

Federal Circuit Patent Bulletin: *Ultratec, Inc. v. CaptionCall, LLC*

August 31, 2017

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On August 28, 2017, in *Ultratec, Inc. v. CaptionCall, LLC*, the U.S. Court of Appeals for the Federal Circuit (Newman, Linn, Moore*) vacated and remanded the U.S. Patent and Trademark Office Patent Trial and Appeal Board inter partes review decision that certain claims of U.S. Patents No. 5,909,482, No. 6,233,314, No. 6,594,346, No. 6,603,835, No. 7,003,082, No. 7,319,740, No. 7,555,104, and No. 8,213,578, which related to systems for assisting deaf or hard-of-hearing users to make phone calls, were invalid for anticipation or obviousness. The Federal Circuit stated:

Under the PTO's regulations, a party seeking to submit supplemental information more than one month after the date an IPR is instituted must request authorization to file a motion to submit the information. The request to submit new information must show: (1) why the supplemental information reasonably could not have been obtained earlier, and (2) that consideration of the supplemental information would be in the interests of justice. The PTO considers the interests of justice as slightly higher than good cause: Good cause and interests-of-justice are closely related standards, but the interests-of-justice standard is slightly higher than good cause. While a good cause standard requires a party to show a specific factual reason to justify the needed discovery, under the interests-of-justice standard, the Board would look at all relevant factors. Specifically, to show good cause, a party would be required to make a particular and specific

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demonstration of fact. Under the interests-of-justice standard, the moving party would also be required to show that it was fully diligent in seeking discovery and that there is no undue prejudice to the non-moving party. The Board's Patent Trial Practice Guide explains that when a party desires to request authorization to file a motion, it should institute a conference call with the Board. The Guide explains that: Typically, the Board will decide procedural issues raised in a conference call during the call itself or shortly thereafter, thereby avoiding the need for additional briefing. The Board has found that this practice simplifies a proceeding by focusing the issues early, reducing costs and efforts associated with motions that are beyond the scope of the proceeding.

This record affords but one reasonable conclusion: Ultratec satisfied both of § 42.123(b)'s requirements for allowing Ultratec to file a motion to admit Mr. Occhiogrosso's trial testimony. First, the evidence could not have been obtained earlier. Ultratec emailed the Board requesting authorization to file a motion to supplement the record the week after the jury trial concluded. This is not evidence that could have been located earlier through a more diligent or exhaustive search; it did not exist during the IPR discovery period. The fact that Ultratec could have, but did not, depose and obtain inconsistent testimony from Mr. Occhiogrosso during the IPR itself is not a basis for concluding otherwise. Ultratec argues that during cross examination at trial in front of the jury Mr. Occhiogrosso offered testimony that is inconsistent with his IPR testimony. That inconsistent testimony did not exist sooner and thus could not have been proffered to the Board sooner.

The Board offers no reasoned basis why it would not be in the interest of justice to consider sworn inconsistent testimony on the identical issue. Ultratec sought to offer recent sworn testimony of the same expert addressing the same patents, references, and limitations at issue in the IPRs. A reasonable adjudicator would have wanted to review this evidence. If Mr. Occhiogrosso gave conflicting testimony on cross-examination, this would be highly relevant to both the Board's analysis of the specific issues on which he gave inconsistent testimony and to the Board's overall view of his credibility. Mr. Occhiogrosso's testimony was critical to the Board's fact findings in this case, as the opinions' repeated reliance on it establishes. Under such circumstances, no reasonable fact finder would refuse to consider evidence of inconsistent sworn testimony. Moreover, any such inconsistencies would likely bear on the overall credibility of the expert.

Admitting and reviewing Mr. Occhiogrosso's trial testimony would have placed minimal additional burden on the Board. Live testimony is rare in IPR hearings, which typically last only about an hour. The Board—as it did in these IPRs—makes credibility determinations based only on written declarations. Ultratec sought to introduce more written testimony. This is the exact type of evidence the Board routinely relies upon to determine credibility. There would have been very little administrative burden to reviewing more on-point testimony from the same expert on the same exact issues. Had the testimony been inconsistent, a reasonable fact finder would consider the inconsistencies. Had the testimony been consistent, the Board would not have had to spend any more time on the issue. . . .

There is no Board order explaining why it denied Ultratec's request to file a motion to supplement the record. Nor is there any Board explanation capable of review from the conference call. We are also prohibited from viewing Mr. Occhiogrosso's testimony because it is not part of the record. In district court litigation, a party dissatisfied with a ruling excluding evidence is allowed to make an offer of proof to preserve error. Parties in

IPRs are not given similar protections. In this case, the PTO forbade even a “discussion of the contents or types of the particular documents sought to be entered.” And it refused to permit the record to include Ultratec’s email requesting authorization to file a motion to supplement the record. Excluding such discussion from the record contributes to the unreviewability of the Board’s decisionmaking.

CaptionCall and the PTO argue Ultratec bore the responsibility to memorialize the conference call if it desired a written record. There are, however, no statutes, regulations, statements in the Patent Trial Practice Guide, nor even notes on the PTO’s website informing parties that they have the right to hire a stenographer to transcribe conference calls. We find no burden on the patentee to memorialize agency action or reasoning. It is the agency that has the obligation to fulfill its APA duty to provide a “satisfactory explanation for its action.”