

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DYNAMIC DRINKWARE LLC
Petitioner

v.

NATIONAL GRAPHICS, INC.
Patent Owner

Case IPR2013-00131
Patent 6,635,196

Before THOMAS L. GIANNETTI, TRENTON A. WARD, and MITCHELL G.
WEATHERLY, *Administrative Patent Judges*.

GIANNETTI, *Administrative Patent Judge*.

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

A conference call in this matter was held on April 21, 2014. The parties were represented by their respective counsel. Administrative Patent Judges Giannetti, Ward, and Weatherly participated.

The conference was requested by Petitioner to discuss the following discovery issues:

1. Divisional Application

Petitioner contends that the Patent Owner should have disclosed a divisional application in which the Raymond reference at issue in this proceeding was cited. We agree. Our rules provide for mandatory disclosure of related administrative matters. 37 C.F.R. § 42.8(b)(2). This includes “every application and patent claiming, or which may claim, the benefit of the priority of the filing date of the party’s involved patent” Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,760 (Aug. 14, 2012). Patent Owner, therefore, did not comply with the mandatory notice requirements. However, Petitioner independently discovered the divisional application prior to the deposition of Mr. Krause, Patent Owner’s founder and president, and therefore has not shown prejudice by Patent Owner’s omission.

2. Krause Deposition

Petitioner contends that Patent Owner’s counsel prevented Petitioner from questioning Mr. Krause about the divisional application and other matters by instructing Mr. Krause not to answer questions on the ground of relevance. Petitioner contends that such instructions are prohibited under the Board’s Testimony Guidelines, Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,772-73. Specifically, the Testimony Guidelines provide: “Counsel may instruct a witness not to answer only when necessary to preserve a privilege, to enforce a

limitation ordered by the Board, or to present a motion to terminate or limited testimony.” *Id.* at 48,772, ¶4.

We have reviewed the Krause transcript and agree with Petitioner that the instructions to Mr. Krause not to answer were improper. Patent Owner does not contend that its counsel’s instructions to Mr. Krause fall within any of the exceptions permitted under the Guidelines. If counsel believed that the examination of Mr. Krause was being conducted in bad faith, or in a manner that unreasonably annoyed, embarrassed, or oppressed Mr. Krause or Patent Owner, counsel should have promptly initiated a conference call with the Board. *Id.* ¶ 9. Absent such extenuating circumstances, counsel should have stated its objections for the record and later moved to exclude the testimony. 37 C.F.R. § 42.64.

Petitioner seeks authorization to file a motion for sanctions as a result of this conduct. Specifically, Petitioner asks the Board to preclude Patent Owner from antedating Raymond. Alternatively, Petitioner seeks to resume Mr. Krause’s deposition on the issues which they were not able to explore due to counsel’s obstruction. Patent Owner agrees to produce Mr. Krause for further examination, but opposes the attempt to preclude it from antedating Raymond.

After considering the arguments presented, the panel has determined not to authorize the motion for sanctions at the present time. However, the panel believes that in addition to offering to produce Mr. Krause, Patent Owner should agree to bear the expense of providing a court reporter for his further examination. The panel, therefore, directs the parties to meet and confer on the arrangements for Mr. Krause’s deposition.

In view of the foregoing, it is, therefore,

ORDERED that Patent Owner will produce Mr. Krause at a mutually agreeable time and place for further examination on the divisional application and

Case IPR2013-00131
Patent 6,635,196

other matters that were the subject of counsel's instructions not to answer;

FURTHER ORDERED that prior to the deposition the parties will meet and confer regarding whether the expense of providing a court reporter for the further examination shall be borne by Patent Owner and shall report back to the Board if an agreement is not reached;

FURTHER ORDERED that Petitioner's request for authorization to file a motion for sanctions is denied without prejudice.

Case IPR2013-00131

Patent 6,635,196

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