

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CME GROUP, INC.,
Petitioner,

v.

VOLATILITY PARTNERS, LLC,
Patent Owner.

Case CBM2016-00024
Patent RE43,435 E

Before MICHAEL W. KIM, TRENTON A. WARD, and KEVIN W. CHERRY,
Administrative Patent Judges.

WARD, *Administrative Patent Judge.*

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

A first conference call was held on March 23, 2016 and attended by the above-identified panel members and respective counsel for the parties. The conference was scheduled to discuss Patent Owner's request to submit a declaration, along with its Preliminary Response, limited to the issue of Petitioner's standing with respect to a covered business method patent review of US. Patent No. RE43,435 E ("the '435 patent"). During the conference, Petitioner indicated that it would not oppose such a submission, by Patent Owner, if the declaration was limited to the identification and entry of documentary evidence similar to the Declaration of Julie Winkler submitted by Petitioner along with its Petition. *See* Ex. 1005. The call was concluded to permit the parties to discuss Petitioner's proposal.

A second conference call was held on March 29, 2016 and attended by the above-identified panel members and respective counsel for the parties. The conference was scheduled, at Patent Owner's request, to discuss its inability to reach an agreement with Petitioner regarding the scope of the proposed declaration. During the call, Patent Owner stated that it seeks permission to file a Declaration of Mr. Robert Krause, inventor of the '435 patent, strictly limited to testimony regarding the alleged lack of standing of the Petitioner to request a covered business method patent review of the '435 patent. Patent Owner indicated that, contrary to Petitioner's request, the declaration cannot be limited to introducing documentary evidence like the Winkler Declaration (Ex. 1005), because Mr. Krause's testimony will attempt to establish a negative, namely, that Petitioner has not been sued for infringement nor has it been charged with infringement of the '435 patent in accordance 37 C.F.R. § 42.302. Petitioner objects to the submission of such a declaration on the grounds that it will not have the ability to cross-examine the declarant prior to the Board's institution decision.

37 C.F.R. § 42.207 states that a “preliminary response shall not present new testimony evidence beyond that already of record, except as authorized by the Board.” Patent Owner argues that a limited waiver of this rule is warranted in this case. Specifically, Patent Owner agreed during the conference call to the following limitations on the requested submission: (1) only one declaration, the Declaration of Mr. Robert Krause, would be submitted along with the Preliminary Response, (2) the declaration will not rely upon or introduce additional documentary evidence, and (3) the declaration will not exceed three pages. In view of the circumstances in this case and the limited nature of this request, we determine that it is appropriate to grant Patent Owner’s request. We understand Petitioner’s concerns regarding the lack of an opportunity to cross-examine the declarant and will account for those concerns in assigning weight to the declaration for purposes of the decision to institute. Accordingly, Patent Owner’s request for authorization to file a declaration, as limited above, along with the Patent Owner’s Preliminary Response is *granted*.

ORDER

Accordingly, it is hereby

ORDERED that Patent Owner may file a Declaration of Mr. Robert Krause along with its Preliminary Response, which shall not rely upon or introduce additional documentary evidence and shall not exceed three pages.

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Patent RE43,435 E

For PETITIONER:

Michael Hawes
michael.hawes@bakerbotts.com

Brad Bowling
brad.bowling@bakerbotts.com

Ali Dhanani
ali.dhanani@bakerbotts.com

For PATENT OWNER:

David P. Lentini
david.lentini@gmail.com