Bloomberg Law

BNA's
Patent, Trademark & Copyright Journal®

PATENTS

Paul Hastings LLP attorneys describe the stumbling blocks counsel will encounter related to depositions in Patent Trial and Appeal Board post-grant proceedings.

Navigating a PTAB Deposition

By Michael A. Stramiello and Arvind Jairam

In post-grant patent trials under the Leahy–Smith America Invents Act (AIA), limited discovery and tech-savvy judges magnify the importance of deposition practice. Indeed, the first five years of post-grant trials have shown that PTAB judges often read transcripts from cover to cover and rely on cross-examination testimony to support their decisions.

Therefore, PTAB counsel must be prepared to make the most of depositions while being mindful of an increasingly complex web of statutes, rules, and other guidance. This article will provide an overview of that authority and the nuanced body of related case law that has emerged over the first five years of post-grant trials before the PTAB.

Michael Stramiello, Ph.D., is an intellectual property litigation associate in the Washington office of Paul Hastings LLP. His practice focuses on the life sciences industry.

Arvind Jairam is an associate in the firm's litigation practice, who focuses his practice in the areas of patent litigation, patent post-grant proceedings, and due diligence analyses.

The authors thank Joseph E. Palys, partner at Paul Hastings, for his contributions to this article.

I. Taking Depositions

Because post-grant trials offer few other opportunities for routine discovery (37 C.F.R. § 42.51(b)) and rarely grant the opportunity for deponents to re-characterize their testimony (77 Fed. Reg. 48,756, 48,762 (Aug. 14, 2012)), PTAB counsel should not underestimate the importance of cross-examination.

A. Scope

PTAB rules provide for cross-examination within the scope of direct testimony. 37 CFR § 42.53(d)(5)(ii). A PTAB panel will ''generally allow[] some leeway as to questions seemingly out of the scope of the direct testimony'' (*Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00043, Paper 31 at 2 (P.T.A.B. July 8, 2013)), so long as questioning is ''reasonably related to the declarant's direct testimony'' (*Aker Biomarine AS v. Neptune Techs. & Bioressources Inc.*, IPR2014-00003, Paper 62 at 3 (P.T.A.B. June 6, 2014)). Given that flexibility, deposing counsel should not be too quick to withdraw questions when hitting a wall, but beware: ''the objecting witness or party'' may choose to ''suspend[]'' the deposition ''for the time necessary to obtain a ruling from the Board.'' 77 Fed. Reg. 48,772–73. Objected-to exhibits, on the other hand, ''shall be accepted pending a decision on the objection.'' 37 C.F.R. § 42.53(f)(3).

While proper scope may permit deposing counsel to ''to impeach a witness with a prior inconsistent statement made in another proceeding'' (*Edmund Optics, Inc. v. Semrock, Inc.*, IPR2014-00583, Paper 50 at 17 n.3 (P.T.A.B. Sept. 9, 2015)), questions about testimony that was prepared for another proceeding often constitute additional discovery and require PTAB authorization (*see Mexichem Amanco Holdings S.A. v. Honeywell*

Int'l, Inc., IPR2013-00576, Paper 31 at 2 (P.T.A.B. Aug. 26, 2014)). Other matters that may affect the weight of declaration testimony also tend to be fair game. *See, e.g.*, *Maxlinear, Inc. v. Cresta Tech. Corp.*, IPR2015-00592, Paper 72 at 12 n.2 (P.T.A.B. Aug. 11, 2016) (witness credibility); *Microsoft Corp. v. Proxyconn, Inc.*, IPR2012-00026, Paper 66 at 2 (P.T.A.B. Nov. 1, 2013) (claim construction).

B. Objectives

Typically, cross-examination focuses on exposing weaknesses that can later be used to undermine declaration testimony. Questions might also seek testimony that could lead to additional discovery. Ideally, such testimony would confirm the existence of such information and its relevance to the instituted grounds (*Aker Biomarine*, IPR 2014-00003, Paper 62 at 2–4), ultimately ''support[ing] a conclusion that . . . something useful will be uncovered by'' the information sought. *Schott Gemtron Corp. v. SSW Holdings Co., Inc.*, IPR2013-00358, Paper 78 (P.T.A.B. May 16, 2014). Though it also could be tempting to seek testimony for use in another proceeding, counsel should be aware that such attempts may lead the PTAB to consider sanctions. (*Westlake Servs., LLC v. Credit Acceptance Corp.*, CBM2014-00008, Paper 48 at 3–4 (P.T.A.B. Aug. 12, 2014)).

C. Post-Reply Depositions

Deposing counsel should strive for clear testimony whose significance is apparent from the transcript itself. This is especially true for depositions occurring after the petitioner's reply, since (i) sur-replies are not permitted as a right (37 C.F.R. § 42.20) and (ii) ''[t]he Board may refuse entry of excessively long or argumentative observations'' on cross-examination (77 Fed. Reg. at 48,768; *see also Actelion Pharms. Ltd. v. ICOS Corp.*, IPR2015-00561, Paper 33 at 3 (P.T.A.B. Mar. 18, 2016) (''[c]haracterizations of evidence are not permitted'' in observations)). Some panels have also clamped down on post-reply exhibits, admitting them ''solely for impeachment purposes.'' *Actelion*, Paper 50 at 38 (P.T.A.B. Aug. 3, 2016).

II. Defending Depositions

Because the party advancing a witness rarely has the chance to explain or correct the substance of corresponding deposition testimony, counsel should remain vigilant in objecting in order to preserve challenges to improper questioning and exhibits, instructing the witness not to answer (e.g., to protect privilege), and, if necessary, suspending the deposition (to timely request PTAB panel intervention). At the same time, defending counsel and its witness should avoid improper communication during the cross-examination period, as well as other behavior that might interfere with its opponent's ability ''to conduct an effective cross examination.'' *See, e.g.*, *Lupin Ltd. v. Senju Pharm. Co., Ltd.*, IPR2015-01099, Paper 69 at 45–47 (P.T.A.B. Sept. 12, 2016) (contemplating exclusion of declaration testimony as a sanction for allegedly improper deposition conduct).

A. Objecting

Defending counsel's foremost task is to make timely and proper objections that preserve its right to later seek exclusion of corresponding testimony and exhibits.

1. Timing

''[A]ny objection to the content, form, or manner of taking a deposition, including the qualifications of the officer, is waived unless made on the record during the deposition.'' 37 C.F.R. § 42.53(f)(8); *see also* 77 Fed. Reg. 48,612, 48,623 (Aug. 14, 2012) (''all objections'' to ''evidence presented'' at the deposition must be made at the time of the deposition). Exceptions may arise if parties ''stipulate otherwise on the deposition record'' (37 C.F.R. § 42.64(a)) or if the PTAB waives the timeliness requirement (*see, e.g.*, *Ericsson Inc. v. Intellectual Ventures I LLC*, IPR2014-01149, Paper 68 at 9 (P.T.A.B. Dec. 9, 2015)).

2. Particularity

Objections ''must be stated concisely in a non-argumentative and non-suggestive manner'' and ''should be limited to a single word or term.'' 77 Fed. Reg. at 48,772. Still, they must have ''sufficient particularity'' to serve as bases for a motion to exclude. *SkyHawke Techs., LLC v. L&H Concepts, LLC*, IPR2014-00437, Paper 27 at 2 (P.T.A.B. Apr. 2, 2015). This is particularly true for objections to deposition exhibits, which should ''allow[] [for] correction in the form of supplemental evidence.'' 37 C.F.R. § 42.64(b)(1).

3. Specific Grounds

PTAB rules prohibit ''unnecessary objections, speaking objections, and coaching.'' 77 Fed. Reg. at 48,772. Therefore defending counsel should not overreach, as the PTAB panel will likely read the transcript and note any impropriety therein. *See, e.g.*, *SkyHawke*, IPR2014-00437, Paper 27 at 2 (criticizing ''an astonishing number—244—of *pro forma* objections''). While baseless objections are never warranted, the panel may nevertheless tolerate some that ''appear to be based on weak evidence.'' *Atl. Gas Light Co. v. Bennett Regulator Guards, Inc.*, IPR2013-00453, Paper 88 at 17 (P.T.A.B. Jan. 6, 2015). The PTAB recognizes that deposition counsel has no choice but to either make objections on the record or waive them. *Id*.

For additional guidance on proper form for objecting, counsel should review Appendix D of the PTAB Trial Practice Guide, which includes examples of proper objections (''form,'' ''hearsay,'' ''relevance,'' ''foundation'') and improper ones (''I don't understand the question,'' ''vague,'' ''take your time answering the question,'' ''look at the document before you answer''). 77 Fed. Reg. at 48,772.

a) Problems with Ambiguity

The impropriety of objecting to vagueness perhaps stems from its potential for coaching. Therefore, if cross-examination injects ambiguity into the transcript, counsel might instead object to ''form.'' The PTAB has responded to such objections by considering whether objected-to questioning reasonably rendered the witness (i) unable to understand what was asked or (ii) unable to formulate a responsive answer. *Intri-Plex Techs., Inc. v. Saint-Gobain Performance Plastics Rencol Ltd.*, IPR2014-00309, Paper 83 at 15 (P.T.A.B. Mar. 23, 2014). Similarly, a particular panel may consider whether questions called for answers that would bring about undue confusion and prejudice. *See Ariosa Diagnostics v. Isis Innovation Ltd.*, IPR2012-00022, Paper 166 at 54–55 (P.T.A.B. Sept. 2, 2014).

   ISSN 0148-7965

b) Problems with Scope

Defending counsel should keep a close eye on whether questions seek to elicit testimony beyond the scope of issues opined on in the deponent's direct testimony. If intervention seems warranted, counsel should not delay in suspending the deposition until the PTAB can rule. *See* 77 Fed. Reg. 48,772–73. The alternative—repeatedly objecting on the record while allowing the deposition to proceed—might lead to testimony that would weaken any later attempt to exclude or expunge the relevant testimony. Moreover, any alleged lapse in objections might be viewed as ''indicating . . . belief that at least some of the questioning was proper.'' *See, e.g.*, *Westlake*, CBM2014-00008, Paper 48 at 4.

B. Instructing Not to Answer

PTAB rules caution that ''[c]ounsel may instruct a witness not to answer only when necessary to preserve a privilege, to enforce a limitation ordered by the Board, or to present a motion to terminate or limit the testimony.'' 77 Fed. Reg. at 48,772. Indeed, refusal to answer could prompt the panel to draw an adverse inference (*see Maxlinear*, IPR2015-00592, Paper 72 at 14) or order another deposition at the expense of defending counsel's client (*see Dynamic Drinkware LLC v. Nat'l Graphics, Inc.*, IPR2013-00131, Paper 31 at 3 (P.T.A.B. Apr. 29, 2014)). As a potential alternative, the PTAB might suggest seeking a protective order that would keep answers out of the public record. *See Maxlinear*, IPR2015-00592, Paper 72 at 16.

With respect to privilege, the PTAB has found that deposing counsel ''may inquire as to communications identifying 'facts,' 'data,' and 'assumptions' provided by . . . counsel,'' but is ''not entitled to any further information regarding the substance of those communications.'' *Schott Gemtron*, IPR2013-00358, Paper 52 at 3. Communication between experts, on the other hand, may be discoverable. *See, e.g.*, *Apple Inc. v. Achates Reference Publ'g, Inc.*, IPR2013-00080, Paper 66 at 8 (P.T.A.B. Jan. 31, 2014). In any event, counsel should remember that the PTAB ''has not adopted the Federal Rules of Civil Procedure.'' *Atl. Gas Light Co. v. Bennett Regulator Guards, Inc.*, IPR2013-00453, Paper 31 at 16 (P.T.A.B. Aug. 19, 2016). And though those rules may ''inform [the Board's] conclusions,'' PTAB counsel should tread lightly in any attempts to rely on protections they believe to be afforded by Federal Rule of Civil Procedure 26(b)(4). *See, e.g.*, *GEA Process Eng'g, Inc. v. Steuben Foods, Inc.*, IPR2014-00041, Paper 52 at 6 (P.T.A.B. July 21, 2014) (ordering production of and cross-examination of materials allegedly protected under Fed. R. Civ. P. 26(b)(4)).

C. Seeking Board Intervention

Parties should confer in good faith and exhaust potential avenues of resolution before contacting their panel (*Schott Gemtron Corp. v. SSW Holding Co., Inc.*, IPR2013-00358, Paper 55 at 4 (P.T.A.B. Mar. 25, 2014)), but should contact the panel when necessary, because ''there is very little [the Board] can do once the deposition is over'' (*Aker Biomarine AS v. Neptune Techs. & Bioressources Inc.*, IPR2014-00003, Paper 62 at 3–4 (P.T.A.B. June 6, 2014)). Indeed, when warranted, the PTAB will hear disputes and issue orders mid-deposition. *See, e.g.*, *Medtronic, Inc. v. Norred*, IPR2014-00110, Paper 23 at 3 (P.T.A.B. Oct. 8, 2014). Cross-examination conducted in bad faith or in a manner that unreasonably annoys, embarrasses, or oppresses may even merit terminating the deposition. 77 Fed. Reg. 48,756, 48,772 (Aug. 14, 2012).

D. Conferring with the Deponent

During cross-examination, counsel may not consult with its deponent regarding the substance of her testimony, except to confer about whether to assert a privilege or how to comply with a PTAB order. 77 Fed. Reg. at 48,772; *see also Activision Blizzard, Inc. v. Acceleration Bay LLC* , IPR2015-01951, Paper 17 at 6 (P.T.A.B. May 19, 2016) (permitting cross-examination regarding off-the-record conferences). While this prohibition may not apply between depositions in related proceedings, the PTAB may offset potential coaching by permitting any of the related transcripts to be relied on in any of the proceedings. *See, e.g.*, *Coal. for Affordable Drugs II LLC v. NPS Pharms., Inc.*, IPR2015-00990, Paper 32 at 3–4 (P.T.A.B. Dec. 14, 2015).

III. Redirect Examination

Redirect examination affords defending counsel the opportunity to seek clarification or further explanation of testimony given during cross. But since redirect is not required, defending counsel should bear in mind that such questioning will open up the witness for subsequent re-cross. Moreover, the PTAB sometimes views redirect testimony with skepticism, especially if there were allegations of coaching or leading. It may respond by giving the subsequent testimony little or no weight—or even excluding it altogether. *See Flir Sys., Inc. v. Leak Surveys, Inc.*, IPR2014-00411, Paper 45 at 7 (P.T.A.B. Feb. 10, 2015).

A. Coaching

PTAB rules do not expressly prohibit counsel from substantively conferring with its deponent once cross-examination has ended. *See, e.g.*, *Athena Automation Ltd. v. Husky Injection Molding Systems Ltd.*, IPR2013-00290, Paper 21 at 3 (P.T.A.B. Nov. 25, 2013). Yet the PTAB has recognized that the potential for ''inappropriate witness coaching'' at that time. *Flir*, IPR2014-00411, Paper 45 at 7. As a result, some panels have taken measures to discourage substantive conferences between cross-examination and redirect. *See, e.g.*, *Volkswagen*, IPR2014-01558, Paper 20 at 2 (P.T.A.B. Mar. 16, 2015) (prohibiting recess between cross-examination and redirect, unless the parties agree otherwise). Defending counsel should be sure to follow any specific guidance set out in its scheduling order.

B. Leading

The PTAB may give little or no weight to—or may even exclude—redirect testimony that was elicited through leading questions. *See, e.g.*, *Universal Remote Control, Inc. v. Universal Elecs., Inc.*, IPR2014-01146, Paper 36 at 6, 7 (P.T.A.B. Dec. 10, 2015). Leading questions suggest the examiner's desired answer. *Id.* at 6. For example, they may call for a choice between alternatives posed by the questioner. *Id.* at 7. Whether a question is leading may depend on various factors, such as (i) the context in which the question is asked, (ii) the tone of voice employed, and (iii) the body language or conduct of counsel. *Id.* at 7.

IV. Conclusion

This article identifies many stumbling blocks that have arisen on both sides of the deposition table, on and off the record, during the first five years of post-grant trials. Much is yet to be learned, but one thing is clear: awareness of applicable authority can make or break an otherwise effective deposition strategy.

Given the criticality of depositions in post-grant trials, PTAB counsel should master forum-specific rules before taking a seat at the deposition table.

PTCJ ISSN 0148-7965