*, CBM2013-00037, Paper 67 (Feb. 3, 2015).

Board Treatment of Credibility Challenges

- **Expert Alleged Reliance on Incorrect Legal Standards:**
 - Rejecting argument that expert's testimony is unreliable because the expert allegedly failed to understand the legal standards for obviousness (the relevant time period when addressing who is one of skill in the art for obviousness purposes).
 - Teaching Point: PTAB is able to recognize experts are not patent attorneys.
 - *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00048, Paper 94 (May 9, 2014).

Board Treatment of Credibility Challenges

- **Expert Reliance on Allegedly Unreliable Sources:**
 - Finding all patent claims to be unpatentable in final written decision.
 - Denying Patent Owner's motion to exclude portions of Petitioner's expert declaration based on allegedly unreliable source (recent publication describing long-ago events), because criticisms go to weight of evidence and not admissibility.
 - Teaching Point: Again, no need for gatekeeping.
 - *Motorola Mobility, LLC, v. Intellectual Ventures I, LLC*, CBM2015-00004, Paper 33 (Mar. 21, 2016).

PTAB Treatment of Credibility Challenges

- **Allegedly Unqualified Expert, and Reliance on Allegedly Unreliable Information:**
 - Finding all patent claims to be unpatentable in a final written decision.
 - Denying Patent Owner's motion to exclude:
 - Portions of Petitioner's expert declaration that Patent Owner said Petitioner's expert was unqualified to provide testimony.
 - Portions of the testimony that had relied on incorrect positions taken by Patent Owner's expert.
 - PTAB said, the arguments go to the weight of the evidence and not admissibility.
 - *Liberty Mutual Insurance Co. v. Progressive Casualty Insurance Co.*, CBM2013-00009, Paper 68 (Feb. 11, 2014).

PTAB Treatment of Bias Challenges

- **Employee expert:**

- Rejecting bias arguments and motion to exclude Petitioner's expert declarations, based upon argument that the expert is an officer (Vice President) with significant stock options and other interests in Petitioner, and thus allegedly is a "quintessentially paid, biased witness."
- Teaching Point: PTAB is best qualified to determine who the best expert is, and the fact that an expert is an employee is not automatically disqualifying.
- *Polaris Wireless, Inc. v. Trueposition, Inc.*, IPR2013-00323, Paper 62 (Nov. 3, 2014).

PTAB Treatment of Bias Challenges

- **Expert's Relationship to Party Offering Expert:**
 - Granting in part motion for additional discovery into potential bias of Petitioner's expert witness related to the technical expert's past alleged close relationship with Petitioner.
 - *American Simmental Association v. Leachman Cattle of Colorado, LLC*, PGR2015-00003, Paper 32 (Sep. 4, 2015).
- **Affiliation with "Anti Patent" Organization:**
 - Rejecting Patent Owner's argument raising concerns about Petitioner's expert (a member of the Electronic Frontier Foundation) being able to serve as an unbiased technology expert, the PTAB stating that a review of his CV showed he was "well qualified to testify regarding the matters addressed in his declaration."
 - *Apple Inc. v. Achatos Reference Publishing, Inc.*, IPR2013-00080, Paper 90 (Jun. 2, 2014).

PTAB Treatment of Bias Challenges

- **Proof by Interested Witnesses (Inventor, Patent Attorney)**

- **Antedating Prior Art:**

- Testimony offered by interested witnesses (inventors, patent attorney) offered to show conception and reduction to practice needs to be corroborated by independent evidence.
- *Microsoft Corp. v. Surfcaster, Inc.*, IPR2013-00292, Paper 93 (Oct. 14, 2014): Finding patent attorney's log notes and other evidence were not sufficiently corroborated by independent evidence to prove diligence.
- *International Business Machines Corp. v. Intellectual Ventures II LLC*, IPR2014-00660, Paper 58 (Oct. 19, 2015): Finding prior art not antedated where there was not sufficient circumstantial evidence of an independent nature to satisfy the corroboration requirement that it was the inventors inventive conceptions described in the inventor's student's thesis.

Practice Pointers

- Recognize that PTAB is disinclined to exclude evidence, but will want to know weaknesses.
- Raise credibility/bias issues when they really exist, especially in connection with Patent Owner evidence to antedate prior art.
- Consider submitting video deposition clips (or live testimony) where expert's demeanor and/or credibility is critically important.
- Don't rule out employees as expert witnesses.



Expert Competence: PTAB
Treatment of Daubert

RULE 702. TESTIMONY BY EXPERT WITNESSES

A witness who is qualified as an expert by knowledge, skill, experience, training, or education may testify in the form of an opinion or otherwise if:

- (a) The expert's scientific, technical, or other specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue;
- (b) The testimony is based on sufficient facts or data;
- (c) The testimony is the product of reliable principles and methods; and
- (d) The expert has reliably applied the principles and methods to the facts of the case.

(As amended Apr. 17, 2000, eff. Dec. 1, 2000; Apr. 26, 2011, eff. Dec. 1, 2011)

Expert Witness Competence - *Daubert*

Daubert provides guidelines for admitting scientific expert testimony:

1. Judge is “gatekeeper” (but with PTAB, it is a bench trial)
2. Testimony must be relevant and reliable
3. Must be product of sound “scientific methodology”

Daubert v. Merrell Dow Pharmaceuticals, 509 U.S. 579 (1993)

- *Mobotix Corp. v. Comcam International, Inc.*, IPR2015-00093, Paper 22 (April 28, 2016):
 - “Similar to a district court in a bench trial, the Board, sitting as a non-jury tribunal with administrative expertise, is well-positioned to determine and assign appropriate weight to evidence presented. See, e.g., *Donnelly Garment Co. v. NLRB*, 123 F.2d 215, 224 (8th Cir. 1941) (“One who is capable of ruling accurately upon the admissibility of evidence is equally capable of sifting it accurately after it has been received”).”
- Given it is a bench trial, goes to weight, not admissibility.
- PTAB view consistent with many jurisdictions (e.g., 8th Circuit), where Court’s gatekeeping function under *Daubert* is not applicable in bench trials.

PTAB Views on “Expertized” or Conclusory Expert Declarations

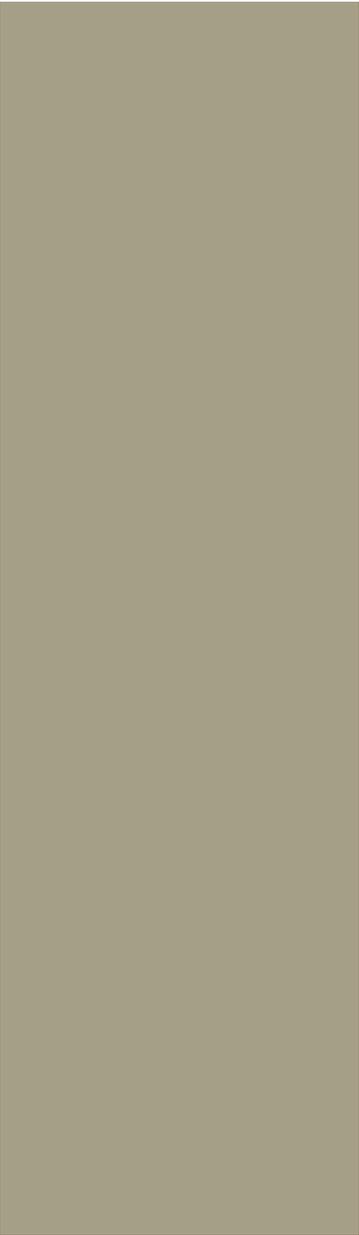
- Expert cannot simply repeat argument in Petition without explaining why the expert thinks the argument is correct.
 - F.R.E. 702(b): “Testimony is based on sufficient facts or data.”
- *InfoBionic, Inc. v. Braemar Manufacturing, LLC*, IPR2015-01704, Paper 11 (Feb. 16, 2016) (denying institution, because expert merely repeated the argument in the Petition about what a reference meant without explaining why the expert believed that meaning to be correct).

Practice Pointers – Expert Competence

- Include *Daubert* motions in motion to exclude, but only if really at issue. Frivolous motions to exclude may bear negatively on counsel's credibility.
- Objections under *Daubert* must be timely.
- Where your expert is more reliable than opponent's expert, but opponent's expert still is competent, argue in papers, not in a motion to exclude.
- Give thought to Rule 702 when working with an expert to make sure that expert's declaration is thorough, substantive and not conclusory.



Post-Grant for Practitioners
Webinar Series



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Mark your Calendar!

Wednesday, July 13, 1-2pm EST

Post-Grant for Practitioners: Midyear Review of PTAB Decisions

Speakers: Dorothy Whelan, Stuart Nelson

Watch for more information on future Post-Grant webinars at:

[FishPostGrant.com/webinars/](https://fishpostgrant.com/webinars/) or [FR.com/events/](https://fr.com/events/)

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Post-Grant Resources

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- In Fish & Richardson’s initial 7-part webinar series titled “Challenging Patent Validity in the USPTO,” we explored details regarding several of the post grant tools, with 3 sessions dedicated to Inter Partes Review (IPR), and a final session walking through several hypotheticals, to help listeners understand how these apply to common situations.
- Audio and slides for these webinars are posted online at:
<http://fishpostgrant.com/webinars/>
- If you listen to these webinars, you will be well positioned to engage in a conversation over whether and when to use those tools and how to defend against them.

- Fish web sites:
 - Post-Grant for Practitioners: <http://fishpostgrant.com/webinars/>
 - General: <http://fishpostgrant.com/>
 - IPR: <http://fishpostgrant.com/inter-partes-review/>
 - PGR: <http://fishpostgrant.com/post-grant-review/>
 - Rules governing post-grant: <http://fishpostgrant.com/>
 - Post-Grant App: <http://fishpostgrant.com/app/>
- USPTO sites:
 - AIA Main: http://www.uspto.gov/aia_implementation/index.jsp
 - Inter Partes: http://www.uspto.gov/aia_implementation/bpai.jsp

Thank You!

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