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. IPR2016-00041
U.S. Patent No. 8,099,823

PATENT OWNER'S OPPOSITION TO PETITIONER'S MOTION TO STRIKE TESTIMONY OF WILFRIED MERKEL

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Black's Law Dictionary (9th ed. 2009)..5

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Costco seeks to exclude from evidence what it calls the "hearsay testimony" of a non-party inventor, given under oath in federal court subject to cross-examination, because Mr. Merkel's failing health prevents him from sitting for live deposition in the United States. Costco's motion rests on two faulty assumptions: that Mr. Merkel's 2010 testimony standing alone is inadmissible under the Federal Rules of Evidence, and that the PTO's rules create an absolute right to oral cross-examination in the United States.

Mr. Merkel's trial testimony is admissible under Rule 804(b)(1). When a witness is unavailable, his prior testimony "given as a witness at a trial" is admissible if "offered against a party . . . whose predecessor in interest had . . . an opportunity and similar motive to develop it by direct, cross-, or redirect examination." A "predecessor in interest" is "a party having a like motive to cross-examine about the same matters as the present party would have" and who "was accorded an adequate opportunity for such examination." *Lloyd v. Am. Export Lines, Inc.*, 580 F.2d 1179, 1187 (3d Cir. 1978); *see Supermarket of Marlinton, Inc. v. Meadow Gold Diaries, Inc.*, 71 F.3d 119, 128 (4th Cir. 1995); *Clay v. Johns–Manville Sales Corp.*, 722 F.2d 1289, 1295 (6th Cir. 1983).

Mr. Merkel's declaration—which was served as supplemental evidence to overcome Costco's initial hearsay objection—establishes his unavailability. Fed. R. Evid. 804(a)(5) ("cannot be present . . . because of . . . a then-existing infirmity,

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[or] physical illness . . .”). Mr. Merkel has declared under penalty of perjury that, “for reasons of cardiac health, [he has] been advised that [he] should not travel and should minimize [his] activities.”[1] Ex. 1106 at 7. Costco does not dispute this.

Mr. Merkel’s prior testimony was “given as a witness at a trial,” (Ex. 2005 at 1), and is being offered against Costco, whose “predecessor in interest had . . . an opportunity and similar motive to develop it.” In the trial, defendant Pylon was asserting the obviousness of Bosch wiper patents, including two at issue here, U.S. Patent Nos. 6,292,974 and 6,944,905, (*id.* at 22), relying on some of the same prior art as Costco has asserted in IPRs 2016-00034 and 38–41, (*id.* at 162:25–163:2). The Merkel testimony is offered to prove that: (i) no commercially viable beam blades existed before 2002, when Bosch satisfied the long-felt need for them, (*id.* at 346:16–348:2); (ii) Bosch’s first commercial beam blade (Aerotwin) and later product (Icon) practice the challenged claims, (*id.* at 353:22–354:1); (iii) these blades included a flexible spoiler with diverging legs mounted on top of the blade, as well as plastic end caps, (*id.* at 359:12–360:4); and (iv) beam blades are sensitive to changes caused by adding structures, (*id.* at 388:23–391:8). This testimony was relevant in the Pylon trial for the same reasons as here—because it is probative regarding objective evidence of non-obviousness and the knowledge in

[1] The Board is not bound by the rules of evidence when evaluating the sufficiency of Mr. Merkel’s declaration *vis-a-vis* unavailability. *See* Fed. R. Evid. 104(a).

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