

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SEAGATE TECHNOLOGY (US) HOLDINGS, INC. and  
SEAGATE TECHNOLOGY LLC,  
Petitioner,

v.

ENOVA TECHNOLOGY CORPORATION,  
Patent Owner.

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Case IPR2014-01178 (Patent 7,900,057 B2)  
Case IPR2014-01297 (Patent 7,900,057 B2)  
Case IPR2014-01449 (Patent 7,900,057 B2)<sup>1</sup>

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Before MICHAEL R. ZECHER, NEIL T. POWELL, GEORGIANNA W.  
BRADEN, and TIMOTHY J. GOODSON, *Administrative Patent Judges*.

GOODSON, *Administrative Patent Judge*.

DECISION

Granting Petitioner's Motion to Expunge Patent Owner's Motion for Observation  
*37 C.F.R. § 42.7(a)*

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<sup>1</sup> This Decision addresses an issue that is identical in the three cases. We, therefore, exercise our discretion to issue one Decision to be filed in each of the three cases. The parties are not authorized to use this style heading.

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### A. Introduction

Patent Owner filed a Motion for Observation in each of the above proceedings. Paper 32 (“Observation”).<sup>2</sup> Patent Owner’s Observation comments “on the cross-examination testimony of *Patent Owner’s expert*, Dr. Thomas Conte, submitted as Exhibit 1041 and relied-upon by Petitioners . . . in their Reply.” *Id.* at 1 (emphasis added). In the Observation, Patent Owner asserts that “[t]hese observations are needed to help the [B]oard by having ‘context-providing statements identified by the adverse party.’” *Id.* (quoting *Zhongshan Broad Ocean Motor Co. v. NIDEC Motor Corp.*, IPR2014-01121, slip op. at 3 (PTAB Sept. 10, 2015) (Paper 42)).

After receiving authorization (Paper 35), Petitioners filed a Motion to Expunge Patent Owner’s Observation. Paper 43 (“Mot.”). Patent Owner filed an Opposition to Petitioners’ Motion. Paper 44 (“Opp.”). For the reasons discussed below, we grant Petitioners’ Motion.

### B. Discussion

In the Motion, Petitioners argue that the Scheduling Order in these proceedings only authorized Patent Owner to file observations on the cross-examination of a *reply* witness. Mot. 1 (citing Paper 11, 4–5). Petitioners argue that patent owner’s own expert, relied on in a response to a petition, “is not a reply witness.” *Id.* (quoting *Berk-Tek LLC v. Belden Techs. Inc.*, Case IPR2013-00057, slip op. at 2 (PTAB Nov. 1, 2013) (Paper 43)). Petitioners also cite a Board decision that denied a patent owner’s request to file a motion for observation

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<sup>2</sup> For clarity and expediency, we refer to the papers filed in Case IPR2014-01178.

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because “[t]he rationale for observations does not apply . . . [when] it is Patent Owner that seeks to file observations on the cross-examination testimony of its own witnesses.” *Id.* at 1–2 (quoting *Schott Gemtron Corp. v. SSW Holding Co., Inc.*, Case IPR2013-00358, slip op. at 3 (PTAB May 16, 2014) (Paper 77)).

Petitioners further argue that *Zhongshan*, the case cited in Patent Owner’s Observation, addressed a circumstance not presented here. Mot. 2–3. Specifically, in *Zhongshan*, only excerpts of deposition testimony were produced, and the Board authorized the filing of a chart identifying context-providing statements to rectify the incomplete record. *Id.* But here, Petitioners contend that “Dr. Conte’s deposition testimony was already produced in full as Exhibit 1041, and Patent Owner’s pages of argumentative observations are hardly analogous to *Zhongshan*’s limited authorization of a table of line and page numbers.” *Id.* at 3. In addition, Petitioners argue that the Observation should be expunged because it is unduly argumentative and represents Patent Owner’s attempt “to give itself an unauthorized *sur*-Reply.” *Id.* at 4.

Patent Owner’s Opposition counters that Federal Rule of Evidence 106 codifies the principle “that where a party such as Petitioner here, offers only a portion of a body of evidence, that its adversary, here Patent Owner, should be allowed to offer evidence necessary to make that evidence complete or in context.” Opp. 1. Patent Owner contends that there are discrepancies between Petitioners’ assertions regarding Dr. Conte’s testimony and the full context of Dr. Conte’s deposition testimony, but since the deposition occurred after Patent Owner’s final paper was filed, Patent Owner had no opportunity to bring these discrepancies to the Board’s attention. *Id.* at 2–3. Regarding *Zhongshan*, Patent Owner states that

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the chart the Board authorized was in addition to an order requiring the filing of full transcripts. *Id.* at 3. Thus, according to Patent Owner, *Zhongshan* “stands for the proposition that Patent Owner’s observations on the cross-examination of Dr. Conte were entirely appropriate even though the full transcript was provided by the adverse party.” *Id.* at 3–4.

We find Petitioners’ arguments persuasive. Patent Owner has not identified any source of authority for its filing of observations regarding Patent Owner’s own witness. The Scheduling Order states that “[a] motion for observation on cross-examination provides the parties with a mechanism to draw the Board’s attention to relevant cross-examination testimony of a *reply witness* because no further substantive paper is permitted after the reply. *See* Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,768.” Paper 11, 4–5 (emphasis added). The cited portion of the Practice Guide, in turn, provides that “[*t*]he party taking the cross-examination files the observations. The opposing party may file a response to an observation. The opposing party may not file observations without express prior authorization.” 77 Fed. Reg. at 48,768 (emphasis added).

Thus, as the panel explained in *Schott*, “it is the party taking the cross-examination that typically files observations, and the reason for permitting observations is that the cross-examination takes place after the party has filed its last substantive paper, such that the party has no way to bring relevant testimony to the Board’s attention.” *Schott*, slip op. at 3. But here, just as in *Schott*, “[*t*]he rationale for observations does not apply . . . because it is Patent Owner that seeks to file observations on the cross-examination testimony of its own witnesses.” *Id.*

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Accordingly, Patent Owner's Observation is not authorized by the Scheduling Order because it does not concern the cross-examination testimony of a reply witness. Moreover, because Patent Owner's Observation concerned the cross-examination testimony of its own witness, it was required to receive Board authorization before filing its Observation. Patent Owner, however, did not seek or receive Board authorization before filing its Observation. *See* Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,768 ("The opposing party [to the cross-examination] may not file observations without express prior authorization."); *see also* 37 C.F.R. § 42.20(b) ("A motion will not be entered without Board authorization."); *Zhongshan*, slip op. at 2 ("The Board's regulations for *inter partes* review proceedings do not specifically provide a mechanism for a party to provide observations on cross-examination of its own witnesses").

Patent Owner's reliance on *Zhongshan* as authority for the filing of the Observation is misplaced for the reasons articulated by Petitioners: (1) Patent Owner did not seek authorization from the Board before filing, unlike the patent owner in *Zhongshan*, (2) Dr. Conte's full deposition transcript is available here, unlike in *Zhongshan*, and (3) *Zhongshan* did not authorize observations, only a chart, and specifically stated that no additional statement or explanation was authorized. *See* Mot. 2–3; *Zhongshan*, slip op. at 2–3.

Patent Owner also does not persuade us that Federal Rule of Evidence 106 is a source of authority for the filing of the Observation. Rule 106 provides that, "[i]f a party introduces all or part of a writing or recorded statement, an adverse party may require the introduction, at that time, of any other part—or any other writing or recorded statement—that in fairness ought to be considered at the same time."

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Fed. R. Evid. 106. The purpose of Rule 106 “is to permit the contemporaneous introduction of recorded statements that place in context other writings which, viewed alone, may be misleading.” *U.S. v. Jamar*, 561 F.2d 1103, 1108 (4th Cir. 1977). Here, the availability of the entire transcript of Dr. Conte’s deposition substantially diminishes the risk of the Board being misled by the omission of surrounding context. *See id.* at 1109 (“There is no such problem [under Rule 106] here. Mrs. Jamar’s testimony was admitted in toto; no single portion of it was lifted out of context and introduced.”). Moreover, to the extent that Patent Owner contends that the statements in the Reply misrepresent Dr. Conte’s testimony, Patent Owner will have an opportunity at the hearing to present those arguments.

Accordingly, we agree with Petitioners that Patent Owner’s Observation is unauthorized and should be expunged.<sup>3</sup> In authorizing Petitioners to file a Motion to Expunge, we indicated that, “[i]f the Board ultimately grants Petitioner’s motion to expunge, any Reply to Patent Owner’s Observations will also be expunged.” Paper 35, 3. Thus, we also expunge Petitioners’ Response to the Observation. *See* Paper 41.

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<sup>3</sup> We note that in its Opposition, Patent Owner states that, if the Board grants Petitioners’ Motion, Patent Owner requests leave to file a chart identifying portions of Dr. Conte’s deposition testimony that provide context for the portions Petitioners’ relied on in the Reply. Opposition, 4 n.1 (citing *Zhongshan*, slip op. at 4). Patent Owner’s request is denied. The full record of Dr. Conte’s deposition testimony is available to the Board, and we are not persuaded that an additional chart from Patent Owner identifying contextual statements from Dr. Conte would aid our analysis in these proceedings.

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*C. Order*

It is

ORDERED that Petitioners' Motion to Expunge is *granted*;

FURTHER ORDERED that Patent Owner's Motion for Observation (Paper 32 in IPR2014-01178; Paper 30 in IPR2014-01297; Paper 30 in IPR2014-1449) is expunged from the record of these proceedings; and

FURTHER ORDERED that Petitioners' Response to Patent Owner's Motion for Observation (Paper 41 in IPR2014-01178; Paper 39 in IPR2014-01297; Paper 39 in IPR2014-1449) also is expunged from the record of these proceedings.

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