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PTAB HIGHLIGHTS

New developments in post-issuance proceedings

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In Your IPR, Your Expert Declares ... So That's Evidence By Itself, Right? No, Not So Much

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August 30, 2016 — *Inter partes* reviews are the new hotbed of patent litigation. Filed at the U.S. Patent and Trademark Office, with the Patent Trial and Appeal Board, IPRs take down bad patents and eliminate them from the courts. Every accused infringer gets the chance to file an IPR against each patent asserted against them. They do it by filing a petition to cancel patent claims, with proof of necessary facts taking the form of an expert declaration. The patent owner responds with its own expert. The experts may battle over claim interpretation and over disclosures in prior art references. The PTAB decides who to believe and whether the patent is to be sustained or canceled.

So if an expert is qualified to be an expert in the subject matter of the patent, and he states facts to be true, they are true, right, unless contradicted by another expert, one hired by the opponent in the IPR? No, not so much, not necessarily. If two experts disagree, that sets up a battle between experts that must be decided based on the substance of their opinions, right? Again, no, not so much.

In IPRs 2014-00029, -00033, -00040, and -00044, for example, the PTAB canceled claims of a cloud file storage patent. On appeal, the patent owner argued that the PTAB did a bad job of reviewing the evidence on claim construction, because it did not consider that the patent owner's expert disagreed with the opinion of the adverse expert on claim construction. The U.S. Court of Appeals for the Federal Circuit, in *B.E. Tech., LLC v. Sony Mobile Comm'ns. (USA) Inc.*, No. 2015-1882 (Fed. Cir. August 12, 2015), however, gave the argument little attention. Instead, the Federal Circuit dismissed the argument, saying only that the expert testimony on which the

patent owner relied “essentially repeat[ed the patent owner’s] claim construction without further support,” and that by rejecting the patent owner’s construction and crediting the opponent’s expert, the PTAB had rejected the patent owner’s evidence. Slip op. at 13.

Think about this. The expert said what he said, and the patent owner repeated what he said in the patent owner’s response to the IPR petition. What is wrong with that? Why is that subject to dismissal? Of course the patent owner would repeat the opinion of the expert and make the expert’s opinion the patent owner’s own position. How else could a patent owner justify a position? Because it said so, alone? It would seem to hardly make sense to take the sensible patent owner’s reliance on the opinion of an expert, and turn the resulting patent owner’s agreement with its expert’s opinion backward, and criticize the expert for having only agreed with the patent owner’s position.

And the PTAB has been critical of patent owners stating their arguments, and relying on more lengthy statements of their arguments in the supporting declarations of their experts. For example, in IPR2014-00454, the PTAB denied a petition, stating at length that it found no reasonable likelihood of success because the petitioner had stated its arguments in reliance on much more lengthy statements of positions in its expert declaration. *Cisco Systems, Inc. v. C-Cation Tech’s., LLC*, IPR2014-00454 Paper 12 (PTAB August 29, 2014)(informative opinion). According to the PTAB, this was incorporation by reference, which was prohibited. Obviously, what one learns from decisions like this is that petitions and expert declarations should fairly well match up in substance and length, one, the petition, essentially being a duplicate of the other, the declaration. Same for patent owner responses: match the expert declaration in the response.

But doing what *Cisco Systems*, IPR214-00454, required only led to trouble in *B.E. Tech.*, IPR2015-1882. Is this another governmental/bureaucratic “Catch 22?” Perhaps.

But another way to analyze *B.E. Tech.* is to recognize another problem. Just because an expert says it’s true, that doesn’t make it true. And just because your IPR paper, whether it’s the petitioner’s or the patent owner’s paper, relies on an expert’s declaration, and is justified by the declaration, that doesn’t provide the paper with the proper support. The opinions of experts, one could conclude, are not being accepted at face value, for what they state.

And that would be a correct conclusion. Experts in IPRs, no different than experts in federal litigation, or any witnesses for that matter, are tested for the support they have for what they testify. In federal court, they are tested to the extreme of Daubert motions, motions to exclude, that seek to eliminate their testimony from even being considered. If not excluded, the testimony is still tested, for relevance and reliability. In the PTAB, there is no Daubert practice, but there is

a strong practice of not crediting the opinions of experts who do not have facts and data in their support. The PTAB Trial Guide, 77 Fed. Reg. 48763 (Aug. 14, 2012), puts it this way:

Testimony Must Disclose Underlying Facts or Data: The Board expects that most petitions and motions will rely upon affidavits of experts. Affidavits expressing an opinion of an expert must disclose the underlying facts or data upon which the opinion is based. See Fed. R. Evid. 705; and § 42.65. Opinions expressed without disclosing the underlying facts or data may be given little or no weight. *Rohm & Haas Co. v. Brotech Corp.*, 127 F.3d 1089, 1092 (Fed. Cir. 1997)(nothing in the Federal Rules of Evidence or Federal Circuit jurisprudence requires the fact finder to credit unsupported assertions of an expert witness.)

So, succinctly said and proven in the PTAB decisions, it is definitely not enough for a party's paper to match a party's experts' declaration. It is definitely possible, and even likely, that if the paper and declaration match, and the expert's declaration doesn't say more, and isn't supported by facts and data, the match of the declaration to the paper will be criticized as in *B.E. Tech*. The expert's opinion will be discredited for only agreeing with the party paper. Just because a qualified expert says it's so, it ain't so.

Put another way, never let any significant portion of an expert's declaration in an IPR give the appearance of being based solely on the expert's opinion. Always support each major portion of the declaration with citations to supporting evidence, facts and data.

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