

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASPHALT PRODUCTS UNLIMITED, INC.
Petitioner,

v.

BLACKLIDGE EMULSIONS, INC.,
Patent Owner.

Case IPR2017-01241 (Patent 7,503,724 B2)
Case IPR2017-01242 (Patent 7,918,624 B2)

Before MITCHELL G. WEATHERLY, JAMES A. TARTAL, and
TIMOTHY J. GOODSON, *Administrative Patent Judges*.

GOODSON, *Administrative Patent Judge*.

ORDER

Denying Patent Owner's Motion to Disqualify Alan James, Ph.D. as
Petitioner's Expert Witness and to Strike His Declaration
37 C.F.R. §§ 42.5, 42.20

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I. INTRODUCTION

After receiving authorization (*see* Paper 12¹), Patent Owner filed a motion to disqualify Alan James, Ph.D. as Petitioner’s expert witness and to strike Dr. James’ declaration. Paper 15 (“Mot.”). Patent Owner argues that as part of a collaboration between Patent Owner and Akzo Nobel Surface Chemistry LLC (“Akzo”), Patent Owner provided to Dr. James confidential information relating to Patent Owner’s manufacturing processes and materials. *Id.* at 1. Further, according to Patent Owner, the work Dr. James did for Patent Owner is “inextricably linked” with his testimony in these proceedings. *Id.* at 1–2. Petitioner opposes the Motion, arguing that Dr. James has not used any of Patent Owner’s confidential information in these proceedings. Paper 18 (“Opp.”), 1.² For the reasons discussed below, we *deny* Patent Owner’s Motion to Disqualify Dr. James as Petitioner’s Expert Witness and to Strike His Declaration.

II. LEGAL STANDARD

In evaluating motions to disqualify the opposing party’s expert, we require the moving party to show (1) that “it is objectively reasonable for the moving party to believe that it had a confidential relationship with the expert” and (2) that “the moving party disclosed confidential information to the expert that is relevant to the current proceeding.” *Agila Specialties Inc. v. Cephalon, Inc.*, Case IPR2015-00503, slip op. at 4–5 (PTAB Aug. 19, 2015) (Paper 13) (citing *Lacroix v. BIC Corp.*, 339 F. Supp. 2d 196, 199 (D. Mass. 2004); *Mayer v. Dell*, 139 F.R.D. 1, 3 (D.D.C. 1991)); *see also*

¹ Unless indicated otherwise, citations in this Order refer to the papers and exhibits in Case IPR2017-01242. Similar or identical documents to those referenced herein exist in IPR2017-01241.

² A redacted, public version of Petitioner’s Opposition was filed as Paper 19.

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FujiFilm Corp. v. Sony Corp., Case IPR2017-01267, slip op. at 2–3 (PTAB July 10, 2017) (Paper 9) (applying same standard); *Solenis LLC v. Ecolab USA*, Case IPR2016-01281, slip op. at 2–5 (PTAB Oct. 5, 2016) (Paper 29) (applying same standard). The Board’s decisions indicate that “[d]isqualification of an expert witness is a drastic measure” that must be supported by specific information from the movant regarding what confidential information was disclosed and how it pertains to the proceeding. *FujiFilm*, slip op. at 6–7; *Solenis*, slip op. at 4.

III. ANALYSIS

Patent Owner asserts that it had a confidentiality agreement with Akzo that extends to Akzo’s employees, including Dr. James. Mot. 2–3 (citing Ex. 2012 ¶ 4). Petitioner does not contest that assertion, although it does argue that this is “neither a former-employee case nor a case of side-switching” because the confidentiality agreement was between Patent Owner and Akzo. *See* Opp. 6. The record supports Patent Owner’s contentions that Dr. James was involved in the negotiation of a confidentiality agreement between Patent Owner and Akzo, Dr. James’ employer, and that the confidentiality agreement was entered in April 2010. *See* Ex. 2011, 2–3; Ex. 2012, 1.³ The confidentiality agreement provides:

The Receiving Party may disclose the Confidential Information to those of its . . . employees . . . (“Restricted Personnel”) on a strict need to know basis and subject to the terms and conditions of this Agreement. . . . The Receiving Party shall be responsible for any breach of this Agreement by such Restricted Personnel

³ We note that this confidentiality agreement came well after the filing dates of the patents being challenged in these proceedings. The application that issued as the ’724 patent was filed on November 20, 2006, and the application that issued as the ’624 patent was filed on March 12, 2009 as a continuation of the ’724 patent. Ex. 1001, (22), (63).

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described herein to whom the Receiving Party discloses Confidential Information.

Ex. 2012 ¶ 4. Thus, Petitioner has made a sufficient showing on the first prong of the *Agila* test.

Turning to the second prong, Patent Owner argues that it disclosed to Akzo and Dr. James proprietary information about manufacturing processes, selected base asphalts, and manufacturing facilities. Mot. 1. Using that information, Dr. James developed formulations and processes that he sent to Patent Owner for testing. *Id.* According to Patent Owner, the testing described in Dr. James' declaration in these proceedings show the same parameters that Dr. James used in his confidential work with Patent Owner. *Id.* at 2. Thus, Patent Owner contends that "Dr. James received confidential information needed to arrive at a tack coat that successfully practices the claimed invention on the first try." *Id.* at 3.

The specific items of confidential information that Patent Owner identifies in its Motion are preferred suppliers of hard pen asphalt and certain characteristics of the emulsion formulation. *Id.* at 4–6. Patent Owner asserts that it disclosed to Dr. James three preferred sources of hard-pen asphalt that did not require a peptizer, and that one of those three was

[REDACTED]. *Id.* at 5–6. Further, according to Patent Owner, the testing in these proceedings used Redicote E-9 at 0.3% and soap pH from 1.7–1.8. *Id.* at 4–5 (citing Ex. 1013, 16–18). Those parameters match the recipe in a summary presentation from the collaboration between Patent Owner and Akzo, which calls for [REDACTED] or [REDACTED] and a soap pH of [REDACTED]. *Id.* at 4 (citing Ex. 2009, 14). Patent Owner emphasizes that the pH scale is logarithmic, such that "the choice of pH— [REDACTED]

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██████████—can have substantial effects on the success of an asphalt emulsion.” *Id.* at 5.

In response, Petitioner argues that the testing in these proceedings sought to faithfully replicate the emulsion recipes of Pasquier, the main prior art reference of Petitioner’s patentability challenges, and was not based on any information Dr. James received from Patent Owner. Opp. 1. Regarding the specific items of confidential information alleged by Patent Owner, Petitioner argues that asphalt suppliers advertise their products on their websites, including ██████████, which states on its website that its hard pen asphalts are produced at the plant in ██████████. Opp. 2. Further, Petitioner points to sworn declarations from both Dr. James and Steele Yeargain, Petitioner’s Vice President, that Dr. James had no involvement with the source of asphalt used in the testing for these proceedings. *Id.* at 2 (citing Ex. 1040 ¶¶ 9–18; Ex. 1040 ¶ 12).

Specifically, Dr. James testifies that “I did not provide APU recommendations regarding the sourcing of the asphalt for the PRI testing, nor have I any recollection of ever providing APU recommendations on asphalt suppliers for use in their asphalt emulsion formulations.” Ex. 1040 ¶ 12. Mr. Yeargain testifies that “I was tasked by APU’s counsel with securing a supply of hard-pen base asphalt equivalent to the 10/20 hard-pen asphalt disclosed in Pasquier.” Ex. 1042 ¶ 11. Mr. Yeargain testifies that Petitioner has been purchasing medium-hard pen asphalt from Marathon’s plant in Garyville, Louisiana since the 1990’s, and has been purchasing hard-pen asphalt from ██████████ plant since August 2010. *Id.* ¶¶ 13–16. Mr. Yeargain further testifies:

For the PRI testing, in October 2016, I pulled about 5 gallons from APU’s existing inventory of 0-pen base asphalt previously

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