

Evidentiary Issues When Leveraging the Records in Parallel Proceedings Involving the PTAB

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Parallel proceedings before the USPTO Patent Trial and Appeal Board (PTAB) are a common feature of district court litigation, and it is common for the factual records to overlap between these tribunals. As a result, questions often arise regarding whether the record before the PTAB can serve as evidence in district court, and vice versa. This article examines various ways in which parties have sought, successfully and unsuccessfully, to leverage the record from one tribunal before the other.

Leveraging the record in the context of claim construction.

A. Citing the PTAB record in district court.

In 2021, district courts were faced with deciding whether the record before the PTAB can serve as evidence of claim scope in related district court proceedings. In *Midwest Athletics & Sports Alliance LLC v. Ricoh USA, Inc.*, the district court granted the defendants' motion for summary judgment of non-infringement after finding that the plaintiffs' statements related to claim construction during an *inter partes* review (IPR) amounted to prosecution disclaimer.¹ In defending its patent in an IPR, the plaintiffs contended that a "gloss enhancing process is not a simple fusion step" and "a fusion step and a gloss enhancing step" were two separate processes.² The district court found that those statements, made in the IPR, constituted a prosecution disclaimer that precluded construing the term "gloss enhancing process" to encompass "fusing."³ In this way, the record before the PTAB served as evidence supporting claim construction before the district court.

Similarly, in *CertainTeed Gypsum, Inc. v. Pac. Coast Building Prods., Inc.*, the patentee proposed a construction for a claim term as encompassing a structure formed by combining two traditional gypsum boards.⁴ However, in the context of an appeal during original prosecution, the patentee had argued to the PTAB that it was impossible to manufacture the claimed invention by combining two traditional gypsum boards. The patentee secured allowance of the claims on this basis. In litigation, the district court considered the record before the PTAB and found it to be evidence contradicting the patentee's proposed claim construction. In this way, the district court treated the record before the PTAB as evidence relevant to claim construction.

Litigants have also argued that the record before the PTAB shows that their opponent has taken inconsistent positions. In *Garrity Power Services LLC v. Samsung Electronics Co., Ltd.*, the plaintiff argued that the

defendant was barred from proposing a construction for a claim term in district court because the defendant did not propose a construction for that claim term in its IPR petition.⁵ The district court disagreed, reasoning that the PTAB construes claim terms only where necessary to resolve the disputes in the IPR, in the limited context of reviewing validity. The district court thus did not find the defendant's decision not to propose a construction before the PTAB to preclude the defendant from proposing a construction in district court, where claim construction may be necessary for other reasons (e.g., to resolve questions of infringement).

In *Avanos Med. Sales, LLC v. Medtronic Sofamor Danek USA, Inc.*, the district court rejected the defendant's contention that the patentee took a position in litigation inconsistent with its position before the PTAB.⁶ After the challenged claims survived an IPR, the defendant argued that claim construction was needed—despite the parties having previously agreed that the claim term's plain meaning applied—because the patentee's construction of the claim term for purposes of infringement was inconsistent with a position it took before the PTAB. The district court denied the defendant's request for further claim construction, finding that the patentee's positions in the parallel proceedings were not inconsistent. The district court further noted that the defendant had pointed to its own expert's annotated figures as evidence of the patentee's inconsistency, stating that the defendant "cannot attribute its own positions from the IPR to [the patentee] in order to initiate a dispute regarding the claim term."⁷ The decision in *Avanos* illustrates the importance of substantiating assertions that an opponent has taken an inconsistent position between tribunals.

Also in *Deere & Co. v. AgCo Corp.*, the district court rejected the defendant's allegations that the patentee's arguments advanced during the parallel PTAB proceeding were inconsistent with those advanced before the district court.⁸ In *Deere*, the defendant had moved for additional claim construction in the district court, arguing that the patentee's claim constructions during the IPR were "diametrically opposed" to and "fundamentally inconsistent" with positions that the patentee had taken in litigation.⁹ After reviewing the papers and exhibits from the IPR, however, the district court found that these allegations were unreasonable, stating that "going forward, [it] will view with skepticism arguments and representations by Defendant."¹⁰ Like *Avanos*, the decision in *Deere* illustrates that district courts will scrutinize the record being cited to them.

B. Citing the district court record at the PTAB.

The record in district court has also been cited to the PTAB, most notably by patentees seeking denial of institution. For example, in *Bumble Trading LLC v. KinectUS LLC*, the PTAB examined whether inconsistent claim-construction arguments by the petitioner favored denial as part of *Fintiv* Factor 6 (“other circumstances”).¹¹ In *Bumble Trading*, the patentee argued that the petitioner had “proposed a claim construction in [the district court] that it does not reiterate in the Petition;” specifically, that certain terms should be construed by the district court while stating in the IPR petition that all terms should receive their plain and ordinary meaning.¹² The PTAB rejected the patent owner’s argument, finding that the district court’s construction (based on the plain and ordinary meaning) was “consistent with” what the petitioner stated in the IPR petition. The PTAB further observed: “That there was an inconsistency between the Petition and what was argued initially in [the district court] does not persuade us that there is a current substantive disagreement over the meanings of certain terms.” The PTAB also noted that the patentee had not identified “any particular interpretation of a specific claim term upon which this Decision turns,” further indicating that any dispute was apparently immaterial for purposes of the IPR.¹³

Relatedly, in *Zillow Group, Inc. v. Int’l Bus. Machines Corp.*, the PTAB instituted IPR after rejecting the patentee’s arguments that denial was warranted because the petitioner had contended before the district court that the claims were indefinite.¹⁴ The PTAB explained that “Patent Owner cites no authority nor are we aware of any for the proposition that we may not assess the patentability of claims in an *inter partes* review because the Petitioner also challenges those claims as indefinite in District Court.”¹⁵ The PTAB nevertheless directed the parties to notify the PTAB should the district court determine that any challenged claims are indefinite. Thus, despite indefiniteness serving as a limit on the PTAB’s ability to resolve patentability in an IPR, the panel in *Zillow* declined to extend this to a defendant’s contentions of indefiniteness.¹⁶

Challenges to the admissibility of outside records.

In district court, parties have sought to exclude evidence from related PTAB proceedings on various grounds, including that the evidence is inadmissible hearsay or that the evidence lacks probative value. In *Chanbond v. Atlantic Broadband*, the plaintiff sought to admit as evidence a petitioner’s expert testimony from a previous IPR.¹⁷ The defendant opposed, arguing that, among other reasons, the expert’s testimony was hearsay. The district court agreed, excluding the expert testimony as inadmissible hearsay not subject to the exception for unavailable declarants under Fed. R. Evid. 804(b)(1) because the defendant (via its predecessor-in-interest,

the petitioner) did not have a similar motive to develop the expert’s testimony in the IPR. The district court noted that the issues in the IPR were limited to invalidity, and did not include infringement. The district court also rejected the plaintiff’s argument that the IPR evidence was admissible as among the materials considered by its expert, thus satisfying Fed. R. Evid. 703. The district court found, however, that the plaintiff’s expert did not actually rely on the IPR testimony to form his expert opinion. In addition to excluding the IPR testimony itself, the district court excluded any mention of it, citing Fed. R. Evid. 403 and explaining that the IPR testimony “has at most little probative value, which is substantially outweighed by the risk of unfair prejudice, confusion, and waste of time, as the introduction of such testimony would open the door to arguments about [the prior art in the IPR] (which is referred to frequently in the proposed testimony, but which the jury would not otherwise hear about), explanation of what an IPR is, explanation as why [the asserted claim] was not part of the [PTAB’s] decision, and possibly the explanation of the relationship between [Defendant and the petitioner].”¹⁸ The district court’s decision in *Chanbond* therefore illustrates multiple rationales for excluding IPR evidence, including the potential for jury confusion.

Similarly, in *Blackbird Tech LLC v. Feit Elec. Co.*, the defendant moved to exclude the PTAB’s decision not to institute an IPR brought by a third party who was not involved in the litigation.¹⁹ The district court agreed, noting there would be no probative value in explaining the IPR process, including the PTAB’s framework for deciding whether to institute—in particular for discretionary reasons unrelated to the prior art at issue—and that doing so would waste time and risk confusion and unfair prejudice. Nevertheless, the district court permitted the plaintiff to cross-examine the defendant’s expert on statements the expert made in the context of the IPR if the IPR itself was not mentioned. The district court also permitted the defendant to point out that the prior art references in question were not considered by the Patent Office based on the face of the patent, however, the district court did not permit the defendant to mention the IPR itself.

In sum, parties have sought to leverage evidence from a parallel proceeding to support claim construction arguments or argue that their opponent has taken inconsistent positions. In 2021, the district courts and the PTAB alike analyzed these contentions carefully,

“Parties have sought to leverage evidence from parallel proceedings at the PTAB and in district courts to support claim construction arguments or to argue that their opponent has taken inconsistent positions. When using this strategy, practitioners should be mindful of potential pitfalls.”

scrutinizing the record being cited to them and considering whether it is relevant to the issues each is tasked with resolving. One practical consideration illustrated by many of these decisions is that parties should be mindful not to mischaracterize the record or make tenuous arguments,

as this will do more harm than good. Also, parties should be conscious that explaining the IPR process, and the institution calculus in particular, can be an impediment to getting PTAB decisions before a jury.

1. No. 2:19-cv-00514, ECF No. 219 (E.D. Pa. Aug. 23, 2019) (Wolson).
2. *Id.* at 14.
3. *Id.*
4. *CertainTeed Gypsum, Inc. v. Pacific Coast Building Products, Inc.*, No. 5:19-cv-00802, ECF No. 182 (N.D. Cal. Sept. 16, 2021) (Koh).
5. *Garrity Power Services LLC v. Samsung Electronics Co., Ltd.*, No. 2:20-cv-00269, ECF No. 102 (E.D. Tex. Aug. 4, 2021) (Payne).
6. *Avanos Med. Sales, LLC v. Medtronic Sofamor Danek USA, Inc.*, No. 2:19-cv-02754, ECF No. 271 (W.D. Tenn. Sept. 17, 2021) (McCalla).
7. *Id.* at 5.
8. *Deere & Co. v. AgCo Corp.*, No. 1:18-cv-00827, ECF No. 215 (D. Del. July 27, 2021) (Connolly).
9. *Id.* at 1.
10. *Id.* at 2.
11. *Bumble Trading LLC v. KinectUS LLC*, IPR2021-00765, Paper 13 (Oct. 21, 2021) (Ahmed, joined by Daniels and Engels).
12. *Id.* at 18.
13. *Id.*
14. *Zillow Group, Inc. v. Int'l Bus. Machines Corp.*, IPR2020-01656, Paper 8 (Mar. 15, 2021) (Peslak, joined by Barrett and Cherry).
15. *Id.* at 11.
16. See *Samsung Elecs. Am., Inc. v. Prisua Eng'g Corp.*, 948 F.3d 1342, 1353 (Fed. Cir. 2020) (“[T]he proper course for the Board to follow, if it cannot ascertain the scope of a claim with reasonable certainty for purposes of assessing patentability, is to decline to institute the IPR or, if the indefiniteness issue affects only certain claims, to conclude that it could not reach a decision on the merits with respect to whether petitioner had established the unpatentability of those claims under sections 102 or 103.”).
17. *Chanbond v. Atlantic Broadband*, No. 1:15-cv-00842, ECF No. 565 (D. Del. Apr. 19, 2021) (Andrews).
18. *Id.* at 8.
19. *Blackbird Tech LLC v. Feit Elec. Co.*, No. 1:15-cv-00056, ECF No. 196 (D. Del. Dec. 17, 2020) (Andrews).

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— *Intellectual Asset Management (2020)*