

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SCHOTT GEMTRON CORPORATION  
Petitioner

v.

SSW HOLDING COMPANY, INC.  
Patent Owner

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Case IPR2013-00358  
Patent 8,286,561 B2

Before JUSTIN T. ARBES, PHILIP J. HOFFMANN, and  
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

ARBES, *Administrative Patent Judge*.

ORDER  
Conduct of the Proceeding  
*37 C.F.R. § 42.5*

*May 8, 2014 Conference Call*

A conference call in the above proceeding was held on May 8, 2014, among respective counsel for Petitioner and Patent Owner, and Judges Arbes, Hoffmann, and Braden. Patent Owner requested the conference call to seek authorization to file a motion for observation on the cross-examination testimony of Patent Owner's declarants: Richard Bruce Mills (Exhibit 1017), Paul Saunders (Exhibits 1015 and 1018), John P. Driver (Exhibit 2062), and Bradley M. Nall (Exhibit 2063).

Patent Owner argued during the call that Petitioner, in its reply, mischaracterized the testimony of these witnesses. For example, according to Patent Owner, Petitioner summarized the testimony incorrectly and cited certain portions of the deposition transcripts but failed to cite other portions that allegedly contradict the cited portions. Patent Owner argued that it is prejudiced because, at the current stage of the proceeding, it is not able to file a substantive paper addressing the alleged mischaracterizations and contradictions or otherwise bring them to the Board's attention.

Petitioner opposed Patent Owner's request, arguing that motions for observation are only appropriate for cross-examination testimony of the opposing party's witnesses, and the Board is able to determine on its own whether Petitioner fairly characterized the witnesses' testimony. Petitioner further argued that Patent Owner had the opportunity to conduct redirect examination of the witnesses to address any inaccurate statements made by the witnesses during cross-examination, but did not do so. We took the matter under advisement.

The Office Patent Trial Practice Guide describes the use of observations on cross-examination as follows:

In the event that cross-examination occurs after a party has filed its last substantive paper on an issue, such cross-examination may result in testimony that should be called to the Board's attention, but the party does not believe a motion to exclude the testimony is warranted. The Board may authorize the filing of observations to identify such testimony and responses to observations, as defined below.

The party taking the cross-examination files the observations. The opposing party may file a response to an observation. The opposing party may not file observations without express prior authorization.

77 Fed. Reg. 48,756, 48,767-68 (Aug. 14, 2012). Thus, it is the party taking the cross-examination that typically files observations, and the reason for permitting observations is that the cross-examination takes place after the party has filed its last substantive paper, such that the party has no way to bring relevant testimony to the Board's attention. The rationale for observations does not apply in the instant situation, however, because it is Patent Owner that seeks to file observations on the cross-examination testimony of its own witnesses. Thus, we are not persuaded that a motion for observation on cross-examination is appropriate under the circumstances.

Further, during the call, Patent Owner acknowledged that the testimony it would cite in a motion for observation on cross-examination is "close in time" to the testimony cited by Petitioner in Petitioner's reply. The full deposition transcripts have been filed as exhibits in this proceeding, and we will review the testimony cited by Petitioner in context to determine whether Petitioner's arguments about that testimony are correct. Thus, there is no need for a motion for observation on cross-examination.

Patent Owner also inquired as to whether, and to what extent, it may raise the alleged mischaracterizations in Petitioner's reply at the oral hearing

in this proceeding. For a party's own declaration witness, the party's case should be developed within the substantive paper that presented and relied on the declaration. The oral hearing is not an opportunity for a party to expand upon that testimony in a manner not already presented. Under the circumstances of this proceeding, however, we are persuaded that Patent Owner should be allowed to cite at the hearing other portions of the witnesses' testimony, but only for a limited purpose. Patent Owner may cite other portions of the testimony *only* to demonstrate that Petitioner's characterization of the witnesses' testimony is incorrect (e.g., Petitioner cites to the transcript where a witness made a particular statement, but the witness later corrected his testimony and said the opposite). Patent Owner may not cite other portions of the testimony to make any new argument or expand on the testimony in the witnesses' declarations.

*Motion to Expunge*

On April 21, 2014, Patent Owner filed the deposition transcripts (redacted and unredacted versions)<sup>1</sup> of Mr. Driver and Mr. Nall as Exhibits 2054 and 2055. Patent Owner subsequently filed replacement copies (redacted and unredacted versions) as Exhibits 2062 and 2063, and a motion to expunge (Paper 75) the original copies, the notice of filing the original copies (Paper 58), and Patent Owner's updated exhibit list (Paper 59) filed on April 21, 2014. Patent Owner explains in the motion to expunge that exhibit numbers 2054 and 2055 were assigned previously to other evidence and should not have been used again for the deposition transcripts. Paper 75

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<sup>1</sup> The parties are reminded that exhibits shall be "uniquely numbered sequentially" in the appropriate range. *See* 37 C.F.R. § 42.63(c).

at 1. Petitioner does not oppose the motion. *Id.* at 2. To ensure a clear record in this proceeding, we grant the motion and expunge the duplicate exhibits.

*Scheduling Order*

Following notification to the parties that DUE DATE 7 (oral argument, if requested) in the Scheduling Order (Paper 15) would need to be changed, the parties indicated to Board administrative personnel that June 23, 2014 is acceptable to both parties. Accordingly, DUE DATE 7 is changed to June 23, 2014. All other due dates in the Scheduling Order are unchanged.

In consideration of the foregoing, it is hereby:

ORDERED that Patent Owner's request for authorization to file a motion for observation on cross-examination is *denied*;

FURTHER ORDERED that Patent Owner's motion to expunge (Paper 75) is *granted*;

FURTHER ORDERED that Papers 58 and 59, and the redacted and unredacted versions of Exhibits 2054 and 2055 filed on April 21, 2014, are expunged from the record of this proceeding; and

FURTHER ORDERED that DUE DATE 7 in the Scheduling Order (Paper 15) is changed to June 23, 2014.

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