

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COSTCO WHOLESALE CORPORATION,

Petitioner,

v.

ROBERT BOSCH LLC,

Patent Owner.

CASE NO. IPR2016-00034

U.S. Patent No. 6,973,698

**PATENT OWNER'S REPLY ON MOTION TO EXCLUDE
EVIDENCE PURSUANT TO 37 C.F.R. § 42.64(c)**

Patent Owner Robert Bosch LLC (“Patent Owner”) submits this Reply in support of its motion to exclude evidence submitted by Petitioner Costco Wholesale Corporation (“Petitioner”). Patent Owner’s motion requested exclusion of Paragraphs 7, 9–11, 15, 18, 19, 21, and 23–26 of the declaration of Mr. David Peck (Ex. 1100). As Patent Owner pointed out in its motion, it was “unclear whether Petitioner intends to offer Mr. Peck’s testimony as a fact or an expert witness.” Motion at 1. Only now does Petitioner clarify that Mr. Peck is being offered as an expert witness on technical issues and both an expert and a fact witness on economic issues. With respect to both sets of issues, however, the challenged testimony is expert in nature, and Mr. Peck is not qualified to offer it.

I. MR. PECK HAS NOT SET FORTH SUFFICIENT KNOWLEDGE TO PROVIDE TECHNICAL TESTIMONY RELEVANT TO OBVIOUSNESS

Petitioner’s opposition all but ignores the crucial distinction between beam blades (or, in Petitioner’s words, “flat-spring wipers”) and conventional wiper blades. Mr. Peck purports to offer opinions regarding beam-blade design, specifically, in the 1990s, but Mr. Peck’s declaration and cross-examination testimony establish that his experience in beam-blade design as of the relevant time period is based solely on his supervision of engineers using VariFlex software, which neither he nor anyone else at Trico actually developed. For example, at deposition, Mr. Peck testified that the extent of his involvement in designing any

beam blade’s spring—the “support element”—was to verify that the VariFlex software worked:

Q. How involved were you in designing the spring in the beam blade?

A. That was a VariFlex program. That was – Adriaan [Swanepoel] gave that to us. We just had to verify it worked. So what we did, we at Trico, we verified the program. We did it two ways. ...

Ex. 2029 at 38:16–21. VariFlex is proprietary software that Trico acquired from Adriaan Swanepoel in South Africa. *See* Ex. 2029 at 35:11–14, 40:20–24, 74:17–24. Mr. Swanepoel not only provided the software but also taught Trico how to use it. *Id.* at 75:4–17. Petitioner cannot assert that a person of ordinary skill in the art in the relevant time period would have been familiar with VariFlex.

Petitioner argues that Mr. Peck need not have worked in precisely the same field as the invention, and that he need not have been a person of ordinary skill in the art during the relevant time frame. But there must be *some* basis for his opinions. For example, “[i]f an expert is qualified to testify about a subject generally *and has had training in the subject matter at issue*, then the expert may offer an opinion.” Petitioner’s Opposition at 5 (emphasis added) (quoting *Zoltek Corp. v. United States*, 95 Fed. Cl. 681, 685 (2010)). Nobody has argued that Trico already had designed a beam blade in 1997 such that Mr. Peck could have learned from others there. And, Mr. Peck’s testimony establishes that the beam blade he worked on was actually designed, in relevant part, by VariFlex. There is

no indication that Mr. Peck’s knowledge of how a “wiper designer” would have designed a beam blade in 1997 is based on anything other than Mr. Swanepoel’s explanation of how his proprietary software works.¹ Therefore, the only “wiper designer” about whom Mr. Peck may be qualified to opine is Mr. Swanepoel himself (whom Mr. Peck described as an “inventor”), or someone trained by Mr. Swanepoel—not a person of ordinary skill in the relevant art.

II. MR. PECK’S OPINIONS ON CONSUMER DEMAND AND COMMERCIAL SUCCESS ARE NOT SUPPORTED BY HIS EXPERTISE

Petitioner attempts to admit paragraphs 15, 18, and 26 of Mr. Peck’s declaration as both lay opinion testimony and expert testimony. But opinion testimony *must* be classified as lay or expert testimony, not both, even if a single witness may separately give both kinds of testimony. *See* Fed. R. Evid. 701(c) & advisory committee’s notes. Mr. Peck testifies that (i) Trico’s Innovision “was a

¹ Petitioner argues that Mr. Peck’s experience “qualifies him to testify that mechanical engineers were capable of performing FEA [finite element analysis] long prior to 1997.” Petitioner’s Opposition at 3. This is neither relevant nor in dispute. VariFlex was not a generalized FEA tool applicable throughout the field of mechanical engineering; it designed beam blades specifically. Nowhere in the Petition did Petitioner assert that it would have been obvious to apply known FEA tools to modify beam blades, much less to achieve the claimed invention.

success” and “demand this high constitutes a success” (Ex. 1100 ¶ 15); (ii) that “there would [not] be any way to attribute the ‘customer demand’ ... to the noise testing” (*id.* ¶ 18); and (iii) that “consumer demand for quiet wipers is [not] related ... to the features described in any or each of these four patents” (*id.* ¶ 26). These are the kind of opinions that require commercial expertise to be admissible. *See* Motion at 4–5 (describing authorities).

Petitioner does not argue that Mr. Peck has the commercial or economic expertise required to admit the challenged testimony under Rule 702. Instead, Petitioner claims that Mr. Peck may testify to such issues because “[a]n expert may base an opinion on facts or data in the case that the expert has been made aware of *or personally observed.*” Petitioner’s Opposition at 11 (alteration and emphasis in original) (quoting Fed. R. Evid. 703). But Rule 703 (titled “Bases of an Expert’s Opinion Testimony”) presumes that the witness be “[a]n expert”; the quoted text does not supplant the requirement that the witness be “qualified as an expert” under Rule 702. Since Petitioner has not satisfied the prerequisites of Rule 702, the testimony cannot be admitted. There is no reason to consider Rule 703.

The challenged testimony is also not admissible as lay opinions; Rule 701(c) was meant to “eliminate the risk that the reliability requirements set forth in Rule 702 will be evaded through the simple expedient of proffering an expert in lay witness clothing.” Fed. R. Evid. 701, advisory committee’s notes. Furthermore, lay

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