

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

K-40 ELECTRONICS, LLC
Petitioner

v.

ESCORT, INC.
Patent Owner

Case IPR2013-00203
Patent 7,999,721

Before GLENN J. PERRY, THOMAS L. GIANNETTI, and
TRENTON A. WARD, *Administrative Patent Judges*.

WARD, *Administrative Patent Judge*.

ORDER

Motion to Seal Under 37 C.F.R. § 42.54,
Motion to Exclude Under 37 C.F.R. § 42.64, and
Motion Requesting Acceptance of Non-Electronic Submission

I. PATENT OWNER'S MOTION TO SEAL

On March 10, 2014, K-40 Electronics, LLC ("Petitioner") filed a request to seal the deposition transcript of Mr. Steve Orr (Ex. 1017) based on Patent Owner's designation of certain portions of the transcript as confidential. Paper 19, 1. Additionally, Petitioner filed a redacted version of the same deposition transcript. *See* Ex. 1023. We issued an Order on March 14, 2014 deeming Petitioner's request to be a motion to seal and denied the motion for failure to explain why the information redacted from the non-confidential version of the document is confidential. Paper 20, 2. On March 27, 2014, Escort Inc. ("Patent Owner") filed an Unopposed Motion to Seal seeking to seal the Deposition Transcript of Mr. Steven K. Orr (Ex. 1017) under 37 C.F.R. § 42.54. Paper 24, 1.

As stated in the Office Trial Practice Guide, 77 Fed. Reg. 48,756, 48,760 (Aug. 14, 2012):

The rules aim to strike a balance between the public's interest in maintaining a complete and understandable file history and the parties' interest in protecting truly sensitive information.

A party wishing to file a document or thing under seal must show good cause for the relief requested. 37 C.F.R. § 42.54. As the moving party, Patent Owner bears the burden of proof. 37 C.F.R. § 42.20(c). As part of its showing, Patent Owner must explain why the information is appropriate to be filed under seal. In the motion, Patent Owner identifies the confidential nature of the testimony redacted from Mr. Orr's deposition transcript, including a discussion of private family legal matters, Mr. Orr's personal relationships, and business confidential information not relevant to the proceeding. Paper 24, 7-9.

The Board's final decision does not rely upon any of testimony redacted from the deposition transcript. Thus, the public's interest in maintaining a complete and understandable file history with respect to the redacted information

does not outweigh Patent Owner's interest in protecting the sensitive information. In consideration of the above, we determine that Patent Owner has shown good cause and the motion to seal Ex. 1017 is granted.

II. PATENT OWNER'S MOTION TO EXCLUDE

On April 24, 2014, Patent Owner filed a motion to exclude the following:

- (1) Second Declaration of Dr. Bartone (Ex. 1021);
- (2) Patents incorporated by reference in Hoffberg and Fleming, III (Exs. 1006, 1016, and 1022);
- (3) Alleged new evidence raised in Petitioner's Reply (Ex. 1013);
- (4) Petitioner's supplemental "level of ordinary skill" evidence (Exs. 1014, 1015);
- (5) Supplemental claim construction evidence;
- (6) Portions of the deposition of Dr. John R. Grindon (Ex. 1019 at 45:3–17, 46:2–17, 7:24–49:15, 110:20–114:23, 138:18–145:6, 145:17–146:2, 157:20–158:12); and
- (7) Petitioner's Reply (Paper 18).

Paper 25 ("Mot. to Exclude"), 2–15.

The party moving to exclude evidence bears the burden of proof to establish that it is entitled to the relief requested—namely, that the material sought to be excluded is inadmissible under the Federal Rules of Evidence. *See* 37 C.F.R. §§ 42.20(c), 42.62(a).

The rules governing *inter partes* review set forth the proper procedure for objecting to, and moving to exclude, evidence when appropriate. When a party objects to evidence that was submitted during a preliminary proceeding, such an objection must be served within ten business days of the institution of trial. *See* 37

C.F.R. § 42.64(b)(1). Once a trial has been instituted, an objection must be served within five business days. *See id.* The objection to the evidence must identify the grounds for the objection with sufficient particularity to allow correction in the form of supplemental evidence. *Id.* This process allows the party relying on the evidence to which an objection is served timely the opportunity to correct, by serving supplemental evidence within ten business days of the service of the objection. *See* 37 C.F.R. §§ 42.64(b)(1), 42.64(b)(2). If, upon receiving the supplemental evidence, the opposing party is still of the opinion that the evidence is inadmissible, the opposing party may file a motion to exclude such evidence. 37 C.F.R. § 42.64(c).

A. Item (1): Second Declaration of Dr. Bartone (Ex. 1021)

Petitioner has agreed to withdraw this exhibit. *See* Paper 30, 15. Exhibit 1021 is referenced in a sentence in Petitioner's Reply (Paper 18, 6), which was not relied upon by the Board in its final decision. Furthermore, Exhibit 1021 was not referenced at the oral hearing. Accordingly, Exhibit 1021 is hereby expunged as withdrawn and the motion to exclude Exhibit 1021, and any arguments relying upon Exhibit 1021 in Petitioner's Reply, is denied.

B. Items (2): Patents incorporated by reference in Hoffberg and Fleming, III (Exs. 1006, 1016, and 1022); (3) Alleged new evidence raised in Petitioner's Reply (Ex. 1013); and (7) Petitioner's Reply (Paper 18)

With respect to the evidence identified in items (2), (3), and (7) above, Patent Owner's motion to exclude fails to indicate that Patent Owner timely served Petitioner with an objection. *See* Mot. to Exclude 2–15. Furthermore, Patent Owner's motion does not identify or explain its objections to these items. *See* Mot. to Exclude 2–15. Petitioner argues that Patent Owner failed to timely to object to the materials subject to the motion to exclude and, thus, deprived Patent Owner of any potential remedial measures provided by 37 C.F.R. § 42.64(b)(2). Paper 30,

1–2. In view of Patent Owner’s failure to comport with the requirements of 37 C.F.R. § 42.64, Patent Owner’s motion to exclude the evidence identified in items (2), (3), and (7) above is *denied*. See *Google Inc. et al. v. Jongerius Panoramic Technologies, LLC*, IPR2013-00191, Paper 70, 64–65 (denying a motion to exclude because Patent Owner failed to identify and explain the associated objections); *Apple Inc. v. Achates Reference Publishing, Inc.*, IPR2013-00080, Paper 90, 49 (denying a motion to exclude for failure to allege that an objection was timely served).

C. Items (4): Petitioner’s supplemental “level of ordinary skill” evidence (Exs. 1014, 1015); (5) Supplemental claim construction evidence; and (6) Portions of the deposition of Dr. John R. Grindon (Ex. 1019)

With respect to this evidence, Patent Owner’s motion to exclude identifies objections made by Patent Owner at the deposition of Dr. Grindon. See Mot. to Exclude 8, 10, 11. Specifically, Patent Owner references a conference call conducted with the Board during the deposition of Dr. Grindon in which Patent Owner raised objections as to the relevance of certain questions asked of Dr. Grindon. Mot. to Exclude 8; see also Ex. 1019, 62:19–94:13. Specifically, the Motion to Exclude states that the Patent Owner objected to the relevance of a line of questioning of Dr. Grindon regarding the ’493 patent (Ex. 1015). Mot. to Exclude 8 (citing Ex. 1019, 45:8, 13, 16; 46:5, 9, 17, 20–24; 47:2–5, 14–16, 18–22; 48:16; 49:3, 16–24; 50:5–17; 51:20–25; 62:19–83:3). The Board permitted the line of questioning as relevant to the level of skill in the art. See Ex. 1019, 92:5–9. Patent Owner alleges that the line of questioning was improper because there was ultimately no dispute as to the level of skill in the art; therefore, Patent Owner moves to exclude the Expert Report of Dr. Grindon from another lawsuit on which the questioning was based (Ex. 1014), U.S. Patent No. 6,201,493 (Ex. 1015), any other patents referenced in this discussion, and the testimony of Dr. Grindon

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