

PTAB Grants Motion to Strike Evidence as Untimely Produced

AUGUST 8, 2022

Samsung Electronics America, Inc. v. Kannuu PTY Ltd., IPR2020-00738, Paper 100 (PTAB Redacted Version July 22, 2022)

Before: Droesch, Chung, Kaiser.

In a recently-published redacted Final Written Decision, a panel of the Patent Trial and Appeal Board (“Board”) granted a motion to strike evidence against Petitioner under 37 C.F.R. §§ 42.5(a) and 42.71(a) for failing to comply with discovery obligations. The decision is notable because motions to strike are rarely granted, and as such the decision informs parties to IPR proceedings how they must conduct themselves when discovery is required.

As background, following institution of *inter partes* review, it became clear in the proceeding that “secondary considerations” (*i.e.*, objective evidence that may impact the ultimate decision of whether patent claims are invalid as obvious under 35 U.S.C. § 103) was an issue the parties needed to address in their briefs and at the hearing. Both parties thus moved the Board for orders granting additional discovery on the issue. The Board conducted several telephonic hearings with the parties regarding the scope of the requested discovery and ultimately granted-in-part the motions. In particular, Patent Owner asserted that Petitioner had copied the patented invention and requested documents and a deposition concerning Petitioner’s development of its accused technology. The day before the deposition, Petitioner produced a document (identified as Exhibit 1058) relevant to the issue. The document was written in the Korean language. At the deposition of its witness the next day, Petitioner introduced the document into evidence. Petitioner did not produce a translated version (Exhibit 1059) until a month after the deposition. Petitioner later relied on Exhibits 1058 and 1059 and made arguments based on the exhibits during the IPR.

As a procedural matter, motions addressing admissibility of evidence are typically filed before the Board as motions to exclude pursuant to 37 C.F.R. § 42.64(c), which expressly authorizes parties to file such motions without prior Board authorization. However, a condition precedent to filing a motion to exclude is that the moving party must have explicitly objected to the evidence earlier in the proceeding, such as by serving written objections or objecting on the record during a deposition. Here, Patent Owner did not object to Exhibit 1058 during the deposition of Petitioner’s witness, and as such was precluded from bringing a motion to exclude under 37 C.F.R. § 42.64(c). Patent Owner therefore moved to strike Exhibits 1058 and 1059 under 37 C.F.R. §§ 42.5(a), 42.71(a) (catch-all provisions allowing the Board to determine the proper course of a proceeding, take up motions, and enter any appropriate

order to administer the proceeding). Motions to strike cannot be filed with first obtaining permission to do so from the Board. (As an aside, motions to strike, and not motions to exclude, are the appropriate vehicle for arguing that a party's arguments and evidence are outside the proper scope of a reply brief – see *Palo Alto Networks, Inc. v. Finjan, Inc.*, IPR2015-01979, Paper 62 (PTAB March 15, 2017)).

Here, the Board authorized Patent Owner to file a motion to strike, and ultimately granted the motion as to Exhibits 1058, 1059 and Petitioner's arguments based on those exhibits. First, the Board found that Petitioner's late production of the document in question on the eve of the deposition was inexcusable given that the parties knew that evidence of secondary considerations and copying was at issue in the IPR for nearly a year before the deposition. Second, the Board rejected Petitioner's argument that any prejudice suffered by Patent Owner was self-inflicted because Patent Owner did not fully question Petitioner's deponent about the document or ask the witness to translate the document in real-time on the record during the deposition. Third, the Board found that Petitioner had adopted a strategy to zealously oppose the discovery that Patent Owner sought, and as such did not "proactively search for documents about independent development sooner and timely make that evidence of record." FWD at 16. Having adopted this strategy, however, "Petitioner cannot then change course and sandbag Patent Owner on the eve of the ordered deposition with a foreign language document, all the while blaming Patent Owner for failing to elicit relevant testimony about the document." *Id.*

While the Board granted the motion to strike as to Exhibits 1058 and 1059 and Petitioner's arguments relating to the exhibits, the Board stopped short of granting Patent Owner's request that the Board impose on Petitioner an adverse inference of copying. The Board held that Petitioner's conduct regarding the document and deposition was not so egregious as to warrant such a drastic remedy. And ultimately, winning the motion to strike was a pyrrhic victory for Patent Owner, as the Board found all challenged claims invalid as either anticipated or obvious.

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