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Entered: 16 March 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VOLKSWAGEN GROUP OF AMERICA, INC.,
Petitioner,

v.

EMERACHEM HOLDINGS, LLC,
Patent Owner.

Case IPR2014-01554 (Patent 6,037,307)
Case IPR2014-01555 (Patent 5,451,558)
Case IPR2014-01556 (Patent 5,953,911)
Case IPR2014-01557 (Patent 7,951,346 B2)
Case IPR2014-01558 (Patent 5,599,758)

Before FRED E. McKELVEY, *Administrative Patent Judge*.

SCHEDULING ORDER

I. Due Dates

This Scheduling Order sets due dates for the parties to take action after institution of the above-identified *inter partes* review trials.

The parties may stipulate to different dates for DUE DATES 1 through 5 (earlier or later, but not later than DUE DATE 6).

A notice of any stipulation, specifically identifying the changed due dates, must be promptly filed.

The parties may not stipulate to an extension of DUE DATES 6 and 7.

In stipulating to difference dates, the parties should consider the effect of the stipulation on the following times to:

- (1) objection to admissibility of evidence (37 C.F.R. § 42.64(b)(1));
 - (2) serving supplemental evidence (37 C.F.R. § 42.64(b)(2));
 - (3) conducting cross-examination (37 C.F.R. § 42.53(d)(2));
- and
- (4) drafting papers depending on the evidence and cross-examination testimony (*see* Part V, below).

The Testimony Guidelines appended to the Office Practice Trial Practice Guide, 77 Fed. Reg. 48756, 48772 (Aug. 14, 2012) (Appendix D—copy attached) apply to these trials.

The Board may impose an appropriate sanction for failure to adhere to the Testimony Guidelines. 37 C.F.R. § 42.12. For example, reasonable expenses and attorney fees incurred by any party may be levied on a person who impedes, delays, or frustrates the fair examination of a witness. Unless agreed to by the parties, any redirect examination shall proceed, without a recess, immediately after conclusion of cross-examination; “coaching” of a witness is not permitted.

II. Initial Conference Call

A. Guidance

The Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48765–66 (Aug. 14, 2012) (*see E. Initial Conference Call (One Month After Instituting Trial)*), sets out guidance in preparing for the initial conference call.

The parties should be prepared to discuss any proposed changes to this Scheduling Order and any motions the parties anticipate filing during the trial.

No later than **three (3) business days** before the initial conference call, the parties shall file a list of proposed motions. 37 C.F.R. § 42.21(a); 77 Fed. Reg. 48756, 48765 (col. 3) (Aug. 14, 2012).

B. Specific Matters

1.

Some of the prior art relied upon by Petitioner is not statutory bar prior art under § 102(b).

Patent Owner should be prepared to advise the Board whether it intends to present proofs to antedate any non-statutory bar prior art.

If so, then Patent Owner should (A) identify the prior art to be antedated and (B) be prepared to state whether the antedating will be based on (1) a prior actual reduction to practice or (2) conception coupled with reasonable diligence from a time prior to the effective prior art date until a subsequent constructive or actual reduction to practice.

2.

The patent involved in IPR2014-01557 claims benefit of a U.S. Provisional Application.

Patent Owner should be prepared to advise the Board whether it intends to seek benefit of the filing date of the Provisional Application.

Benefit is accorded on a claim-by-claim basis.

Unless benefit is obtained, Patent Owner would not be able to successfully antedate the prior art relied upon by Patent Owner.

3.

The parties should be prepared to advise the Board of the status of the civil action in the E.D. Tenn.

4.

Patent Owner should be prepared to advise the Board whether it intends to file a Motion to Amend in those IPRs involving non-expired patents.

5.

Patent Owner should be prepared to advise the Board if it intends to reply on “secondary considerations” in opposing any ground involving § 103(a) and the general nature of any proofs.

III. Other matters

1.

The parties are advised that when a “large” document, e.g, a file wrapper, is offered in evidence, the only portion of the document which will be considered by the Board are the specific pages mentioned in a motion, opposition or reply.

Pages of a large document not mentioned in a motion, opposition, or reply will not be considered as having been admitted into evidence.

2.

The style of any paper filed in the future shall not exceed one line.

3.

In the future, if the same exhibit is to be relied upon in more than one IPR, the exhibit number filed in each IPR should be the same.

It is permissible to skip an exhibit number if necessary to comply with this request.

IV. Due Dates

A. DUE DATE 1

On or before DUE DATE 1, Patent Owner may file:

- (1) a Response to the Petition (37 C.F.R. § 42.120(a)), and
- (2) a Motion to Amend any involved unexpired patent (37 C.F.R. § 42.121(a)).

The patents involved in IPR2014-01555 and IPR2014-01558 have expired. In these two IPRs a Motions to Amend are not authorized.

If the Patent Owner elects not to file a Response or a Motion to Amend, the Patent Owner must arrange for a conference call with the parties and the Board.

Patent Owner is cautioned that any argument in support of patentability not raised in the Response will be deemed waived.

B. DUE DATE 2

On or before DUE DATE 2, Petitioner may file

- (1) a Reply to any Patent Owner Response and
- (2) an Opposition to any Patent Owner Motion to Amend.

C. DUE DATE 3

On or before DUE DATE 3, Patent Owner may file a Reply to any Opposition to any Patent Owner Motion to Amend.

D. DUE DATE 4

On or before DUE DATE 4, each party may file:

- (1) Observation on the cross-examination testimony of a reply witness (*see* Section VI, below);
- (2) a Motion to Exclude Evidence (37 C.F.R. § 42.64(c)); and
- (3) a Request for Oral Argument (37 C.F.R. § 42.70(a)).

A motion to exclude shall be limited to the issue of admissibility under the rules (37 C.F.R. § 42.61(a)) or the Federal Rules of Evidence (37 C.F.R. § 42.62).

Assuming evidence is not excluded, the weight to be given evidence should be discussed only in the Patent Owner's Response and the Petitioner's Reply.

A Motion to Exclude is not a means for further addressing the merits.

E. DUE DATE 5

On or before DUE DATE 5, each party may file:

- (1) a Response to an Observation on cross-examination testimony; and
- (2) an Opposition to a Motion to Exclude Evidence.

F. DUE DATE 6

On or before DUE DATE 6, a party may file a reply to an opposition to a motion to exclude evidence.

G. DUE DATE 7

Oral argument, if requested by either party, is set for DUE DATE 7.

V. Cross-Examination

Except as agreed to by the parties, for each due date:

(1) cross-examination begins after any supplemental evidence (37 C.F.R. § 42.64(b)(2)) is served (37 C.F.R. § 42.53(d)(2)); and

(2) cross-examination ends no later than one week before the filing date for any paper in which cross-examination testimony is expected to be used (*id.*).

VI. Observation on Reply Cross-Examination

An Observation on reply cross-examination provides the parties with a mechanism to draw the Board's attention to relevant cross-examination testimony of a reply witness because no further substantive paper is permitted after Petitioner's Reply. *See* Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012).

The Observation must be a concise statement of the relevance of precisely identified testimony to a precisely identified argument or portion of an exhibit.

Each observation should not exceed a single, short paragraph.

An opposing party may file a Response to the Observation. *See* DUE DATE 5(1).

Any response must be equally concise and specific.

DUE DATE APPENDIX

INITIAL CONFERENCE CALL	16 Apr. 2015 10:00 a.m. (ET)
DUE DATE 1	08 June 2015
Patent Owner Response to Petition	
Patent Owner Motion to Amend	
DUE DATE 2	27 Aug. 2015
Petitioner Reply to Patent Owner Response	
Petitioner Opposition to Motion to Amend	
DUE DATE 3	28 Sept. 2015
Patent Owner Reply to Opposition to Motion to Amend	
DUE DATE 4	19 Oct. 2015
Observation of cross-examination of reply witness	
Motion to Exclude Evidence	
Request for Oral Argument	
DUE DATE 5	02 Nov. 2015
Response to Observation	
Opposition to Motion to Exclude	
DUE DATE 6	09 Nov. 2015
Reply to Opposition to Motion to Exclude	
DUE DATE 7	23 Nov. 2015
Oral argument, if requested	09:30 am (ET)

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proposed modifications within one month after the initiation date of the proceeding or by the date of the initial conference call, whichever is earlier. If the parties cannot resolve their disagreements regarding these modifications, the parties shall submit their competing proposals and a summary of their dispute within the specified time period.

3. Costs will be shifted for disproportionate ESI production requests. Likewise, a party's nonresponsive or dilatory discovery tactics will be cost-shifting considerations. See 35 U.S.C. 316(a)(6), as amended, and 326(a)(6).

4. A party's meaningful compliance with this Order and efforts to promote efficiency and reduce costs will be considered in cost-shifting determinations.

5. Unless otherwise authorized by the Board or agreed to by the parties, any production of ESI pursuant to §§ 42.51 or 42.52 shall not include metadata. However, fields showing the date and time that the document was sent and received, as well as the complete distribution list, shall generally be included in the production if such fields exist.

6. General ESI production under §§ 42.51 and 42.52 (with the exception of routine discovery under § 42.51(b)(1)) shall not include email or other forms of electronic correspondence (collectively "email"). To obtain additional production of email, absent an agreement between the parties to produce, the parties must propound specific email production requests, which requests require prior Board authorization.

7. Email production requests, where authorized by the Board or permitted by agreement of the parties, shall be propounded for specific issues only, rather than general discovery of a party's products or business.

8. Email production requests, where authorized by the Board or permitted by agreement of the parties, shall be phased to occur after a party's initial production under § 42.51(b)(1).

9. Where email production requests are authorized by the Board or permitted by agreement of the parties, such requests shall identify the custodian, search terms, and time frame. The parties shall cooperate to identify proper custodians, proper search terms, and proper time frame.

10. Each requesting party shall limit its email production requests to a total of five custodians per producing party for all such requests. The parties may jointly agree to modify this limit without the Board's leave. The Board shall consider contested requests for up to five additional custodians per producing party, upon showing a need based on the size, complexity, and issues of this specific proceeding.

11. Each party shall limit its email production requests to a total of five search terms per custodian per party. The parties may jointly agree to modify this limit without the Board's leave. The Board shall consider contested requests for up to five additional search terms per custodian, upon showing a need based upon the size, complexity, and issues of this specific proceeding. The search terms shall be narrowly tailored to particular issues. Indiscriminate terms, such as producing company's name or its product

name, are inappropriate unless combined with narrowing search criteria that sufficiently reduce the risk of overproduction. A conjunctive combination of multiple words or phrases (e.g., "computer" and "system") narrows the search and shall count as a single search term. A disjunctive combination of multiple words or phrases (e.g., "computer" or "system") broadens the search, and thus each word or phrase shall count as a separate search term unless they are variants of the same word. Use of narrowing search criteria (e.g., "and," "but not," "w/x") is encouraged to limit the production, and shall be considered when determining whether to shift costs for disproportionate discovery.

12. The receiving party shall not use ESI that the producing party asserts is attorney-client privileged or work product protected to challenge the privilege or protection.

13. Pursuant to Federal Rule of Evidence 502(b), the inadvertent production of an attorney-client privileged or work product protected ESI is not a waiver of such protection providing the holder of the privilege or protection took reasonable steps to prevent disclosure and the discloser promptly took reasonable steps to rectify the error.

14. Similar to Federal Rule of Evidence 502(d), the mere production of ESI in the proceeding as part of a mass production shall not itself constitute a waiver of privilege for any purpose before the Office.

APPENDIX D: Testimony Guidelines

Introduction

In trials before the Board, uncompelled direct testimony is almost always presented by affidavit or declaration. § 42.53(a). All other testimony (including cross-examination, redirect examination, and compelled direct testimony) occurs by oral examination.

Consistent with the policy expressed in Rule 1 of the Federal Rules of Civil Procedure, and corresponding § 42.1(b), unnecessary objections, "speaking" objections, and coaching of witnesses in proceedings before the Board are strictly prohibited. Cross-examination testimony should be a question and answer conversation between the examining lawyer and the witness. The defending lawyer must not act as an intermediary, interpreting questions, deciding which questions the witness should answer, and helping the witness formulate answers while testifying.

The testimony guidelines that follow are based on those set forth in the Federal Rules of Civil Procedure, supplemented by the practices followed in several federal district courts.

Examination and Cross-examination Outside the Presence of the Board

1. The examination and cross-examination of a witness proceed as they would in a trial under the Federal Rules of Evidence, except that Rule 103 (Rulings on Evidence) does not apply. After putting the witness under oath or affirmation, the officer must record the testimony by audio, audiovisual, or stenographic means. Testimony must be recorded by the officer personally, or by a

person acting in the presence and under direction of the officer.

2. An objection at the time of the examination—whether to evidence, to a party's conduct, to the officer's qualifications, to the manner of taking the testimony, or any aspect of the testimony—must be noted on the record, but the examination still proceeds; testimony is taken subject to any such objection.

3. An objection must be stated concisely in a non-argumentative and non-suggestive manner. Counsel must not make objections or statements that suggest an answer to a witness. Objections should be limited to a single word or term. Examples of objections that would be properly stated are: "Objection, form"; "Objection, hearsay"; "Objection, relevance"; and "Objection, foundation." Examples of objections that would not be proper are: "Objection, I don't understand the question"; "Objection, vague"; "Objection, take your time answering the question"; and "Objection, look at the document before you answer." An objecting party must give a clear and concise explanation of an objection if requested by the party taking the testimony or the objection is waived.

4. 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 limit the testimony.

5. Unless otherwise agreed by the parties or ordered by the Board, the testimony is limited in duration to the times set forth in § 42.53(c). The Board may allow additional time if needed to examine the witness fairly or if the witness, another person, or any other circumstance impedes or delays the examination.

6. Once the cross-examination of a witness has commenced, and until cross-examination of the witness has concluded, counsel offering the witness on direct examination shall not: (a) Consult or confer with the witness regarding the substance of the witness' testimony already given, or anticipated to be given, except for the purpose of conferring on whether to assert a privilege against testifying or on how to comply with a Board order; or (b) suggest to the witness the manner in which any questions should be answered.

7. An attorney for a witness shall not initiate a private conference with the witness or call for a break in the proceedings while a question is pending, except for the purpose of determining whether a privilege should be asserted.

8. The Board may impose an appropriate sanction—including the reasonable expenses and attorneys' fees incurred by any party—on a person who impedes, delays, or frustrates the fair examination of the witness.

9. At any time during the testimony, the witness or a party may move to terminate or limit the testimony on the ground that it is being conducted in bad faith or in a manner that unreasonably annoys, embarrasses, or oppresses the witness or party. The witness or party must promptly initiate a conference call with the Board to discuss the proposed motion. § 42.20(b). If the objecting witness or party so demands, the testimony must be

suspended for the time necessary to obtain a ruling from the Board, except as the Board may otherwise order.

Dated: July 16, 2012.

David J. Kappos,

*Under Secretary of Commerce for Intellectual
Property and Director of the United States
Patent and Trademark Office.*

[FR Doc. 2012-17908 Filed 8-13-12; 8:45 am]

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