

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Chongqing Yanmei Technology Co., LTD,

Petitioner,

v.

Terves, LLC,

Patent Owner.

IPR2023-00521
U.S. Patent No. 10,689,740

**REPLY TO PETITIONER'S
MOTION TO COMPEL TESTIMONY**

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EXHIBIT LIST

Exhibit	Description
2001	Declaration of Mark Cohen
2002	Cohen Resume
2003	EO13817
2004	EO13953
2005	EO14017
2006	Komesaroff, Make the Foreign Serve China
2007	Declaration of Andrew Sherman
2008	Disclaimer in Patent under 37 CFR 1.321(a)
2009	Electronic Acknowledgement Receipt of Ex. 2008.
2010	<i>Terves, LLC v. Yueyang Aerospace New Materials Co. Ltd. et al.</i> , Case No. 1:19-cv-1611 (N.D. Oh.), ECF 134, Terves Motion for Summary Judgment
2011	<i>Terves, LLC v. Yueyang Aerospace New Materials Co. Ltd. et al.</i> , Case No. 1:19-cv-1611 (N.D. Oh.), ECF 134-21, Ecometal Invalidity Contentions
2012	<i>Terves, LLC v. Yueyang Aerospace New Materials Co. Ltd. et al.</i> , Case No. 1:19-cv-1611 (N.D. Oh.), ECF 144, Defendants Response to Motion for Summary Judgment
2013	<i>Terves, LLC v. Yueyang Aerospace New Materials Co. Ltd. et al.</i> , Case No. 1:19-cv-1611 (N.D. Oh.), ECF 178, Summary Judgement Order
2014	<i>Terves, LLC v. Yueyang Aerospace New Materials Co. Ltd. et al.</i> , Case No. 1:19-cv-1611 (N.D. Oh.), ECF 203, Judgment.
2015	<i>Terves, LLC v. Yueyang Aerospace New Materials Co. Ltd. et al.</i> , Case No. 1:19-cv-1611 (N.D. Oh.), ECF 219, Permanent Injunction Memorandum Opinion
2016	<i>Terves, LLC v. Yueyang Aerospace New Materials Co. Ltd. et al.</i> , Case No. 1:19-cv-1611 (N.D. Oh.), ECF 220, Permanent Injunction
2017	Medlin Declaration during Reexamination
2018	Swanger Declaration during Reexamination
2019	Redline from '653 patent to '740 patent
2020	Application Data Sheet for '740 patent
2021	Specification for '740 patent
2022	IDS for '740 patent

Exhibit	Description
2023	IDS signed for '740 patent
2024	IDS signed (second time) for '740 patent
2025	First Amendment for Ex Parte Reexamination
2026	'740 patent application as originally filed
2027	'838 Doud patent application as originally filed
2028	'838 Doud provisional application as originally filed
2029	Petitioner request for deposition and related correspondence
2030	Petitioner notice of deposition

I. Introduction

Petitioner submitted a motion to compel testimony of Andrew Sherman if the Board grants Patent Owner's motion to withdraw Exhibit 2007 (Paper 21). Since Petitioner's motion to compel relies on the withdrawal of Exhibit 2007, Petitioner's sought testimony is not routine discovery but rather additional discovery, which has a very strict and high burden under *Garmin*. Petitioner, however, did not cite to the controlling law let alone apply it to show it has met that high burden for additional discovery. The Board should deny Petitioner's motion on this basis.

Moreover, Petitioner's sole basis for its motion is its mere unsupported allegation that Patent Owner may have publicly disclosed or offered for sale the invention more than one year before filing for patent protection. That argument fails for three reasons. First, such a challenge is not permissible in an IPR, which is limited to documentary prior art, not prior offer for sale, use, or disclosure. Second, Petitioner could have, but did not, obtain this evidence elsewhere, namely the *Terves v. Yueyang*, district court action where the parties completed discovery, summary judgment, and trial with defendants seeking such discovery and never having made that argument an invalidity basis. Third, judicial economy warrants denial of Petitioner's motion based on an unsupported allegation not tied to any instituted ground before the Board. Therefore, for the foregoing reasons, the Board should deny Petitioner's motion.

II. Petitioner's motion is not routine discovery

Petitioner argues that if the Board withdraws Exhibit 2007, then the Board should grant Petitioner's motion to compel. Paper 21 at 6. Since Petitioner's motion requires withdrawal of Exhibit 2007, cross-examination testimony of Andrew Sherman under 37 C.F.R. § 42.51(b)(1)(ii) as a matter of routine discovery would no longer be available. That is, with no declaration, there is no cross-examination of the declarant. *Id.* Petitioner did not present any basis that its motion to compel without an underlying declaration is routine discovery. Paper 21 at 6-7.

III. Petitioner made no claim for additional discovery

Instead, Petitioner seeks to compel testimony of Mr. Sherman under 37 C.F.R. § 42.52(a), which requires prior authorization from the Board. For testimony not prepared for the proceeding, i.e., not subject to cross examination, "additional discovery" may be available if the party seeking discovery can show it is "in the interests of justice." 37 C.F.R. § 42.51(b)(2); *see also Medtronic, Inc. v. Teleflex Innovations S.à.r.l.*, IPR2020-00126, 2020 WL 7233354, at *2 (PTAB Dec. 8, 2020). The Board considers five factors, including whether the request is based on more than a mere possibility or allegation. *Garmin Int'l, Inc. v. Cuozzo Speed Tech. LLC*, IPR2012-00001 at 6-7 (PTAB Mar. 5, 2013) (Paper 26). As the moving party, Petitioner bears the burden to prove it is entitled to the requested relief. 37 C.F.R. § 42.20(c). Petitioner must also "describe the general relevance of the testimony" in

its motion with specificity. 37 C.F.R. § 42.52(a); *see also Medtronic, Inc. v. Robert Bosch Healthcare Sys., Inc.*, IPR2014-00488 at 4 (PTAB Nov. 5, 2014) (Paper 25).

Petitioner failed to address or acknowledge any of the *Garmin* factors and makes the very conclusory argument prohibited by *Garmin*: “[g]iven the Declarant’s statements in the Declaration, Petitioner believes Patent Owner may have publicly disclosed or offered for sale the invention more than one year before filing for patent protection.” Paper 21 at 6-7. Such allegation is wholly without basis and is a far leap from statements in Exhibit 2007, e.g., “Terves manufactures commercial embodiments of the invention within the first United States facility built in the past 50 years for the secondary processing of magnesium.” The Board should deny Petitioner’s motion. because Petitioner’s position is based on conjecture and Petitioner did not satisfy, nor attempt to satisfy, its burden for additional discovery.

IV. The sought testimony is not adjudicable in an IPR

Challenges in IPR can only be based upon “prior art consisting of patents or printed publications.” 35 U.S.C. § 311(b). Unlike other litigation, discovery in a PTAB trial is focused on what the parties “reasonably need” to respond to the grounds raised by Petitioner and the scope of the trial “continually narrows.” Patent Trial Practice Guide, 77 FR 48756-01. While a party may apply for a subpoena to compel testimony, subpoenas are only permitted for testimony that will be used in the contested case. Rules of Practice, 77 FR 48612-01.

Petitioner argues it “believes that it has the right to question Mr. Sherman to discover documents that determine when the claimed inventions in the ‘740 patent ... were first publicly disclosed, offered for sale, or sold.” Paper 21 at 7. Such line of argument, however: (1) has not been raised by Petitioner and is not an instituted ground in the IPR and (2) would not produce any “patents or printed publications,” which are the only permissible bases for challenges in an IPR. 35 U.S.C. § 311(b). The Board should deny Petitioner’s motion because the sought testimony cannot be used in an IPR and would impermissibly broaden discovery and the IPR itself.

V. Petitioner could have, but didn’t, obtain this evidence elsewhere

The Board denies additional discovery when that evidence can be obtained elsewhere. *Garmin Int’l*, IPR2012-00001 at 6-7. Petitioner did not address why it did not or could not obtain such evidence in *Terves, LLC v. Yueyang Aerospace New Materials Co. Ltd. et al.*, Case No. 1:19-cv-1611 (N.D. Oh.). Patent Owner identified this case in its preliminary response. Also, that case readily shows that despite years of discovery and litigation, defendants never asserted a prior disclosure invalidity basis. Thus, the Board should deny Petitioner’s motion on this basis too.

VI. Petitioner’s motion doesn’t promote judicial economy

Given the impermissible scope of Petitioner’s sought testimony, such testimony would not be in the interest of judicial economy as it would require undue resources. The sought testimony would be costly, time consuming, and would not,

by Petitioner's own argument, provide information that could be used in the IPR. Since Petitioner offers no adjudicable basis for its sought testimony, Petitioner's motion only underscores why the testimony is not permissible.

Moreover, Patent Owner specifically submitted its motion to withdraw Exhibit 2007 in lieu of making available the declarant for cross examination in a deposition. *See Unified Pats. Inc. v. Digital Stream Ip, LLC*, IPR2016-01749, 2017 WL 2590158, at *1 (PTAB June 14, 2017). Granting Petitioner's motion to compel testimony of the same person would subvert the intent behind and effect of the withdrawal of Exhibit 2007.

VII. Conclusion

In view of the foregoing, the Board should deny Petitioner's motion to compel testimony of Andrew Sherman.

Dated: January 29, 2024

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

Patent Owner certifies the following:

1. This brief complies with the type-volume limitation of 37 C.F.R. § 42.24(a)(1)(i) and set by the Board pursuant to an email dated January 11, 2024. Specifically, this brief contains 5 pages excluding parts of the brief exempted by 37 C.F.R. § 42.24(a)(1); and

2. This brief complies with the typeface requirements of 37 C.F.R. § 42.6(a)(2)(ii) and the type style requirements of 37 C.F.R. § 42.6(a)(2)(iii). Specifically, this brief has been prepared in a proportionally spaced typeface using Microsoft Word in a 14 point Times New Roman font.

Dated: January 29, 2024

Respectfully submitted,

/s/ David B. Cupar

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that this reply to Petitioner's Motion to Compel Testimony of Andrew Sherman was served to lead and back-up counsel for Petitioner by e-mail on January 29, 2024, as follows:

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