

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COALITION FOR AFFORDABLE DRUGS II LLC,

Petitioner,

v.

NPS PHARMACEUTICALS, INC.

Patent Owner.

Cases IPR2015-00990 and IPR2015-01093
(Patent 7,056,886 B2)¹

**PATENT OWNER'S RESPONSE TO INTRODUCTION IN PETITIONER'S
RESPONSE TO MOTION PRESENTING PATENT OWNER'S
OBSERVATIONS REGARDING CROSS-EXAMINATION
OF ANTHONY PALMIERI, Ph.D.**

¹ Pursuant to the Board's Scheduling Order in these IPRs, "the word-for-word identical paper is filed in each proceeding identified in the heading." *See, e.g.*, IPR2015-00990, Paper 29, footnote 1.

I. Introduction

This is in response to Petitioner's objections in the Introduction to its Response to Patent Owner's Observations Regarding Cross-Examination of Anthony Palmieri, Ph.D. *See, e.g.*, IPR2015-00990, Paper 58 ("Paper 58") at 1-5. Petitioner objects to the Observations because they are allegedly formatted improperly, are too long, are argumentative, and introduce new exhibits. Petitioner is incorrect because the Observations:

- (1) use a three-part format as suggested by the Board (*i.e.*, identify the witness and testimony, cite to Petitioner's Reply and Reply Declaration, and briefly explain the relevancy of the testimony to Petitioner's submissions);
- (2) scrupulously avoid any argument;
- (3) refer to prior inconsistent testimony of Petitioner's witnesses; and
- (4) do not introduce "new" evidence.

II. The Observations Identify the Exhibit, Testimony, and Relevant Portions of the Reply and Reply Declaration Completely and Succinctly

Each Observation meets all of the Board's criteria for Observations. The cross-examination transcript exhibit number (Ex. 2171) is identified in the first paragraph of each paper. Pages and lines of the transcript are clearly identified by "page:lines" citations. The witness is identified, and citations to the transcript are given in each Observation. Patent Owner's format avoids repetition of non-substantive introductory recitals about the same Exhibit, while completely and

succinctly providing everything the Board requires in form, order, and substance.

These Observations are for two IPRs and concern over 400 pages of Reply cross-examination testimony by the witness, much of it inconsistent and disrupted by baseless objections from Petitioner's counsel. Patent Owner's format allowed a single, identical 15 page paper (rather than requesting more pages merely for repetitive non-substantive recitals) to be filed in the two IPRs, as instructed by the Board. Citations to entire passages rather than just several lines of testimony were often needed due to the witness' constant requests to have questions repeated, his reluctance or refusal to give straight answers to simple questions, and his tendency to give testimony unconnected to the questions asked. His testimony to a lack of knowledge or memory about the substance of his declarations in these IPRs spans many pages. Furthermore, the citations are appropriate to provide context for the testimony to avoid objections that the testimony was misrepresented in the Observations. The Board has accepted multiple citations in an Observation. *See, e.g., Farmwald v. Parkervision, Corp*, IPR2014-00947, Paper 55.

It should be noted that Petitioner also made multiple citations (*see, e.g.,* IPR2015-00990, Paper 57) and multi-page citations (*see, e.g., id.* at II.2., II.4., II.5., II.7., II.9., II.12., II.14., II.19., II.20., II.21.; Paper 56, Resp. II.A.ii., II.A. iii., II.D.iii., II.H.i.), and did not use the precise phrasing suggested by the Board. *See, e.g., id.* at Resp. to Obs. 1, 4, 5, 6, 9, 10.

III. Each Observation Explains Its Relevancy in only Several Sentences

Each observation includes three or fewer sentences that explain the relevancy of the cited cross-examination testimony, *i.e.*, a short paragraph. Each Observation includes citations to Petitioner’s Reply or the Witness’s Reply Declaration showing to what the Observation relates. Finally, each Observation suitably groups the testimony citations according to a common issue of relevance. For example, Observation 1 is about testimony concerning Dr. Palmieri’s expertise; Observation 3 is about Dr. Palmieri’s view of Dr. Carpenter’s testimony; Observation 5 is about Dr. Palmieri’s opinions of the ‘886 patent, etc. The Observations are brief paragraphs that average only one-half page each.

IV. Patent Owner’s Observations Are Not Argumentative

Petitioner complains that Observation 3 is argumentative because it says that Dr. Palmieri “misstated” what Dr. Carpenter said. Paper 58 at 3. That is a statement of relevance based in fact, as the citations show.

Observations 24 and 25 are deemed argumentative because they state that the cited testimony “evidences [Dr. Palmieri’s] lack of expertise and his use of hindsight.” *Id.* at 3. Lack of expertise and hindsight are relevant issues in these IPRs. Argument would include application of facts to law with reasons why the citations demonstrate a lack of expertise and use of hindsight. The Observations deliberately avoid that.

It should be noted that in Petitioner's Response to Observations, Petitioner argues relevancy to Dr. Palmieri's expertise and qualifications (Paper 58 at 5, 6), to obviousness of the claims (*id.* at 7-9), in that the '886 patent does not recognize any of the 'complexities'" (*id.* at 7-8), in that the results in Figures 5 and 6 are not surprising and unexpected (*id.* at 9), a "logical" correlation that can be drawn (*id.* at 10), and in that testimony "demonstrates that that [sic] optimum pH can be easily ascertained" (*id.* at 13). Petitioner's double standard shows its objections are baseless.

V. Contradictory Prior Testimony of the Petitioner's Own Witnesses Is Allowed

Petitioner complains that Patent Owner cited testimony from Dr. Palmieri's first cross-examination. *Id.* at 5. The citations to the first cross-examination show that Dr. Palmieri previously testified differently than he did at his second cross-examination. This is precisely the reason and need for Observations, especially when cross-examination comes after the last substantive submissions.

Medtronic, Inc. v. Nuvasive, Inc., IPR2013-00506, -00507, -00508, Paper 37, p. 4, n. 2 does not support Petitioner. The *Medtronic* Board did not expect earlier testimony of a different witness under the circumstances in that case. *Medtronic* does not prohibit impeachment of a witness by showing that he took two different, irreconcilable positions on the same issue in the same proceeding. Nor does *Medtronic* prohibit rebuttal exhibits that were introduced during cross-

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