

Insights: Alerts

PTAB Issues Three New Precedential Opinions Regarding Live Testimony and Grounds for Challenging Motions to Amend

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The Patent Trial and Appeal Board (PTAB) has been busy, designating three decisions as precedential on Monday after designating two decisions as precedential earlier this month. Two of the decisions involve the substantive and procedural limitations of testimony during oral argument. The third decision addresses which invalidity grounds may be raised in challenging motions to amend.

Live Testimony at Oral Argument: *K-40 Electronics, LLC v. Escort, Inc.*

In the first decision, *K-40 Electronics, LLC v. Escort, Inc.*, Case IPR2013-00203, Paper 34 (May 21, 2014) (designated: Mar. 18, 2019), the Board provided guidelines for when live testimony may be permissible during oral arguments in AIA trials. The Board indicated that the importance of the witness's testimony and the type of witness testifying are critical to the permissibility of live testimony. If the witness's testimony would be dispositive to the case, for example, then live testimony may be necessary so the Board can consider the demeanor and credibility of the witness. Along the same vein, if the witness is a fact witness as opposed to an expert witness, then live testimony may again be necessary to assess credibility. In *K-40 Electronics*, the Board pointed out that the credibility of an expert extends from the plausibility of the expert's theory, whereas the credibility of a fact witness extends from the demeanor of the witness.

Beyond providing new substantive limitations for live testimony, the Board also provided procedural limitations for live testimony: only cross-examination and redirect are permitted. Additionally, any testimony given by the witness may be used for impeachment purposes. Importantly, the Board stressed that this decision does not establish a “de facto” or “per se” rule for the applicability of live testimony involving antedating disputes. Instead, the Board carefully articulated that the permissibility of live testimony should be addressed on a case-by-case basis.

Non-Declarant Testimony: *DePuy Synthes Prods., Inc. v. Medidea, LLC*

In the second decision, *DePuy Synthes Prods., Inc. v. Medidea, L.L.C.*, Case IPR2018-00315, Paper 29 (Jan. 23, 2019) (designated: Mar. 18, 2019), which also involved testimony during oral argument, the Board specified that only declarants and counsel of record may address the panel during oral hearing. In this case, the Board held that a named inventor of the patent at issue could not address the panel at oral hearing because the inventor had neither provided any declaration evidence nor was he listed as counsel of record. Under the Trial

Practice Guide, only evidence and arguments that have been previously submitted within the proceeding may be relied upon during oral argument. Because the inventor had not provided a declaration during the proceeding, any testimony given by the inventor would have constituted impermissible new evidence.

Grounds for Challenging MTAs: *Amazon.com v. Uniloc Luxembourg SA*

In the third decision, the Board in *Amazon.com, Inc. v. Uniloc Luxembourg S.A.*, Case IPR2017-00948, Paper 34 (Jan. 18, 2019) (designated: Mar. 18, 2019) distinguished the treatment of amended claims versus existing claims in IPRs. Specifically, the Board indicated that proposed claim amendments are subject to evaluation under all grounds of patentability, not just based on patents and printed publications.

In this case, the Patent Owner proposed three amended claims. While the Board found the existing claims unpatentable, the Board also denied Patent Owner's Motion to Amend, holding that the amended claims were directed to non-statutory subject matter under 35 U.S.C. § 101. The Patent Owner objected to the Board's rationale for denying substitution, contending that § 311(b) precludes the Board and the Petitioner from relying on grounds beyond § 102 and § 103 when determining the patentability of claim amendments in the context of an IPR motion to amend. In this final decision, the Board rejected Patent Owner's contention, finding that statutory language supports the Board's reliance on § 101 for denying the Patent Owner's amendments.

Although 35 U.S.C. § 311 limits a Petitioner's request for cancellation to only grounds under § 102 and § 103, the Board pointed out that § 311 is directed only to *existing* claims. For amended claims proposed in a Patent Owner's Motion to Amend, the governing statutory provision is § 316(d), which does not limit the Board to considering unpatentability to just § 102 and § 103. In fact, § 318 makes clear that if the Board issues a Final Written Decision, the Director will issue a certificate to incorporate only "new or amended claims determined to be patentable." 35 U.S.C. § 318(b). This treatment of amended claims versus existing claims is consistent with the Board's practice of relying on grounds beyond § 102 and § 103 in evaluating the patentability of amended claims. In *Apple Inc. v. Valencell, Inc.*, Case No. IPR2017- 00315, 2018 WL 2552323, at *18 (PTAB May 31, 2018), for example, the Board denied substitution of proposed claim amendments based on 35 U.S.C. § 112 as indefinite. The Board concluded that all grounds of patentability may be raised by the Petitioner and considered by the Board and evaluating proposed amended claims.

In the last few weeks, the PTAB has become more active in defining AIA trial procedures and policy. Expect this trend to continue as the POP continues to gain steam.