

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

R.J. REYNOLDS VAPOR COMPANY,
Petitioner,

v.

FONTEM HOLDINGS 1 B.V.,
Patent Owner.

Cases IPR2016-01268
Patent 8,365,742 B2

Before BRIAN J. McNAMARA, JEREMY M. PLENZLER, and
JO-ANNE M. KOKOSKI, *Administrative Patent Judges*.

KOKOSKI, *Administrative Patent Judge*.

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

At the request of R.J. Reynolds Vapor Company (“Petitioner”), a telephone conference was held on September 13, 2017, among respective counsel for Fontem Holdings 1 B.V. (“Patent Owner”) and Petitioner, and Judges Kokoski, McNamara, and Plenzler. A court reporter was on the line, and a copy of the transcript will be filed as an exhibit in this proceeding in due course.¹ The purpose of the call was to address Petitioner’s request for authorization to file a motion to submit supplemental information pursuant to 37 C.F.R. § 42.123(b), and to file a motion for observations based on the supplemental information. Section 42.123(b) allows a party to submit supplemental information more than one month after the institution of trial where (1) the supplemental information could not reasonably have been obtained earlier, and (2) consideration of the supplemental information would be in the interests-of-justice.

Petitioner seeks entry and consideration of the deposition transcript of Patent Owner’s expert, Mr. Richard Meyst, taken in *R.J. Reynolds Vapor Co. v. Fontem Holding 1 B.V.*, Case IPR2016-01692 (“the 1692 IPR”). The 1692 IPR concerns related U.S. Patent No. 9,326,548 B2. Petitioner represented that Mr. Meyst’s deposition in the 1692 IPR (“the Meyst 1692 Transcript”) was taken two weeks after the July 5, 2017 filing of its Reply, and therefore was not available when Petitioner filed its last substantive paper in this proceeding. Petitioner argued that consideration of the Meyst 1692 Transcript is in the interests-of-justice because, in Petitioner’s view, Mr. Meyst’s testimony in the 1692 IPR is inconsistent with his opinions in this proceeding.

¹ This order summarizes the statements made during the conference call. A more detailed record may be found in the transcript.

Patent Owner submitted similar testimony from the 1692 IPR in this proceeding, without Board authorization, with observations related to that testimony, rather than filing the testimony as supplemental information as Petitioner now requests for the Meyst 1692 Transcript. Specifically, upon questioning from the Board, Patent Owner confirmed that it filed observations (“Observations”) in this proceeding on testimony from Petitioner’s expert, Dr. Robert Sturges, in the 1692 IPR, and submitted the transcript of Dr. Sturges’ deposition in the 1692 IPR (“the Sturges 1692 Transcript”) as an exhibit in this case. *See* Paper 38; Ex. 2029. Patent Owner stated that it included the Sturges 1692 Transcript with the Observations because, in its view, Dr. Sturges’ testimony in the 1692 IPR is inconsistent with his opinions in this proceeding.

As an initial matter, we find Patent Owner’s Observations of the Sturges 1692 Transcript to be improper because the cross-examination did not occur in connection with this proceeding. The Office Patent Trial Practice Guide states:

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 observation to identify such testimony and responses to observations, as defined below.

77 Fed. Reg. 48756, 45767–68 (Aug. 14, 2012). The Scheduling Order authorizes the parties to file observation on cross-examination regarding a reply witness as set forth in the Office Trial Practice Guide. Paper 11, 6. The Scheduling Order did not authorize Patent Owner to file Observations as to cross-examination testimony taken in the context of a different proceeding

involving a different patent, and Patent Owner did not seek authorization to do so.

Consequently, we expunge Patent Owner's Observations (Paper 38), as to the Sturges 1692 Transcript, as well as Petitioner's Responses thereto (Paper 44). In this proceeding, however, Petitioner filed a declaration from Dr. Sturges with its Reply, and Patent Owner deposed Dr. Sturges after Patent Owner submitted its last substantive paper. Patent Owner's Observations on that cross-examination testimony are proper. Therefore, we authorize Patent Owner to re-file its Observations as to Dr. Sturges' reply cross-examination, and Petitioner to re-file its Responses thereto, without reference to the Sturges 1692 Transcript.

We do, however, agree that it is in the interests-of-justice to consider both the Sturges 1692 Transcript and the Meyst 1692 Transcript in this proceeding. Petitioner and Patent Owner contend that the expert testimony in the 1692 IPR is inconsistent with opinions in this proceeding, and we are persuaded that this testimony is relevant to our analysis of the issues on which the allegedly inconsistent testimony was given, and to our determination of each expert's credibility.

Accordingly, we authorize Petitioner to file the Meyst 1692 Transcript as an exhibit in this case. We further authorize the parties to file supplemental briefing, not to exceed five pages, identifying and discussing the relevant portion(s) of the 1692 IPR transcripts. The parties also are authorized to file replies to the supplemental briefing, also not to exceed five pages. We caution the parties that the supplemental briefing should not raise new issues, re-argue issues, or pursue objections.

Accordingly, it is

ORDERED that Patent Owner's Observations on Cross-Examination of Dr. Robert Sturges (Paper 38), and Petitioner's Responses to Patent Owner's Observations (Paper 44), are expunged;

FURTHER ORDERED that Patent Owner is authorized to re-file its observations, limited to Dr. Sturges' cross-examination regarding his reply declaration (Ex. 2030) and without reference to the Sturges 1692 Transcript (Ex. 2029), no later than Monday, September 18, 2017;

FURTHER ORDERED that Petitioner is authorized to re-file its responses to Patent Owner's observations, without reference to the Sturges 1692 Transcript (Ex. 2029), no later than Monday, September 18, 2017;

FURTHER ORDERED that Petitioner is authorized to file the Meyst 1692 Transcript as an exhibit in this proceeding;

FURTHER ORDERED that Petitioner is authorized to file a supplemental brief regarding the Meyst 1692 Transcript, and Patent Owner is authorized to file a supplemental brief regarding the Sturges 1692 Transcript, each limited to five pages, no later than September 20, 2017; and

FURTHER ORDERED that Petitioner and Patent Owner are authorized to file replies to the supplemental briefing, limited to five pages, no later than September 27, 2017.

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