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Planning for a PTAB Deposition

Paul Hastings LLP attorneys describe key logistical issues involved in planning depositions in Patent Trial and Appeal Board post-grant proceedings.



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Since taking effect in September 2012, the Leahy-Smith America Invents Act (AIA) has revolutionized patent litigation, largely through its creation of post-grant trials at the U.S. Patent and Trademark Office. These trials provide a quick path for the Patent Trial and Appeal Board (PTAB) to review the patentability of issued claims. Typically carried out over 12 months, they require fast-paced scrutiny governed by a complex framework of statutes, rules, and other guidance. Counsel should be particularly aware of this framework in the context of depositions, which play a key role in post-grant trials before the PTAB.

The importance of depositions in post-grant trials before the PTAB stems from at least three factors. First, of the scant opportunities for discovery in post-grant trials before the PTAB, depositions are typically the most

powerful. *See, e.g.*, 154 Cong. Rec. S9982, S9988–89 (daily ed. Sept. 27, 2008) (“Given the time deadlines imposed on these proceedings, it is anticipated that ... [the Board] will be conservative in its grants of discovery.”). Second, PTAB hearings typically do not allow in-person testimony, unless the PTAB “considers the demeanor of a witness critical to assessing credibility.” 77 Fed. Reg. 48,756, 48,762 (Aug. 14, 2012). Third, PTAB judges’ mastery of patentability and the technologies at issue often empowers them to parse and rely on deposition transcripts in a manner rarely seen at district court.

A successful deposition requires careful planning long before counsel meet at the deposition table. This article discusses PTAB-specific aspects of deposition planning by drawing on lessons learned from the PTAB’s interpretation of applicable authority over the first five years of post-grant trials.

I. Discovery Provisions

Discovery in post-grant trials comes in two forms: “routine discovery” and “additional discovery.” 37 C.F.R. § 42.51(b). Both may include depositions, but routine discovery provides the right to cross-examine “affidavit testimony prepared for the proceeding.” *Id.* at § 42.51(b)(1). Some panels have denied cross-examination of previously prepared testimony as part of routine discovery. *See, e.g.*, *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, IPR2013-00033, Paper 85 at 2 (P.T.A.B. Sept. 3, 2013). Others have permitted it. *See, e.g.*, *Mylan Pharms. Inc. v. Allergan, Inc.*, IPR2016-01131, Paper 8 at 18 (P.T.A.B. Dec. 8, 2016). Routine discovery may even provide for cross-

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examination of testimony that was served but not filed. *Valeo N. Am., Inc. v. Magna Elecs., Inc.*, IPR2014-00227, Paper 25 at 4 (P.T.A.B. Nov. 13, 2014). Other deposition opportunities may require authorization as additional discovery.

A party has no obligation to cross examine declarants and may simply stand on the position that its opponent failed to make its case—the PTAB will not necessarily draw an adverse inference. *Volkswagen Grp. of Am., Inc. v. Emerachem Holdings, LLC*, IPR2014-01558, Paper 59 at 28 (P.T.A.B. Jan. 22, 2016). PTAB litigants should be aware, however, that waiving their right to cross-examine declarants could come back to haunt them. For example, if the petitioner’s reply refers to uncrossed declaration testimony that was submitted with the petition, the patent owner may be barred from belatedly cross-examining that testimony. See *Sure-Fire Elec. Corp. v. Yin*, IPR2014-01448, Paper 46 at 2–3 (P.T.A.B. Dec. 10, 2015). In *Sure-Fire*, the petitioner’s reply referred to portions of uncrossed declaration testimony originally submitted with the petition. In its attempt to rebut that portion of the reply, the patent owner sought to depose the previously uncrossed declarant, but the PTAB refused. *Id.* Since substantive briefing in the case had ended, the PTAB said it was “unclear” how the requested deposition testimony would become a part of the record and noted the patent owner’s failure to provide a “reasonable rationale” for noncompliance with the scheduling order. *Id.*

Waiver of cross-examination opportunities does not necessarily apply to future proceedings concerning different issues. See, e.g., *Baxter Int’l Inc. v. Becton, Dickinson & Co.*, IPR2015-00883, Paper 14 at 3 (P.T.A.B. Nov. 17, 2015). Still, effective cross-examination may be one of the best available tools for rebutting declaration testimony. See, e.g., *Coal. for Affordable Drugs v. Acorda Therapeutics, Inc.*, IPR2015-01850, Paper 72 at 35–36 (P.T.A.B. Mar. 9, 2017) (accepting damaging cross-examination as a reason to “not credit” petitioner’s declaration testimony), 42 (rejecting alternative attempts to discredit uncrossed declaration testimony).

II. Availability of Declarants

A party presenting a declarant’s testimony by affidavit typically arranges to make the declarant available for cross-examination within the United States, unless the PTAB orders otherwise. See 37 C.F.R. § 42.53(b)(2); 77 Fed. Reg. at 48,761. The PTAB may give little or no weight to the underlying declaration if its proponent does not offer a fair opportunity for cross-examination. *MexiChem Amanco v. Honeywell Int’l*, IPR2013-00576, Paper 36 at 3 (P.T.A.B. Sept. 5, 2014). If a declarant refuses to voluntarily appear for deposition, the PTAB may authorize parties to seek a subpoena to compel testimony in the U.S. See 77 Fed. Reg. 48,612, 48,622 (Aug. 14, 2012). Regardless of whether the deposition actually occurs, the PTAB will consider the declarant to have been made available for deposition after having been subpoenaed. *Arista Networks, Inc. v. Cisco Sys., Inc.*, IPR2016-00303, Paper 29 at 3 (P.T.A.B. Jan. 25, 2017).

III. Scheduling

To the extent that PTAB litigants seek cross-examination, they should always abide by their scheduling order, bearing in mind that PTAB depositions

“should ordinarily” occur more than a week before the filing date of any paper in which the taking party expects to use the cross-examination testimony. 37 C.F.R. § 42.53(d)(2). In addition, the party seeking a deposition should file a notice at least 10 business days before the deposition, so a member of the PTAB panel can be available for any necessary calls during the deposition period. 37 C.F.R. § 42.53(d)(4). Still, the PTAB has shown flexibility with respect to deposition timing. For example, the PTAB has granted a patent owner’s request for a deposition—despite deeming it “technically improper” for coming after the close of discovery—because there was “sufficient time remaining for the deposition to be taken, and no apparent prejudice to the [p]etitioner.” *Valeo N. Am., Inc. v. Magna Elecs., Inc.*, IPR2014-00220, Paper 33 at 2–3 (P.T.A.B. Nov. 28, 2014). The same panel had denied a belated request from the patent owner in a related case only two weeks earlier. *Valeo*, IPR2014-00227, Paper 25.

Parties should work together to resolve any scheduling issues during the designated discovery period, and those seeking to depose multiple witnesses may choose the order in which the depositions will occur. 37 C.F.R. § 42.53(d)(2). To facilitate, scheduling orders often permit stipulations to change some due dates. The PTAB has indicated that if parties do not agree, it has discretion to set dates and typically expects deponents to be available on a weekday. *Eli Lilly & Co. v. L.A. Biomedical Research Inst. at Harbor UCLA Med. Ctr.*, IPR2014-00752, Ex. 1101 at 11–12 (conference call transcript). Patent owners negotiating changes to the schedule should leave sufficient time between the petitioner’s reply and motions for observation on cross-examination. Otherwise, they might face difficult time constraints for effectively cross-examining any reply declarants and preparing observations on that testimony.

The default time frames for depositions under 37 C.F.R. § 42.53(d)(2)—seven hours for cross-examination, four hours for redirect, and two hours for re-cross—are subject to the PTAB panel’s discretion under 37 C.F.R. § 42.5. When considering the day and time of a deposition, litigants should keep in mind that examination during business hours allows for a conference call with the PTAB to the extent that any issues arise during the deposition. For example, the PTAB has suggested that West Coast depositions be scheduled “early in the day,” as the PTAB’s headquarters are located in the Eastern time zone. *IBG LLC v. Trading Techs. Int’l, Inc.*, CBM2015-00179, Paper 64 at 5 (P.T.A.B. June 9, 2016). For multiple, related proceedings, the PTAB panel may adhere to the default rule (i.e., providing 7/4/2 hours for each proceeding, instead of as a cumulative limit across proceedings). See, e.g., *Coal. for Affordable Drugs v. NPS Pharms., Inc.*, IPR2015-00990, Paper 32 at 3 (P.T.A.B. Dec. 14, 2015). Of course, parties may work together to find an acceptable agreement as to how a deposition should proceed. For example, in multiple, related proceedings involving the same declarant, the parties may agree to merge cross-examination into a single-day deposition. As long as there is agreement, issues regarding scheduling and timing rarely make it to the PTAB panel.

A PTAB panel may also exercise its discretion to deviate from the default time frames. For example, it may shorten the time for cross-examination. See, e.g., *IBG*, CBM2015-00179, Paper 64 at 2 (P.T.A.B. June 9, 2016) (authorizing only five hours for cross-examining decla-

ration testimony that was confined to a single issue); *but see Aker Biomarine AS v. Neptune Techs.*, IPR2014-00003, Paper 62 at 3 (P.T.A.B. June 6, 2014) (adhering to the default rule even when direct testimony was “in essence only five paragraphs”). The panel also may offer more time for cross-examination. *See, e.g., Finjan, Inc. v. FireEye, Inc.*, IPR2014-00344, Paper 27 at 3 (P.T.A.B. Sept. 18, 2014) (authorizing additional seven hours for cross-examining two large declarations by deponent who took long pauses when answering questions).

When a deposition cannot be completed due to unforeseen events over which neither party had control, the PTAB has ruled that the deposition should resume at the original location, and the defending party does not necessarily have to reimburse the travel costs of the counsel taking the deposition. *Apple, Inc. v. Achates Reference Publ'g Inc.*, IPR2013-00080, Paper 44 at 4 (P.T.A.B. Dec. 16, 2013). Under some circumstances, and in the absence of a contrary agreement between the parties, the PTAB has permitted redirect and re-cross to occur on nonconsecutive days. *Schott Gemtron v. SSW Holding Co., Inc.*, IPR2013-00358, Papers 37 (P.T.A.B. Jan. 28, 2014), 55 (P.T.A.B. Mar. 25, 2014) (cross-examination completed after 5:00 pm).

IV. Location

Typically, the party seeking cross-examination testimony may conduct a deposition “at any reasonable time and location within the United States.” 37 C.F.R. § 42.53(b)(2). A PTAB panel may also permit a live-stream to deposing counsel’s colleagues, so long as “only counsel actually present at the deposition[] are permitted to ask questions of the deponent[].” *QSC Audio Prods., Inc. v. Crest Audio, Inc.*, IPR2014-00127, Paper 20 at 2 (P.T.A.B. June 20, 2014). Under some circumstances, however, the PTAB may not require that depositions take place in the U.S. *See, e.g., Activision Blizzard, Inc. v. Acceleration Bay, LLC*, IPR2015-01951, Paper 17 at 5–6 (P.T.A.B. May 19, 2016) (declining to require that Australia-based declarants be made available in the U.S. regarding their three-page declarations); *Acco Brands Corp. v. Think Prods., Inc.*, IPR2015-01167, Paper 18 at 2 (P.T.A.B. Mar. 1, 2016) (declining to require that Canada-based declarant be made available in the U.S. when he allegedly feared being denied reentry into Canada).

V. Language

The PTAB has set out detailed guidelines for conducting depositions in a foreign language. *Ariosa Diagnostics v. Isis Innovation Ltd.*, IPR2012-00022, Paper 55 at 2–4 (P.T.A.B. Aug. 7, 2013). The guidelines cover various issues related to interpreting deposition testimony, such as (i) the number of interpreters (the party proffer-

ing a witness must provide an interpreter, while the opposing party may provide a second), (ii) the manner in which interpretation is to be conducted (the “consecutive mode” of interpretation is to be used), and (iii) the manners in which disagreements regarding interpretation should be raised and resolved and in which objections should be entered into the record. *Id.* If translation impedes cross-examination to the extent that additional time is necessary, parties may agree to an extension. *IBG, CBM2015-00179*, Paper 64 at 2. To the extent that an interpreter is necessary, counsel should give advance notice to its adversary so that appropriate arrangements can be made. *Wintek Corp. v. TPK Touch Solutions*, IPR2013-00567, Paper 40 at 2 (P.T.A.B. Aug. 28, 2014).

VI. Video Recording

Video-recorded deposition testimony may prove useful as a means of showcasing the conduct and credibility of deponents and counsel, and the PTAB has at times indirectly criticized the lack of such evidence. *See, e.g., Universal Remote Control, Inc. v. Universal Elecs., Inc.*, IPR2014-01146, Paper 36 at 7 (P.T.A.B. Dec. 10, 2015) (“We did not have an opportunity to view the demeanor of the witness or counsel.”). Parties may stipulate to video record deposition testimony, and the PTAB often grants contested requests. *See, e.g., Apple, Inc. v. Achates Reference Publ'g Inc.*, IPR2013-00080, Paper 28 at 6–7 (P.T.A.B. July 2, 2013) (“doing so only preserves the opportunity for the Board to review the video if necessary”).

A party that anticipates the need to video record should include such a request in the list of proposed motions it files before the initial conference call. *See* 77 Fed. Reg. at 48,765. Failure to do so may provide leverage to the non-movant. Further authorization would be required if either party actually seeks to present such evidence to the PTAB panel (37 C.F.R. § 42.53), but either way, the video recording may prove useful in related district court litigation. Therefore, parties seeking middle ground might consider *stipulating* to limited use of video (e.g., barring it from district court litigation) while reserving rights to object later, in case either party seeks to introduce the recording into the post-grant trial record.

VII. Conclusion

The first five years of post-grant trials have given rise to countless questions. But make no mistake: They have also provided many insights into the PTAB’s understanding of an increasingly complex web of statutes, rules, and other guidance pertaining to depositions. Here, we have provided an overview of some key logistical issues that may arise during deposition planning, so that PTAB counsel will be prepared to navigate that web.