

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AXONICS MODULATION TECHNOLOGIES, INC.,
Petitioner,

v.

MEDTRONIC, INC.,
Patent Owner.

IPR2020-00678 (Patent 7,774,069 B2)
IPR2020-00680 (Patent 8,457,758 B2)
IPR2020-00712 (Patent 8,738,148 B2)¹

Before JAMES A. TARTAL, ERIC C. JESCHKE, and
ALYSSA A. FINAMORE, *Administrative Patent Judges*.

TARTAL, *Administrative Patent Judge*.

DECISION

Granting Patent Owner's Request on Rehearing of April 9, 2021, Order
37 C.F.R. § 42.71(d)

¹ This Decision applies to each of the listed proceedings. The parties are not authorized to use this style heading for any subsequent papers. For convenience we only cite to papers and exhibits filed in IPR2020-00678, with the recognition that substantively similar papers and exhibits also appear in the respective records of IPR2020-00680 and IPR2020-00712.

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In each of these proceedings, we issued an Order on April 9, 2021, in which we denied the request of Medtronic, Inc. (“Patent Owner”) to require Axonics Modulation Technologies, Inc. (“Petitioner”) to file as an exhibit the cross-examination testimony of Dr. Mihran, as well as Patent Owner’s request “[a]lternatively” for “leave to file the transcript as an exhibit with its sur-replies.” Paper 22 (the “Order” or “Ord.”), 6; Ex. 3001 (email from counsel for Patent Owner dated April 7, 2021). Patent Owner filed a Request for Rehearing of the Order, arguing first that we “overlooked that 37 C.F.R. § 42.53(f)(7) has been amended to allow any party to submit the deposition testimony as an exhibit,” and second that we “overlooked that the deposition testimony is relevant to the issues raised by Petitioner and is necessary for a complete record.” Paper 25 (the “Request” or “Req. Reh’g”), 2. Petitioner filed a Response to the Request maintaining that “Patent Owner identifies no mistake in the Board’s analysis on this issue and thus provides no basis for overturning its decision.” Paper 29 (the “Response” or “Resp.”) For the reasons provided below, we grant Patent Owner leave to file as an exhibit in each proceeding the cross-examination testimony of Dr. Mihran.

Generally, the party challenging a decision in a request for rehearing bears the burden of showing the decision should be modified. 37 C.F.R. § 42.71(d). A request for rehearing “must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed.” *Id.*

First, Patent Owner argues as follows:

The Order states that “[a]ccording to 37 C.F.R. § 42.53(f)(7), . . . the ‘testimony must be filed by proponent as

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an exhibit.” Order at 2. Based on this understanding of Rule 42.53(f)(7), the Order explained that Petitioner was not “required to file a transcript of the cross-examination testimony . . . because Petitioner is not the proponent of that evidence.” *Id.* Rule 42.53(f)(7), however, was amended in 2015 to delete the “by proponent” language. In particular, while Rule 42.53(f)(7) originally stated that “testimony must be filed by proponent as an exhibit,” it was amended to state that “testimony must be filed as an exhibit.” 37 C.F.R. § 42.53(f)(7); *see also* Amendments to the Rule of Practice for Trials Before the Patent Trial and Appeal Board, 80 Fed. Reg. 28,561, 28,563 (May 19, 2015) (explaining that the rule was amended “[t]o clarify that either party is permitted to file testimony as an exhibit”).

Req. Reh’g 2–3 (footnote omitted). Patent Owner is correct in that the Order quoted the version of Rule 42.53(f)(7) prior to amendment in 2015. We hereby clarify with regard to the Order that the version of Rule 42.53(f)(7) applicable to Patent Owner’s request for leave provides as follows:

Except where the parties agree otherwise, the proponent of the testimony must arrange for providing a copy of the transcript to all other parties. The testimony must be filed as an exhibit.

This amended version of Rule 42.53(f)(7) does no more than clarify that either party may file testimony.

More specifically, Patent Owner requests that, “consistent with the plain language of [Rule 42.53(f)(7)], it be allowed to submit the testimony as an exhibit in this proceeding.” Req. Reh’g 3. We recognize that Rule 42.53(f)(7) states, in part, that “testimony must be filed as an exhibit.” Rule 42.53(f)(7), however, does not independently mandate or authorize Patent Owner to file cross-examination testimony of its own declarant as an exhibit in support of its sur-replies. Rule 42.53(f)(7) only provides that either party is permitted to file testimony and prescribes how testimony is filed—as an exhibit. *See, e.g.*, 80 Fed. Reg. at 28,563 (“To clarify that either

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party is *permitted* to file testimony as an exhibit, the Office amends 37 CFR [§] 42.53(f)(7) to delete the phrase ‘by proponent’ in the second sentence.” (emphasis added)). In this regard, Petitioner persuasively explains as follows:

As explained in the Order, the Board’s rules and the [Consolidated Trial Practice Guide, 84 Fed. Reg. 64,280 (Nov. 21, 2019) (“CTPG”)] specifically prohibit the filing of exhibits with the sur-reply except for deposition transcripts of reply witnesses. Paper 22 at 3. 37 C.F.R. § 42.53(f)(7) does not overrule them.

Under 37 C.F.R. § 42.6(c), an “exhibit must be filed with the first document in which it is cited except as the Board may otherwise order.” 37 C.F.R. § 42.53(f)(7) merely confirms that the Board will not consider deposition testimony *unless* it is filed as an exhibit. *See e.g., Intel Corp. v. Hera Wireless S.A.*, No. IPR2018-01701, Paper 22 at 3 (P.T.A.B. Jan. 13, 2020) (“The parties are reminded that, under 37 C.F.R. § 42.53(f)(7), a proponent of deposition testimony must file such testimony as an exhibit. *The Board will not consider any deposition testimony that has not been so filed.*”) (emphasis added); *see also Westlake Services, LLC d/b/a/ Westlake Financial Services v. Credit Acceptance Corporation*, Case CBM2014-00008, Paper 48 at 2 n.1 (P.T.A.B. Aug. 12, 2014) (“Deposition transcripts must be filed as exhibits, not papers.”) (citing 37 C.F.R. § 42.53(f)(7)).

Resp. 4–5. As we recognized in the Order, Patent Owner does not contend that its declarant, Dr. Mihran, is a “reply witness” or that Rule 42.23(b) permits Patent Owner to file Dr. Mihran’s cross-examination testimony in support of its sur-replies. To this effect, the Board recently explained that Rule 42.23(b) was “amended to permit patent owners and petitioners to file sur-replies to principal briefs,” and further added that “[a] sur-reply may only respond to arguments raised in the corresponding reply, and may not be accompanied by new evidence other than deposition transcripts of the cross-

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examination of any reply witness.” PTAB Rules of Practice for Instituting on All Challenged Patent Claims and all Grounds and Eliminating the Presumption at Institution Favoring Petitioner as to Testimonial Evidence, 85 Fed. Reg. 79,120, 79,122 (Dec. 9, 2020). The discussion of the amendment included the following:

Comment 9: Some comments expressed concern that the Proposed Rules do not place limits on the introduction of new evidence in a sur-reply, which could lead to uncertainty and gamesmanship.

Response: The Office appreciates these thoughtful comments. The Office has revised the text of rule 42.23(b) to clarify that the sur-reply “may not be accompanied by new evidence other than transcripts of the cross-examination testimony of any reply witness.” This conforms to existing practice as stated in the [Office Patent Trial Practice Guide, August 2018 Update, 83 Fed. Reg. 39,989 (Aug. 13, 2018)] and the CTPG.

Id. at 79,124. Although this set of rule amendments applies to petitions filed after January 8, 2021 (after the petitions were filed in these cases), the explanation of the Board’s “existing practice” is informative. That Rule 42.53(f)(7) was amended to clarify that either party is permitted to file testimony as an exhibit does not alter our prior determination that Rule 42.53(f)(7) does not authorize Patent Owner to file cross-examination testimony of its own declarant as an exhibit in support of its sur-replies contrary to Rule 42.23(b).

Second, Patent Owner argues that “the Order overlooked that the Board routinely relies on deposition testimony that is relevant to the issues and has required submission of the testimony to maintain a complete record of the proceeding.” Req. Reh’g 3. Patent Owner also reasons that the cross-examination testimony of Petitioner’s declarant was entered as an

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exhibit, and that Dr. Mihran's cross-examination testimony should also be entered "so that the Board can weigh the credibility of both witnesses on equal footing." Req. Reh'g 4 n.3.

In response, Petitioner argues as follows:

The Request makes no showing that, for example, Patent Owner reasonably did not expect the new opinions Dr. Mihran provided at his deposition. Indeed, given the unfettered access Patent Owner had to Dr. Mihran while preparing the Patent Owner's Response, any claim of surprise now would clearly be unreasonable. Nor does Patent Owner explain its failure to, if it was surprised by the testimony, diligently seek leave to file a supplemental Patent Owner Response adopting Dr. Mihran's new opinions prior to Petitioner's Reply and enter the deposition transcript as an exhibit at that time. No showing of good cause is even attempted. Patent Owner's enthusiasm for whatever new arguments it or its expert were able to develop after the Patent Owner's Response does not warrant an exception to the Board's rules barring the raising of new issues and evidence in sur-reply.

Resp. 8–9.

In the Order we found that Patent Owner's request was untimely in light of the limitations on new evidence set forth in 37 C.F.R. § 42.23(b). Order 3–4. Although Patent Owner requested "leave" to file the cross-examination testimony, Patent Owner did not specifically assert, and we did not consider, whether the cross-examination testimony of Dr. Mihran should be admitted as an exhibit under 37 C.F.R. § 42.123(b), which provides that supplemental information may be submitted more than one month after the date the trial is instituted where it "reasonably could not have been obtained earlier" and where "consideration of the supplemental information would be in the interests-of-justice."

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To the extent Patent Owner’s request for leave did not specifically encompass relief pursuant to Rule 42.123(b) and, therefore, lies outside of a proper request for rehearing, we find in the interests of efficiency in the proceedings that we may consider whether Patent Owner’s Request satisfies Rule 42.123(b), in light of the arguments advanced by both parties, rather than, for example, require Patent Owner to refile its request for leave pursuant to Rule 42.123(b). We further find that Patent Owner’s arguments sufficiently show that the cross-examination testimony of Dr. Mihran could not have been obtained earlier (by virtue of it being cross-examination testimony). Petitioner’s contention that Patent Owner had “unfettered access” to Dr. Mihran does not suggest that the cross-examination testimony to be filed as an exhibit, based on questioning by Petitioner, could have been obtained earlier. *See* Resp. 9.

Further, we are persuaded that the interests-of-justice support allowing the cross-examination testimony to be entered in the record as an exhibit, including the interests of allowing each party to rely on evidence developed during trial to support or attack the credibility of a declarant. *See Ultratec, Inc. v. CaptionCall LLC*, 872 F.3d 1267, 1273 (Fed. Cir. 2017) (“[N]o reasonable fact finder would refuse to consider evidence of inconsistent sworn testimony. Moreover, any such inconsistencies would likely bear on the overall credibility of the expert.”). We considered Petitioner’s argument that Patent Owner seeks to use improperly the cross-examination testimony to support its sur-reply, because “Dr. Mihran developed new arguments and opinions that Patent Owner would like to advance.” *Id.* at 7–8. To be clear, we make no finding on whether any testimony in the transcript of Dr. Mihran’s cross-examination may be

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properly relied on by Patent Owner in support of the sur-reply in each case and do not limit Petitioner's ability to contest Patent Owner's use of the cross-examination testimony. To the extent Patent Owner relies on the cross-examination testimony in support of its sur-replies, Petitioner may dispute whether such reliance is proper. Petitioner may also choose to request leave to file additional briefing to respond to arguments advanced by Patent Owner citing the cross-examination testimony of Dr. Mihran. We, therefore, conclude that the interests-of-justice favor allowing Patent Owner to file the cross-examination testimony of Dr. Mihran as an exhibit.

Accordingly, it is in each of the above identified proceedings:

ORDERED that Patent Owner's request for leave to file as an exhibit the cross-examination testimony of Dr. Mihran is *granted*.

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