

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VOLUSION, INC.
Petitioner

v.

VERSATA SOFTWARE, INC. and
VERSATA DEVELOPMENT GROUP, INC.
Patent Owners

Cases CBM2013-00017 (Patent 6,834,282 B1)
CBM2013-00018 (Patent 7,426,481 B1)¹

Before HOWARD B. BLANKENSHIP, SALLY C. MEDLEY, and
KEVIN F. TURNER, *Administrative Patent Judges*.

MEDLEY, *Administrative Patent Judge*.

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

¹ This order addresses similar issues in the two cases. Therefore, we exercise discretion to issue one order to be filed in each case. The parties, however, are not authorized to use this style of heading in subsequent papers.

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CBM2013-00018 (Patent 7,426,481)

On May 8, 2014, a conference call was held between counsel for the respective parties and Judges Medley, Blankenship, and Turner. The purpose of the conference call was for Petitioner to seek leave to file a motion to expunge Patent Owner's motions to exclude and Exhibit 2011, filed in both cases on April 30, 2014. In essence, Petitioner represented that Patent Owner's motions to exclude were in violation of the Board's order entered April 25, 2014 (CBM2013-00017, Paper 36 and CBM2013-00018, Paper 36; "the Order"), and sought clarification as to whether it needed to respond to the motions to exclude. Upon consideration of the facts of these cases, the Board agrees that the motions to exclude were in contradiction of the Order. Accordingly, we dismiss the motions to exclude.

Background

On April 22, 2013, a conference call was held between counsel for the respective parties and Judges Medley, Blankenship, and Turner. During the call, Patent Owner requested authorization to file a motion to strike two declarations made by Philip Greenspun (Exhibits 1017 and 1018 in both CBM2013-00017 and -00018) and the Petitioner's reply (CBM2013-00017, Paper 30 and CBM2013-00018, Paper 26). According to Patent Owner, Exhibit 1017, and the Petitioner's reply relying on Exhibit 1017, exceeded the scope of the reply under 37 C.F.R. § 42.23(b). In addition, Patent Owner argued that the filing of Exhibits 1017 and 1018 was in violation of 37 C.F.R. § 42.223, which requires a party to seek prior authorization before filing supplemental information. Patent Owner represented that a motion to strike was the appropriate mechanism for addressing such violations, as opposed to a motion to exclude, recognizing that a motion to exclude is reserved for matters of excluding evidence for Federal Rules of Evidence

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issues. CBM2013-00017, Ex. 2010, 12:1-2 and 13:20 to 14:9.² At no point did counsel for Patent Owner seek clarification from the panel regarding whether Patent Owner could file the substance of the proposed motions to strike in the form of motions to exclude, and indeed appeared to agree that a motion to exclude would not be the appropriate mechanism for doing so.

The Board considered the positions advanced during the April 22, 2014 call and denied Patent Owner's request to file a motion to strike as follows:

Patent Owner's request to file a motion to strike Exhibit 1017, Exhibit 1018, and the Petitioner's reply is denied. As explained during the call, whether a reply contains arguments or evidence that is outside the scope of a proper reply under 37 C.F.R. § 42.23(b) is left to the determination of the Board. The Board will determine whether a reply and evidence are outside the scope of a proper reply and evidence when the Board reviews all of the parties' briefs and prepares the final written decision. If there are improper arguments and evidence presented with a reply, the Board may exclude the reply and related evidence, for example. For all of these reasons, the Board will take under consideration any alleged violations in due course with respect to Petitioner's reply and Exhibit 1017, upon considering the record at the end of the trial.

As explained by Patent Owner, Exhibit 1018 is relied on by the Petitioner in connection with its opposition to Patent Owner's motion to amend. However, a Petitioner may present evidence to rebut arguments and evidence presented by Patent Owner with respect to a motion to amend and, therefore, such evidence would not be considered "supplemental information" and Patent Owner did not articulate a persuasive reason why Exhibit 1018 is supplemental information under 37 C.F.R. § 42.223.

CBM2013-00017, Paper 36; CBM2013-00018, Paper 36.

² Ex. 2010 is a transcript of the April 22, 2014 conference call.

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Patent Owner did not seek rehearing of the Order. Instead, Patent Owner filed a motion to exclude Exhibit 1017 and Exhibit 1018 for the same reasons advanced previously during the April 22, 2014 call. *Compare, e.g.*, CBM2013-00017, Ex. 2010 and Paper 39.

Analysis

We agree with the Petitioner that Patent Owner's filing of the Patent Owner's motions to exclude was contradictory to the Order. The Order made clear that, in these proceedings, Patent Owner was not authorized to brief the issue of whether Exhibits 1017 and 1018 are beyond the scope of proper evidence submitted with a reply or are supplemental information under 37 C.F.R. § 42.223. Whether Patent Owner styled the motion a motion to strike or a motion to exclude, the substance of the argument is the same and one for which the Board did not want briefing.

We also are not persuaded by Patent Owner's arguments made during the May 8, 2014 conference call that Patent Owner's motion to exclude is within the rules and is consistent with other Board orders in other proceedings. Even if so, Patent Owner knew that in *these* proceedings, the panel did not desire nor authorize such briefing. Moreover, Patent Owner's arguments made during the May 8, 2014 conference call are contrary to representations made by Patent Owner during the April 22, 2014 conference call. During the April 22, 2014 conference call, counsel for Patent Owner represented that a motion to exclude would not be the proper motion to attempt to remove from the record Exhibits 1017 and 1018. Yet during the May 8, 2014 conference call, Patent argued the exact opposite – that a

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motion to exclude is proper to argue the sufficiency of evidence.³ Patent Owner's contradictory representations made to the Board are troublesome. Patent Owner took it upon itself to do what it wanted to do regardless of the Order for these proceedings. Such action is a direct disregard for the guidance provided by the Board for these proceedings. As a result, we need not and will not consider Patent Owner's motions to exclude.

A brief discussion was had regarding the requests for oral hearing in these proceedings. A decision on the requests for oral hearing will be made in due course.

Accordingly, it is

ORDERED that Patent Owner's motions to exclude in CBM2013-00017 and CBM2013-00018 are *dismissed* and will not be considered on the merits.

³ The Trial Practice Guide makes it clear that a motion to exclude is not the proper venue to argue the sufficiency of evidence. *See* Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48767 (Aug. 14, 2012).

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