



## Exclusion of Evidence Before the Patent Trial and Appeal Board

Post-issue challenges at the Patent Trial and Appeal Board (the “Board”)<sup>1</sup> provide an accelerated forum to challenge patentability at the United States Patent and Trademark Office (“USPTO”) that are intended to be lower cost than validity challenges in traditional district court litigation.<sup>2</sup> USPTO trials rely heavily on the submission of evidence by the parties. Typical evidence submitted in an *inter partes* review<sup>3</sup> or post grant/covered business method review<sup>4</sup> includes prior art references and petitioner expert declarations with an initial petition, patent owner expert declarations and objective evidence of nonobviousness with a patent owner response, and rebuttal petitioner expert declarations with a petitioner reply.

The burden of proof in a proceeding before the Board is a preponderance of the evidence.<sup>5</sup> This standard is met if a proposition is more likely than not to be true. In such a tug-of-war battle between parties, the prospect of eliminating some of the evidence presented by an opponent to meet the preponderance of the evidence standard is an enticing one. But the Board has taken a conservative approach to dealing with motions to exclude evidence, agreeing to wholly exclude evidence less than 4 percent of the time when asked thus far.<sup>6</sup> This *Commentary* provides a discussion of rules and procedures for excluding evidence, an examination of

evidence exclusion practice to date, and strategy and practice tips to employ when requesting that the Board disregard opponent evidence.

### Mechanics of Filing a Motion to Exclude

Unlike other motions filed after a trial is instituted, motions to exclude do not require Board authorization prior to filing. But, parties must abide by certain procedural and substantive rules to succeed on a motion to exclude, which is typically decided with a final written decision. “A party wishing to challenge the admissibility of evidence must object timely to the evidence at the point it is offered and then preserve the objection by filing a motion to exclude the evidence.”<sup>7</sup> Admissibility of evidence is generally governed by the Federal Rules of Evidence (“FRE”).<sup>8</sup>

First, a motion to exclude, which may be filed only once the time for taking discovery in the trial has ended,<sup>9</sup> must be associated with one or more of the following previously made evidentiary objections: (i) objections to evidence submitted in a preliminary proceeding (e.g., a petition or a preliminary response) that were served within 10 business days of the institution of the trial; (ii) objections to evidence submitted after a trial has been instituted that were served within five

business days of service of evidence to which the objection is directed; and (iii) objections to the admissibility of deposition evidence made during the deposition.<sup>10</sup> Accordingly, timing of the objection is critical to the success of a subsequent motion to exclude. Moreover, the earlier objection to which the motion is keyed must identify the grounds for the objection with sufficient particularity to allow correction in the form of supplemental evidence, which must be served within 10 business days of service of the objection.<sup>11</sup> “If, upon receiving the supplemental evidence, the opposing party is still of the opinion that the evidence is inadmissible, the opposing party may file a motion to exclude such evidence.”<sup>12</sup>

Second, a motion to exclude must identify and explain objections previously made in the record. The board has stated that a motion to exclude “must explain why the evidence is not admissible (e.g., relevance or hearsay), but may not be used to challenge the sufficiency of the evidence to prove a particular fact.”<sup>13</sup> Moreover, the motion must: “(a) Identify where in the record the objection originally was made; (b) Identify where in the record the evidence sought to be excluded was relied upon by an opponent; (c) Address objections to exhibits in numerical order; and (d) Explain each objection.”<sup>14</sup>

The time for filing a motion to exclude evidence is set forth in the scheduling order issued with the Board’s decision to institute a trial.<sup>15</sup> Pursuant to the scheduling order, the patent owner may file a patent owner’s response and a motion to amend the claims, and petitioner will then file a reply and any opposition to the patent owner’s amendment.<sup>16</sup> Subsequently, the parties will be permitted to file motions to exclude an opponent’s evidence believed to be inadmissible, and the parties will be afforded an opportunity to have an oral argument at the Board.<sup>17</sup> As noted above, any motions to exclude evidence will typically be decided in the final written decision.

## Exclusion Practice to Date

In its first 122 trials reaching a final written decision, the Board has entertained motions to exclude from one or both parties 76 times, about 62 percent of the trials; the chance to knock out part of the evidentiary base on which an opponent relies has indeed been an attractive one. But, the Board is disinclined to exclude evidence completely and strongly favors maintaining a complete record. The Board has noted, “There

is a strong public policy for making all information filed in a nonjury, quasi-judicial administrative proceeding available to the public, especially in an *inter partes* review which determines the patentability of claims in an issued patent.”<sup>18</sup> Of the 76 cases having motions to exclude, only three motions have been granted. With motions to exclude being granted in only 3.9 percent of cases where one was filed, the value of quibbling over exclusion of evidence appears to be in question. As discussed further herein, the value of exclusion motion practice can be increased as part of a more comprehensive trial strategy that argues not only for the extreme remedy of evidence exclusion, but also for limiting the weight accorded to flawed evidence.

Because the erroneous exclusion of evidence by the Board could make for an appealable issue, the Board has done a commendable job of documenting its reasoning and rulings on motions to exclude. By carefully establishing the record of evidence, the Board has attempted to minimize the number of cases that will be returned to them by the Federal Circuit. Motions to exclude in a trial are typically addressed as a section of the final written decision, usually near the end of the opinion.<sup>19</sup> There, the Board outlines the moving parties’ objections, any arguments made in response, and its reasoning for making its order on the motion. Typical rulings on motions to exclude include granting the motion, denying the motion, or dismissing the motion as moot.

### Successful Motions to Exclude

So far, the Board excludes evidence only in cases involving an egregious failure to comply with the procedural or substantive rules set forth with regard to objections and subsequently filed motions to exclude. As discussed below, in two of the three cases where motions to exclude were granted, the Board granted the parties’ motions for failure to disclose the evidence in question in a timely manner. The Board has noted its willingness to exclude belated evidence despite the fact that some excluded evidence may invalidate a patent claim.<sup>20</sup> In the third case, the Board excluded certain portions of a declaration that relied on information that was not produced or for which a translation was not provided.

In *Corning*,<sup>21</sup> the Board granted patent owner’s motion to exclude improper reply evidence. There, petitioner conducted

tests to show that the prior art inherently anticipated several of the asserted claims.<sup>22</sup> Patent owner responded that the test measurements were scientifically invalid, and in reply, petitioner submitted supplemental data based on new experiments in its petitioner reply—after patent owner’s final substantive submission.<sup>23</sup>

The Board declined to consider petitioner’s new data because it “exceeded the proper scope of a reply.”<sup>24</sup> The Board explained that “A reply may only respond to arguments raised in the corresponding opposition or patent owner response. 37 C.F.R. § 42.23(b).”<sup>25</sup> A proper reply could have included “any supporting evidence to confirm the veracity” of the original data, but should not raise new issues.<sup>26</sup> “Examples of indications that a new issue has been raised in a reply include new evidence necessary to make out a prima facie case for the patentability or unpatentability of an original or proposed substitute claim, and new evidence that could have been presented in a prior filing.”<sup>27</sup> The Board noted that petitioner could have presented the new data with its original petition, and in none of its papers and at no time at the oral argument did petitioner contend or offer any evidence to show otherwise.<sup>28</sup> Thus, submission of the new evidence was untimely and was excluded. The Board stated that this approach is “consistent with those of federal courts, which generally do not consider new evidence presented at the end of a briefing schedule when the other party no longer has an opportunity to respond.”<sup>29,30</sup>

Likewise, in *The Scotts Co. LLC v. Encap, LLC*,<sup>31</sup> the Board once again granted a motion to exclude for untimely submission of the evidence at issue. Here, petitioner moved to exclude a declaration submitted by patent owner in support of its reply to petitioner’s opposition to patent owner’s motion to amend. The Board granted the motion because the majority of the declaration was in support of patent owner’s motion to amend, rather than in rebuttal to petitioner’s opposition.<sup>32</sup> For example, certain paragraphs related to written description and claim construction, which patent owner had the burden of proving in its motion to amend, and other paragraphs described the background of the technology or attempted to distinguish over prior art, which should have been submitted in its motion to amend.<sup>33</sup> Accordingly, the Board found that submission of the declaration was untimely.

Finally, in *Zodiac Pool Systems, Inc. v. Aqua Products, Inc.*,<sup>34</sup> patent owner’s motion to exclude portions of a declaration was granted with respect to paragraphs that relied on information that was not produced or for which English-language translations were not provided to the patent owner. Petitioner’s expert’s declaration referred to 12 external, foreign documents, only one of which was submitted to the Board with the declaration. Following a timely patent owner objection, petitioner additionally provided French versions of four of those documents to the patent owner. The Board found this to be insufficient and excluded certain paragraphs of petitioner’s declaration that relied on the external documents for which English translations were not provided.

#### **Denied or Otherwise Dismissed Motions**

Admissibility of evidence in Board trials is generally governed by the Federal Rules of Evidence.<sup>35</sup> As shown above, motions to exclude based on late submission of evidence or refusal to submit supporting evidence can result in certain pieces of evidence being wholly excluded by the Board. Substantially more often, the Board will deny motions to exclude. The Board will, of course, deny motions to exclude where the movant has not made a sufficient case for exclusion. Further, the Board may deny motions to exclude even where the moving party’s motion has merit. In cases where defects in submitted evidence are minor, the Board has often opted to take less drastic measures, by according certain challenged evidence lesser weight instead of refusing to consider the evidence at all.

For example, in *Smith & Nephew, Inc. v. ConvaTec Technologies, Inc.*, the patent owner moved to exclude portions of petitioner’s expert testimony under FRE 702, arguing that the expert was not qualified to opine on what a person of ordinary skill in the art would understand regarding certain issues.<sup>36</sup> The Board was not convinced to fully exclude the expert’s testimony, instead deciding to apply any deficiencies in the expert’s background to the weight accorded his testimony.<sup>37</sup> The Board found that it “is within [their] discretion to assign the appropriate weight to be accorded to [the expert’s] testimonial evidence,” and opted for a lesser remedy than full exclusion.<sup>38</sup>

In addition to denying motions, the Board has often taken the opportunity to sidestep motion to exclude issues by

dismissing all or portions of those motions as moot. The Board's careful documentation of moot issues limits opportunities for overturn on appeal. Of the 76 cases having motions to exclude presented, 70 percent of the time<sup>39</sup> at least one party's motion to exclude was dismissed at least in part as moot. For example, where a patent owner objects to evidence submitted by a petitioner in opposition to a motion to amend that was denied for other reasons, the Board will refuse to rule on the merits of the patent owner's motion to exclude.<sup>40</sup> As another example, the Board will typically dismiss a motion to exclude particular evidence as moot when that particular evidence was not necessary to support the Board's judgment,<sup>41</sup> such as when the party seeking to exclude the particular evidence was successful regardless of whether the particular evidence was considered.

## A More Comprehensive Strategy and Other Practice Tips

Because the success rate of motions to exclude has been so low, it is unlikely that a trial will turn on such a motion. But motions to exclude can be packaged with other procedural objections to increase the chances of at least damaging opponents' evidence, if not completely excluding it.

For example, the Board has noted a preference for hearing certain relevance objections<sup>42</sup> early, via a conference call with the Board, rather than at the motion to exclude stage. When a patent owner argued in a motion to exclude that the petitioner's reply declaration went beyond the scope of the patent owner's response, and was thus irrelevant, the Board stated that "a motion to exclude is not a mechanism to argue that a reply contains new arguments."<sup>43</sup> The Board stated that this was an issue of evidence weighing, not exclusion, and denied the motion.<sup>44</sup>

A multipronged attack may offer the best opportunity for results. For evidence defects (e.g., missing supporting evidence, improper reply declaration scope), first raise the issue with the Board via conference call in addition to providing the required notice via the objections to evidence mandated by the rules.<sup>45</sup> Next, for important defects, argue that limited, if any, weight should be accorded the defective evidence in substantive replies. Finally, those defects can be re-raised at oral argument and via motions to exclude.

Such a strategy offers the Board a full menu of remedies for dealing with evidentiary defects, while reminding them throughout the proceeding of the importance of those defects.<sup>46</sup>

Additional best practices include the following:

- **Follow all procedural rules precisely.** Raise objections in a timely fashion according to 37 C.F.R. § 42.64 and structure the motion to exclude as dictated in the Trial Practice Guide at 77 Fed. Reg. 48765, 48767, where the motion to exclude must (i) identify where in the record the objection originally was made; (ii) identify where in the record the evidence sought to be excluded was relied upon by an opponent; (iii) address objections to exhibits in numerical order; and (iv) explain each objection.
- **Protest evidence that is unfair to consider.** Despite the poor track record of motion to exclude success, even an unsuccessful motion to exclude provides an appealable issue.<sup>47</sup>
- **Consider withholding protests for minor defects.** Substantive trial responses as well as motions to exclude are strictly page limited. With the Board showing an unwillingness to exclude evidence, more targeted presentation of only the most extreme deficiencies may be warranted.
- **Temper expectations.** Only the worst of the worst evidence flaws will result in full exclusion. By including backup positions directed to the weight of evidence, chances for at least partial success can be greatly increased.

## Lawyer Contacts

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## Endnotes

- 1 See 37 C.F.R. 42.1, et seq.
- 2 See Fed. Reg. Vol. 77, No. 157 (Aug. 14, 2012) at 48680 (“The purpose of the AIA and this final rule is to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.”).
- 3 See 37 C.F.R. 42.100, et seq.
- 4 See 37 C.F.R. 42.200, et seq.
- 5 35 U.S.C. §§ 316(e), 326(e); 37 C.F.R. 42.1(d).
- 6 Statistics presented herein are based on reviews of rulings on motions to exclude in 122 final written decisions issued through September 2014.
- 7 37 C.F.R. § 42.64(a), (b)(1), and (c); Office Patent Trial Practice Guide, 77 Fed. Reg. 48767 (Aug. 14, 2012).
- 8 77 Fed. Reg. 48758.
- 9 77 Fed. Reg. 48758.
- 10 37 C.F.R. § 42.64.
- 11 37 C.F.R. § 42.64(b)(2).
- 12 *LKQ Corporation v. Clearlamp, LLC*, IPR2013-00020, Paper 17 at 3 (Mar. 5, 2013).
- 13 77 Fed. Reg. 48767; *Vibrant Media, Inc. v. General Electric Co.*, IPR2013-00170, Paper 56 at 31 (Jun. 26, 2014)
- 14 77 Fed. Reg. 48767.
- 15 77 Fed. Reg. 48767.
- 16 *Id.*
- 17 *Id.*
- 18 *Nichia Corp. v. Emcore Corp.*, IPR2012-00005, Paper 68 at 59 (Feb. 11, 2014)
- 19 See, e.g., *Ariosa Diagnostics v. Isis Innovation Limited*, IPR2012-00022, Paper 166 at 53-54 (Sept. 2, 2014) (denying petitioner’s motion in part and dismissing petitioner’s motion in part as moot).
- 20 *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00052, Paper 88 at 16 (May 1, 2014).
- 21 See *supra*, n. 21.
- 22 *Id.* at 9.
- 23 *Id.* at 10, 11.
- 24 *Id.* at 11.
- 25 *Id.*
- 26 *Id.* at 11.
- 27 *Id.* at 12.
- 28 *Id.*

- 39 *Id.* at 13.
- 30 The Board stated a preference for being informed of objections based on an improper scope of reply evidence via a conference call, rather than for a first time in a motion to exclude. Scheduling such a call when such an improper reply is realized is a best practice to determine the Board's preference for making such an objection. See *Corning* at 22-23.
- 31 IPR2013-00110, Paper 79 (Jun. 24, 2014).
- 32 *Id.* at 7.
- 33 *Id.*
- 34 IPR2013-00159, Paper 71 (Aug. 22, 2014).
- 35 77 Fed. Reg. 48758.
- 36 IPR2013-00097, Paper 60 at 2-4 (Feb. 6, 2014).
- 37 IPR2013-00097, Paper 90 at 59-60 (May 29, 2014) (“ConvaTec’s objections to Dr. Coulter’s testimony go to the weight and sufficiency of his testimonial evidence, rather than its admissibility.”).
- 38 *Id.*; see also, *Xilinx, Inc. v. Intellectual Ventures I LLC*, IPR2013-00112, Paper 51 at 44 (Jun. 26, 2014) (“[W]e agree with IV that Dr. Buckman’s change in opinion regarding the alleged ‘video controller’ in *Lee* impacts his credibility and the weight to be given his testimony on that issue... We are not persuaded, however, that the change makes the entirety of his testimony unreliable and inadmissible.”); *Gnosis S.p.A., v. Merck & CIE*, IPR2013-00117, Paper 71 at 44-45 (Jun. 20, 2014) (“Gnosis moves to exclude Exhibits... in whole or in part, citing various provisions of the Federal Rules of Evidence... We have considered Gnosis’s arguments for excluding the above-mentioned evidence, but... assign weight to the evidence as appropriate in view of the entire record before us.”)
- 39 Fifty-three of 76 cases.
- 40 See, e.g., *Garmin International, Inc. v. Cuozzo Technologies LLC*, IPR2012-00001, Paper 59 at 49 (Nov. 13, 2013) (dismissing patent owner’s motion to exclude petitioner’s expert testimony in opposition to motion to amend as moot because motion to amend denied based on 35 U.S.C. § 112 deficiencies).
- 41 See, e.g., *BerkTek, LLC v. Belden Inc.*, IPR2013-00057, Paper 46 at 44-45 (Mar. 18, 2014) (dismissing patent owner’s motion to exclude petitioner’s expert declaration as moot because the other evidence of record supported a finding of non-anticipation).
- 42 E.g., relevance objections under FRE 402; see *supra* n. 30.
- 43 *Vibrant Media*, IPR2013-00170, at 31.
- 44 *Id.* at 35.
- 45 37 C.F.R. § 42.64.
- 46 See, e.g., *Scotts*, Paper 79 at 5-6 (wholly excluding petitioner declaration evidence as being of improper scope in final written decision based on a patent-owner-initiated conference call).
- 47 Such an issue on appeal from the Board is reviewed under an abuse of discretion standard, making for an uphill battle. See *El Encanto, Inc. v. La Tortilla Factory, Inc.*, 201 Fed. Appx. 773, 774 (Fed. Cir. 2006). But, a showing or implication of unfairness could be beneficial in swaying the Federal Circuit on Appeal.