UNITED STATES
PATENT AND TRADEMARK OFFICE

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Patent Trial and Appeal Board Boardside Chat: AIA Discovery Practice

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September 19, 2024

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Agenda

- Rules and procedures for discovery
- Motions to compel discovery
- Example PTAB cases

Rules and procedures

Discovery in general

- Unless otherwise provided, the Federal Rules of Evidence (FRE) apply.
  - 37 CFR § 42.62

Discovery structure

- Mandatory initial disclosures (37 CFR § 42.51(a), CTPG (Consolidated Trial Practice Guide) 29-31)
  - With parties' agreement
    - file agreement with Board before filing of patent owner preliminary response
    - automatically begin agreed upon discovery upon institution
  - Without agreement – seek discovery by motion
    - burden of proof is on the moving party

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Cisco Systems, Inc. v. WSOU Investments d/b/a
Brazos Licensing and Development

Types of discovery

- Types of discovery – not as expansive as in district court (37 CFR § 42.51(b), CTPG 23-28)
  - Routine discovery
  - Additional discovery

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Cisco Systems, Inc. v. WSOU Investments d/b/a
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Routine discovery

- Any exhibit cited in a paper or in testimony must be served with the citing paper or testimony
- Cross examination of witnesses and experts (in the form of transcripts of depositions)
- Relevant information that is inconsistent with position advanced by party, unless privileged

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Additional discovery

- By agreement
- By motion
  - Standard = interests of justice EXCEPT in post grant review (PGR) proceedings
  - PGR standard = limited to evidence directly related to factual assertions advanced by either party. 37 CFR § 42.224

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Garmin factors

Garmin Int'l., Inc. v. Cuozzo Speed Techs. LLC, IPR2012-00001, Paper 26 (P.T.A.B. March 5, 2013) (precedential)

- More than a possibility or mere allegation
  - Possibility of finding something is insufficient
  - Party requesting discovery must already possess evidence tending to show beyond speculation that something useful will be discovered
- Litigation Positions and Underlying Basis
  - Seeking party's litigation positions is not in interest of justice

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Garmin factors *(cont.)*

- Ability to generate by other means
  - Can requesting party generate the same information without discovery?
- Easily understandable instructions/questions
  - Many pages of complex instructions for answering questions is prima facie unclear
- Burdensome requests
  - Burden on financial, human resources
  - Effect on time schedule

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Forms of discovery permitted

- Declarations of witnesses and experts
- Interrogatories
- Requests for documents
  - E.g., materials from district court cases
- Requests for admissions

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Possible discovery topics

- Real party-in-interest and privity
- Priority – date of invention; subject matter invented
  - PGR, non-public file histories
- Secondary considerations
  - Patent owner (PO) seeks discovery of copying and sales by petitioner
  - Petitioner seeks discovery of PO sales, profits
- Inconsistent testimony

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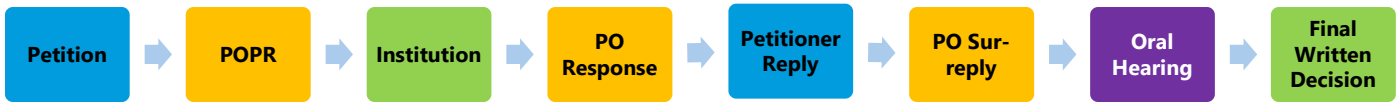
Timing of discovery



- Before institution: typically limited, e.g., real party-in-interest
- After institution: party typically seeks discovery before filing a written paper, e.g., patent owner may take discovery before filing a patent owner response

Expert testimony

- Expert testimony may be submitted with the petition, preliminary response, and at other stages of the AIA proceeding. *See* FRE 702(a)
- Expert must be produced for a deposition in U.S., unless agreed to otherwise by the parties

Deposition

- Notice of deposition must be filed at least 10 business days in advance
- Deposition may be in-person or via video
- Declarant must be made available for cross-examination by the opposing party at a deposition. 37 CFR § 42.53
  - 7 hours for cross examination;
  - 4 hours for re-direct examination; and
  - 2 hours of re-cross examination

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Deposition

- If issue arises during a deposition that requires immediate resolution, party may contact the Board by calling 571-272-7822
- *See New World Medical, Inc. v. MicroSurgical Technology, Inc.*, IPR2020-01573, Paper 49 (PTAB Nov. 5, 2021) (declaration struck for failure to make declarant available for deposition)

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Objections to evidence

- Party has 10 business days after institution or 5 business days after service of evidence to object to evidence. 37 CFR § 42.64 (b)(1)
- An objection to admissibility of deponent's statements must be made during the deposition. 37 CFR § 42.64(a); *Skyhawke Techs., LLC v. L&H Concepts, LLC*, IPR2014-00437, Paper 27 at 2 (PTAB Apr. 2, 2015) (failure to object to admissibility of evidence during the deposition resulted in Board's refusal to exclude the evidence)

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Live testimony

- Live testimony is possible at the oral hearing, but rare. *See* CTPG at 31-32
- Judges are permitted to ask questions of witness at the hearing

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Motions to compel discovery

Motions to compel testimony and production – 37 CFR § 42.52, CTPG 29

- Authorization to file required
- Compelling discovery is case specific – see Board's representative decisions for guidance
  - Encourage parties to work it out
  - Consider time/efficiency
  - Avoid fishing expedition – must be tailored discovery
  - Relationship to other proceedings – D. Ct. protective orders

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Motions to compel testimony and production – 37 CFR § 42.52, CTPG 29

- Content of Motion
  - Identify witness by name, title; or general nature of document or thing sought
  - Describe relevance of testimony, document or thing
  - Address *Garmin* factors (IPR2012-00001, Paper 26) concerning whether additional discovery is in interest of justice
  - Requests should be responsibly tailored and sensible
  - Genuine need for the information in this proceeding

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Motions for compelling discovery outside U.S.

- Identify country
- Explain why witness, document or thing can be compelled, procedures for doing so, and time required
- Demonstrate reasonable efforts to secure testimony, document or thing inside US, e.g., offering to pay witness travel expense or expenses of producing the document or thing in the US.
- *See, e.g., HTC Corp. v. NFC Technology*, IPR2014-01198, Papers 34, 36, 38, 39, 40, 41.

Cases about PTAB discovery

www.uspto.gov/patents/ptab/precedential-informative-decisions

- **Precedential**
  - *Garmin Int'l v. Cuozzo Speed Techs LLC.*, Case IPR2012-00001, Paper 26 (March 5, 2013) [AIA - discovery, 35 U.S.C. § 316(a)(5) - factors]
  - *Bloomberg, Inc. v. Markets-Alert Pty, Ltd.*, Case CBM2013-00005, Paper 32 (May 29, 2013) [AIA - discovery, 35 U.S.C. § 316(a)(5) - factors]
- **Informative**
  - *Arris Group Inc. v. C-Cation Technologies LLC*, Paper 10, IPR2015-00635 (May 1, 2015) [AIA - discovery, 35 U.S.C. § 316(a)(5) - preclusion]

VirnetX Inc. v. The Mangrove Partners Master Fund, Ltd., 778 F. App'x. 897 (Fed. Cir. 2019) (*regarding IPR2015-01046, -01047)*

- Discovery about real party-in-interest: during IPR, patent owner (VirnetX) learned Mangrove obtained equity in RPX, who was time-barred based on previous cases involving Apple
- Mangrove disclosed that it acquired 5% of RPX, making Mangrove the fifth largest RPX shareholder and that it had met with RPX management
- PTAB panel denied authorization to file motion for additional discovery stating VirnetX did not show something useful would be discovered (-01046 IPR, Paper 25)

VirnetX Inc. v. The Mangrove Partners Master Fund, Ltd., 778 F. App'x. 897 (Fed. Cir. 2019) (*regarding IPR2015-01046, -01047) (cont.)*

- Fed. Cir. noted the "interests of justice" standard applicable to obtaining additional discovery in IPR
- BUT Fed. Cir. found PTAB panel abused its discretion by not allowing VirnetX an opportunity to show the evidence it had and to state the discovery sought
- Court declined to speculate on whether VirnetX's motion would be successful
- On remand, panel granted PO's Motion for Discovery of Mangrove's pre-institution materials and for interrogatories limited to pre-institution time frame and denied motion for deposition testimony (-01046 IPR, Paper 88).

Some exemplary cases

- *Corning Optical v. Dali Wireless,* IPR2021-00762 – Paper 22
  - *Garmin* factors apply with respect to each request for production
- *Eisai v. Crystal Pharm.,* PGR2021-00047 – Paper 41
  - Denying request for authorization to file motion for additional discovery as premature
- *Group III Int'l v. Targus Int'l,* IPR2021-00371 – Paper 51
  - Denying motion for additional discovery
  - Petitioner's reasoning that it is entitled to explore patent owner's defenses is insufficient

- Patent owner filed an infringement action against ABC Corporation. More than one year later, XYZ Corporation filed an IPR petition challenging the patent asserted in the infringement action.
- In response to the petition, and prior to institution, patent owner filed a motion seeking discovery of an indemnification agreement between ABC Corporation and XYZ Corporation.
- Patent owner argues that the indemnification agreement will be useful to establish that ABC Corporation and XYZ Corporation are privities, and that ABC Corporation is time-barred under 35 U.S.C. § 315(b) due to this privity relationship.
- Petitioner does not dispute the existence of the indemnification agreement, but argues that it alone cannot give rise to privity, and discovery is therefore not warranted.

Is patent owner's motion for discovery proper?

A. Yes

B. No

Is patent owner's motion for discovery proper?

A. Yes

B. No

- Allowing discovery of indemnification agreement to support a showing of privity.
- Patent owner's request is "very limited" and "[t]he existence of the agreement is not disputed."
- Patent owner need not prove that it "exercised control over [the defendant in the litigation] sufficient for it to be deemed in privity" in order to obtain the requested discovery.
- Patent owner provided evidence showing that the defendant in the litigation made indemnification claims against petitioner; petitioner had rights to exercise "sole control" of the litigation, and petitioner resolved the indemnification claims with the defendant. "This evidence constitutes threshold evidence sufficient to deem the very limited request of the indemnification agreement to be necessary in the interests of justice."

More exemplary cases

- *Boehringer Ingelheim v. Kansas State Univ.*, PGR2020-00076, Paper 17 (PTAB April 29, 2021)
  - In PGR, "all discovery is limited to factual assertions advanced by either party in the proceeding"
  - We apply *Garmin* factors as modified by the "good cause" *Bloomberg* standard in *Bloomberg Inc. v. Markets-Alert Pty Ltd.*
    - *Bloomberg, Inc. v. Markets-Alert Pty Ltd.*, CBM2013-00005, Paper 32 at 5 (PTAB May 29, 2013) (precedential)
  - A good cause showing requires the moving party to provide a specific factual reason for expecting reasonably that the discovery will be useful
  - Petitioner did not show more than a mere possibility it would uncover useful information in non-public file histories – vague assertions about what those non-public file histories *may* contain are insufficient

More exemplary cases

- *Snap v. SRK Tech.*, IPR2020-00819 – Paper 23
  - Denying PO authorization to file motion for discovery of documents concerning how petitioner's products function and source code, stating it would not establish nexus between petitioner's products and patent for secondary considerations
  - Request characterized as fishing
  - Good citations to other cases

- An IPR has been instituted on the petition filed by petitioner
- Patent owner files a patent owner response along with a declaration from its declarant, previously filed in a parallel district court litigation, regarding secondary considerations
- Petitioner would like to depose the declarant regarding the basis for the declarant's statements and information that she omitted from the declaration that clearly refutes or undercut patent owner's arguments
- Patent owner opposes, arguing that the declarant was already deposed in the parallel litigation and that a second deposition will not generate useful information

Should petitioner:

A. File a motion to compel the declarant's deposition as "routine discovery" under 37 C.F.R. § 42.51(b)(1)

B. File a motion to compel the declarant's deposition as "additional discovery" under 37 C.F.R. § 42.51(b)(2) and provide the Board with an analysis under the *Garmin* factors

C. Submit the transcript from the deposition taken in the parallel litigation with your reply and rely on that cross-examination

D. Rely on a supplemental declaration from your own declarant to rebut patent owner's declarant's statements

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C. Submit the transcript from the deposition taken in the parallel litigation with your reply and rely on that cross-examination

D. Rely on a supplemental declaration from your own declarant to rebut patent owner's declarant's statements

- *Medtronic v. Teleflex Innovations*, IPR2020-00126, Paper 77 (PTAB Dec. 8, 2020)
  - Board denied motion to depose declarant in related district court litigation regarding secondary considerations
  - Testimony prepared for a different proceeding is NOT routine discovery; additional discovery analysis required
  - *Garmin* factor 1 not satisfied – not necessary in the interest of justice
    - Petitioner is already in possession of relevant information and materials that declarant omitted from her declaration, and can identify that information as part of its reply
  - BUT not making witness available for deposition risks that the Board will give patent owner's arguments less weight

Another exemplary case

- *Ashworth Bros. v. Laitram*, IPR2020-00593 – Paper 17
  - The Board denied PO's motion for discovery relating to petitioner allegedly copying PO's system—District Court litigation was stayed before information could be produced
  - Insufficient evidence existed that PO's product was the patented system
  - Board discusses interactions with District Court proceeding and implications of protective orders

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- Patent owner offers an expert declaration from Dr. Smith. Petitioner requests a deposition of Dr. Smith.
- During the deposition, petitioner's counsel is making headway in getting Dr. Smith to retreat from an important part of his testimony. Patent owner's counsel's objections change from one-word objections to "I'm not sure that's what he meant, let him answer that again" and "That question doesn't make sense, can you rephrase?"
- After two hours of deposition, petitioner's counsel asks for a break. During the break, patent owner's counsel and Dr. Smith have a heated conversation, which petitioner's counsel observes from afar.

Is Patent owner's counsel's conduct proper?

A. Yes, because counsel is allowed to explain its objections, and conferences during a break are allowed.

B. No, because speaking objections are not permitted.

C. No, because conferring with the witness before the end of cross-examination is improper.

D. No for both reasons B and C above.

Is Patent owner's counsel's conduct proper?

A. Yes, because counsel is allowed to explain its objections, and conferences during a break are allowed.

B. No, because speaking objections are not permitted.

C. No, because conferring with the witness before the end of cross-examination is improper.

D. No for both reasons B and C above.

- Counsel's objections are restricted to short objections
  - *E.g.*, "object to form"
  - No "speaking objections"
- Counsel may not confer with witness after cross-examination begins

Resources

- *Focal Therapeutics, Inc. v. SenoRx, Inc.*, IPR2014-00116, Paper 19 (PTAB July 21, 2014) (precedential)
- CTPG, Appendix D at 127-130 (testimony guidelines)

A continuing duty of candor

- In an IPR, patent owner selectively submitted favorable test results to support its argument that the prior art could not anticipate the challenged claims
- The Board found that patent owner failed to fulfill its duty of candor and fair dealing
- The Board issued a sanctions order entering adverse judgment against Patent Owner in relation to challenged claims due to the misconduct
- On Director Review, the Director agreed
  - "the sanction of judgment against patent owner in the trial here is proportionate to the harm to the Board, the public, and petitioner, and reflects the need to deter similar conduct"
- *Spectrum Solutions LLC v. Longhorn Vaccines & Diagnostics, LLC*, IPR2021-00847, Paper 113 (PTAB May 3, 2023); *Director's Decision*, Paper 142 (PTAB July 11, 2024)

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