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New developments in post-issuance proceedings

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PTAB Permits Entry of Declaration Testimony in an IPR Without Opposing Party's Opportunity to Cross-Exam

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September 22, 2014 – In a Conduct of the Proceeding Order and Decision Denying Patent Owner's Motion for Additional Discovery, the PTAB addresses the situation of proffered declaration testimony that was not prepared for the purposes of the *inter partes* review, but instead for an unrelated proceeding.

[IPR2013-00576 – Mexichem Amanco Holdings S.A. de C.V. v. Honeywell International, Inc. \(Papers 31 and 36\)](#)

With its reply to the patent owner's preliminary response, the petitioner submitted an expert declaration from a re-exam proceeding of a patent related to the patent in the IPR through a number of continuation-in-part applications. The patent owner filed a motion to cross-examine the declarant by deposition, which the Board denied.

According to the PTAB, the cross-examination of the declarant is treated as "additional discovery" governed under rule 37 C.F.R. § 42.51(b)(2) rather than routine discovery governed under 37 C.F.R. § 42.51(b)(1)(ii). As additional discovery, the PTAB noted that the patent owner must meet the higher standard of showing that the cross-examination is "necessary in the interest of justice," and that the PTAB would apply a set of factors first outlined in *Garmin Int'l Inc. et al. v. Cuzzo Speed Techs. LLC*, Case IPR2012-00001, Paper 26, slip op. at 6-7 (PTAB March 5, 2013).

While the Board found that some *Garmin* factors weighed in favor of the patent owner, the PTAB denied the motion based substantially on *Garmin*'s fifth factor that the request would be overly burdensome, due to the declarant residing in Japan. Though the Board would not compel

the petitioner to produce the declarant, it stated that the declaration would be given “little to no weight,” unless the petitioner provided the patent owner a fair opportunity to challenge the declarant’s testimony.

Left unaddressed by the Board is how its order comports with the applicability of the Federal Rules of Evidence under 37 C.F.R. §42.62, including Rule 801 against the admissibility of hearsay and Rule 807 providing the residual exception to the hearsay rule.

****Disclosure:** Banner & Witcoff attorneys Joseph Berghammer and Joseph Skerpon are counsel for the patent owner in this *inter partes* review.

The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly, Banner & Witcoff will offer weekly summaries of the board’s significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.



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