

THE PTAB REVIEW

This issue of *The PTAB Review* begins by exploring collateral estoppel from unpatentability determinations in *inter partes* review (IPR) proceedings. Next, it summarizes recent developments at the U.S. Patent and Trademark Office (USPTO) relevant to IPRs and other Patent Trial and Appeal Board (PTAB) proceedings. Finally, it reviews a recent Federal Circuit decision addressing expert qualifications as relevant to PTAB proceedings.

Update on Collateral-Estoppel Effect of IPRs

In *ParkerVision, Inc. v. Qualcomm Inc.*,¹ the Federal Circuit limited the application of collateral estoppel in district court following an IPR. The Federal Circuit previously held that affirmance of an IPR decision holding a claim unpatentable triggers collateral estoppel in district court with respect to the claim’s unpatentability.² *ParkerVision* clarifies that this previous holding is limited to the PTAB’s ultimate finding of unpatentability.³ Aside from that specific circumstance,



¹ No. 22-1755 (Fed. Cir. Sept. 6, 2024).

² *XY, LLC v. Trans Ova Genetics, L.C.*, 890 F.3d 1282, 1294 (Fed. Cir. 2018).

³ *ParkerVision*, No. 22-1755, slip op. at 23-26.

plaintiffs in district court typically will not be collaterally estopped based on PTAB findings that the IPR petitioner proved a particular fact.

decided issue, 2) the issue was actually litigated in the first action, 3) the issue was essential to the outcome of the first action, and 4) the party had a full and fair opportunity to litigate the issue during the first action.⁴ This common-law doctrine is distinct from the statutory estoppel set forth in 35 U.S.C. §§315(e) and 325(e). Following issuance of a final written decision in an IPR or post-grant review, these statutes bar *petitioners*—and their privies and real parties in interest—from asserting that challenged claims are invalid on grounds that were raised or reasonably

Overview of Collateral Estoppel

Collateral estoppel (also referred to as common law issue preclusion) is an equitable doctrine that prevents parties from relitigating a previously decided issue. Under collateral estoppel, when an issue is decided in a first action, a party to that action is bound by the result in subsequent actions if 1) the issue is identical to the previously

⁴ *In re Freeman*, 30 F.3d 1459, 1465 (Fed. Cir. 1994).

In This Issue

Update on Collateral-Estoppel Effect of IPRsPages 1-4

Recent USPTO Developments..... Pages 4-7

Federal Circuit Holds Expert Need Not Be a POSA at the Time of the InventionPages 8-10

Update on Collateral-Estoppel Effect of IPRs (continued from page 1)

could have been raised during the PTAB proceeding.

Even when the elements of collateral estoppel are satisfied, collateral estoppel is subject to several exceptions.⁵ Relevant to *ParkerVision* is an exception that applies when the prevailing party must satisfy a “substantially heavier” burden of proof in the second action than in the first action.⁶ The United

of the evidence” standard) and in district court (which uses the “clear and convincing evidence” standard).

The Federal Circuit and Supreme Court have previously addressed the application of collateral estoppel in district court following administrative proceedings at the USPTO. In *B&B Hardware*, the Supreme Court recognized that collateral estoppel

of slightly different factors.⁹ In *XY*, the Federal Circuit held that affirmance of a decision by the PTAB holding claims unpatentable “has an immediate issue-preclusive effect on any pending or co-pending actions involving the patent.”¹⁰ The majority’s opinion did not address *Grogan* or the different burdens of proof at issue in IPRs and district-court proceedings.¹¹

The ParkerVision Decision

In *ParkerVision*, the Federal Circuit considered whether collateral estoppel applies to the subsidiary findings underlying the PTAB’s obviousness determinations. The defendant had previously filed IPR petitions against an asserted patent, which included apparatus and method claims sharing certain limitations.¹² The PTAB issued a mixed decision, and on appeal the Federal Circuit affirmed the PTAB’s determinations that the petitioner had proven obviousness for the apparatus claims (because the prior art taught an apparatus “capable of” performing function sufficient to satisfy those claims) but had not proven obviousness for the method claims (due to a failure to prove sufficient motivation to operate the prior art apparatus in the recited manner).¹³ The district court subsequently granted the defendant’s motion to exclude testimony of the plaintiff’s validity expert based on



States Supreme Court addressed this exception in *Grogan v. Garner* where it explained that a prior judgment finding that a party satisfied the “preponderance of the evidence” standard (which merely requires proof that something is more likely true than not) would not have preclusive effect if the second action requires proof by “clear and convincing evidence.”⁷ This same disparity exists between proving unpatentability in an IPR (which uses the “preponderance

would not apply if the two actions used different legal standards for evaluating the issue, but it nevertheless held that a “likelihood of confusion” finding by the Trademark Trial and Appeal Board (TTAB) does have collateral-estoppel effect in the district court even though the TTAB and district court use different legal tests for that issue.⁸ The Court reasoned that the tribunals were effectively using the same legal standard despite their consideration

⁵ *Restatement (Second) of Judgments*, §28 (1982).

⁶ *Id.*, §28(4).

⁷ *Grogan v. Garner*, 498 U.S. 279, 284-85 (1991).

⁸ *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S.Ct. 1293, 1306-10 (2015).

⁹ *Id.*

¹⁰ 890 F.3d at 1294-95.

¹¹ *Id.*; *but see id.* at 1300 (Newman, P., dissenting in part) (various factors weighed against estoppel, including “the different burdens of proof”).

¹² *ParkerVision*, No. 22-1755, slip op. at 1-9.

¹³ *Id.* at 9.

Update on Collateral-Estoppel Effect of IPRs (continued from page 2)

collateral estoppel. In particular, the court found that, in view of the Federal Circuit’s affirmance of the IPR decisions, the plaintiff was collaterally estopped from relitigating the characteristics of the prior reference on which the defendant’s invalidity arguments rested.¹⁴ In other words, the defendant had successfully proven certain facts during the IPR, so the plaintiff was estopped from disputing those facts in district court.

The Federal Circuit reversed the district court’s grant of the defendant’s motion to exclude, holding that the court’s application of collateral estoppel rested on legal error because the defendant’s higher burden of proof for proving unpatentability in district court prevented the application of collateral estoppel against the plaintiff.¹⁵ The panel noted the well-established exception to collateral estoppel when the second action involves a meaningfully different legal standard, including situations where the prevailing party satisfied a “preponderance” standard in the first action but must satisfy a “clear and convincing evidence” standard in the second action.¹⁶ Considering this exception in conjunction with the Federal Circuit’s previous holding in *XY* that affirmance of the PTAB’s invalidity findings “has a collateral estoppel effect” in district court, the panel narrowly read *XY* as addressing the PTAB’s ultimate finding of unpatentability, not subsidiary

factual findings.¹⁷ Having distinguished *XY*, the Federal Circuit held the exception applied and that the plaintiff was not estopped from presenting evidence rebutting aspects of the defendant’s invalidity arguments (e.g., the alleged capabilities of the prior art apparatus) despite the PTAB’s previous findings in the defendant’s favor.

Lessons from the Decision

As an initial matter, the holding in *ParkerVision* applies only to common-law collateral estoppel. It does not affect statutory estoppel under 35 U.S.C. §§315(e) and 325(e).



As to common-law collateral estoppel, *ParkerVision* confirms that the previously discussed exception—i.e., no collateral estoppel when the prevailing party in the first action faces a substantially higher burden of proof in the second action—applies to the PTAB’s subsidiary

findings. Thus, while collateral estoppel still applies to an ultimate finding of unpatentability, plaintiffs in district court typically will not be collaterally estopped based on subsidiary PTAB findings in the petitioner’s favor. However, it remains an open question whether collateral estoppel may attach to subsidiary findings that did not hinge on the lower “preponderance” standard (e.g., where the finding was based on an outright admission by the patent owner).

Parties also should keep in mind that the exception to collateral estoppel discussed in *ParkerVision* depends on which party prevailed on the issue during the IPR.

While collateral estoppel typically will not apply against a plaintiff in district court when the PTAB finds that the defendant/IPR petitioner proved a particular fact, it may still apply against the *defendant* when the PTAB finds that

¹⁴ *Id.* at 10-11.

¹⁵ *Id.* at 23-26.

¹⁶ *Id.* at 25 (citing *B&B Hardware*, 575 U.S. at 148, 154; *Grogan*, 498 U.S. at 284-85).

¹⁷ *ParkerVision*, No. 22-1755, slip op. at 26 (citing *XY*, 890 F.3d at 1294) (once Federal Circuit affirms invalidity finding, the invalidated claim “no longer exists and cannot be asserted as a basis for infringement”).

Update on Collateral-Estoppel Effect of IPRs (continued from page 3)

they did *not* prove a particular fact. This distinction follows from the underlying logic for the exception: clearing a lower bar does not imply that the party would have cleared a higher bar (hence the exception), but failure to clear a lower bar does imply failure to clear a higher bar.¹⁸ Collateral estoppel therefore may still attach to subsidiary findings where

the *patent owner* prevailed since a finding that the petitioner did not satisfy the preponderance standard implies that the petitioner would not have satisfied the clear-and-convincing standard either.

Accordingly, though *ParkerVision* limits the application of collateral estoppel in district court following IPR

decisions in some respects, collateral estoppel may still apply depending on the particular circumstances of the case at hand. Parties seeking to assert collateral estoppel should therefore carefully evaluate the basis of the PTAB's findings to identify circumstances that distinguish *ParkerVision*.

¹⁸ See *Restatement (Second) of Judgments*, §28(4) (1982).

Recent USPTO Developments

Director Review Decisions

The USPTO has issued a final rule on Director review of PTAB decisions.¹⁹ The rule covers review of institution and final decisions for IPR,²⁰ post-grant review (PGR),²¹ and derivation proceedings.²² The rule does not provide for review of appeals or interferences.



The Supreme Court held in *United States v. Arthrex*²³ that the USPTO Director must have the ability to review final PTAB decisions in IPRs. The USPTO promptly implemented an interim process for Director review, and also proposed rules based on this interim experience. The proposed rule authorized parties to request Director review or rehearing by the original PTAB panel, but not both. The Director also may order review on her own initiative. Review of a decision does not automatically stay any time in the underlying proceeding other than the time for appealing to the Federal Circuit. The Director may delegate her review power.

The final rule broadly adopts the proposed rule. It adds a definition for “final decision” and provides that *sua sponte* Director review ordinarily

will commence within 21 days of the expiration of the period for filing a request for rehearing. The rulemaking clarifies that (despite the express scope of the rule) the Director may review *any* PTAB decision (final or not, in any PTAB proceeding). Although the USPTO did not accept any of the suggestions in the comments it received, other than expanding the scope to include derivation proceedings, the rulemaking clarifies that the Director may also authorize amicus briefing when she believes it might be helpful. The Director may designate a review decision as precedential, but they are not precedential by default.

In 2024, Director Kathi Vidal issued numerous director review decisions, several of which are summarized below and categorized by subject matter.

¹⁹ USPTO, *Rules Governing Director Review of Patent Trial and Appeal Board Decisions*, 89 Fed. Reg. 22194 (Oct. 1, 2024).

²⁰ 35 U.S.C. ch. 31.

²¹ 35 U.S.C. ch. 32.

²² 35 U.S.C. 135.

²³ 141 S.Ct. 1970 (2021).

Recent USPTO Developments (continued from page 4)

(i) Claim Construction

In *PLR Worldwide Sales Ltd. v. Flip Phone Games Inc.*,²⁴ Director Vidal vacated the panel's decision to deny institution because of an erroneous claim construction. The Director found that the panel's claim construction was improperly based on the subjective perspective of a user.

In *Samsung Electronics Co., Ltd. v. Slyde Analytics, LLC*,²⁵ Director Vidal vacated the panel's decision to deny institution because it had construed a claim term based solely on extrinsic evidence. The panel had noted there was no express definition and relied primarily on the dictionary definition. The Director remanded and instructed the PTAB to thoroughly consider the intrinsic evidence first, including the claim language and the specification.

In *ASSA ABLOY AB v. CPC Patent Techs. Pty, Ltd.*,²⁶ Director Vidal vacated the panel's Final Written Decision because the panel had applied a claim construction that was materially different than any previously proposed. Post-institution, each party proposed a claim construction materially distinct from the "plain and ordinary" construction applied by the panel in its institution decision. In response, the panel's final written decision adopted an entirely new construction with

requirements not articulated in any previous construction. The Director held the PTAB cannot change theories without giving parties reasonable notice and opportunity to present arguments under the new theory. The Director also noted the patent owner's proffered construction was identical to the one adopted by the PTAB in other IPRs against the same patents. The parties were afforded appropriate briefing on remand.

(ii) Bar Due to Petitioner's/Patent Owner's Action—35 U.S.C. §315(a)/(b)

In *Luminex Int'l Co., Ltd. v. Signify Holdings B.V.*,²⁷ Director Vidal vacated the panel decision denying institution based on an erroneous real party-in-interest (RPI) determination of an indemnitee. The indemnitee was barred under 35 U.S.C. §315(b) and thus, the PTAB determined, so was the petitioner. The indemnitee had filed a third-party complaint against the petitioner in district court where it was being sued for infringement. The petitioner answered by asserting affirmative invalidity defenses and by filing a declaratory judgment of invalidity. Director Vidal determined the evidence did not establish the indemnitee was a privy or RPI of the petitioner. The Director additionally concluded 35 U.S.C. §315(a) (1) did not apply to the "cross-claims" asserted by the petitioner.

(iii) Abuse of Process and/or Sanctions—37 C.F.R. §42.12/Duty of candor—37 C.F.R. §42.11

In *Spectrum Solutions LLC v. Longhorn Vaccines & Diagnostics, LLC*,²⁸ Director Vidal modified-in-part an order granting sanctions against the patent owner and its counsel for deliberately withholding portions of a lab report it submitted to support its case. The patent owner provided a partial lab report to its expert to formulate his opinions but withheld the unfavorable portions of the lab report from the expert, opposing counsel, and the PTAB. The Director determined these actions violated 37 C.F.R. §§42.11(a)/(c), 42.51(b)(1)(iii), and 11.18(b)(2). The Director concluded the patent owner waived any work product immunity over the unfavorable portions of the report by relying on the favorable portions of the report. The Director upheld the sanctions cancelling all challenged claims, holding anything less would not sufficiently deter such egregious, difficult to detect behavior. However, the Director also held §1.56 did not apply to AIA proceedings and counsel's violations of §§11.106(c) and 11.303 were better enforced by their jurisdictions.

In an update to *OpenSky Industries, LLC v. VLSI Technology LLC*,²⁹ the Director ordered OpenSky to pay VLSI attorney fees of \$413,264.10 for its previous abuse of the IPR process and its unethical

²⁴ IPR2024-00133, Paper 12 (August 22, 2024).

²⁵ IPR2024-00040, Paper 14 (August 2, 2024).

²⁶ IPR2022-01006, 01045, 01089, Paper 49 (March 15, 2024).

²⁷ IPR2024-00101, Paper 12 (August 20, 2024).

²⁸ IPR2021-00847, 00850, 00854, 00857, 00860, Paper 143 (July 26, 2024).

²⁹ IPR2021-01064, Paper 147 (January 22, 2024).

Recent USPTO Developments (continued from page 5)

conduct in the Director Review process. She also granted rehearing to modify the due date for payment until after the conclusion of all appeals.³⁰

(iv) Obviousness—35 U.S.C. §103

In *Hesai Tech. Co. Ltd. v. Ouster, Inc.*,³¹ Director Vidal vacated a panel decision denying institution because the PTAB erroneously discounted a prior art reference based on an immaterial typographical error. The panel discounted a reference citation in its entirety due to an obvious typographical error in the *quantity* of a disclosed feature that did not extend to the relied-upon *arrangement* of that feature. The Director noted the obvious error in quantity was immaterial as the petitioner’s argument relied on the disclosed arrangement.

In *Prime Time Toys LLC v. Spin Master, Inc.*,³² Director Vidal reversed a decision denying institution because the panel had relied on the anecdotal, personal experience of the petitioner’s expert, and did not address secondary considerations. The panel failed to consider evidence showing simultaneous invention of two products that spoke to the prior art modifications and rationales proposed by the petitioner. The Director also held the panel’s obviousness

analysis improperly required an absolute likelihood of success.

In *Nearmap US, Inc. v. Eagle View Techs., Inc.*,³³ Director Vidal vacated a Final Written Decision because it did not provide adequate reasoning to support the conclusion of nonobviousness and did not adequately address the disputed issues. The Director found the panel’s decision failed to resolve the underlying claim construction issues. Moreover, the decision did not explain how and why each factor was weighted in its secondary considerations analysis.

(v) Adverse Judgment—37 C.F.R. §42.73(b)

In *Shenzhen Xinzexing E-Commerce Co., Ltd. v. Shenzhen Carku Tech. Co., Ltd.*,³⁴ Director Vidal vacated an adverse judgment against patent owner that was based on failure to timely file mandatory notices, file a POPR, and respond to multiple PTAB emails. The panel entered the adverse judgment *sua sponte* and prior to the statutory date for the institution determination. The Director held the adverse judgment was premature and noted neither the Notice nor the emails informed patent owner that failure to file the mandatory notices may be considered abandonment of the contest.

(vi) Institution 35 U.S.C. §314(a)–Multiple Petitions

In *Videndum Production Solutions, Inc. v. Rotolight Limited*,³⁵ Director Vidal vacated a decision denying institution because the PTAB had improperly expanded the discretionary principles set forth in *General Plastic Industries Co., Ltd. v. Canon Kabushiki Kaisha (“General Plastic”)*³⁶ and *Valve Corp. v. Elec. Scripting Prods., Inc. (“Valve”)*,³⁷ to apply to petitioners that do not have a “significant relationship.” The Director noted USPTO precedent holds that *General Plastic* factor one necessarily outweighs the other factors when petitioners are neither the same party nor possess a significant relationship.

In *Ford Motor Co. v. Neo Wireless LLC*,³⁸ *Am. Honda Motor Co., Inc. v. Neo Wireless LLC*,³⁹ and *General Motors LLC and Nissan North America, Inc. v. Neo Wireless LLC*,⁴⁰ Director Vidal vacated decisions denying institution because a court ordered pre-trial coordination in a multidistrict litigation does not create a “significant relationship,” unless there are other relevant or extenuating facts or circumstances. Contrasting *Valve*, the Director noted that each of the petitioners had different accused products with no ongoing

³⁰ *Id.*, Paper 149 (March 11, 2024).

³¹ IPR2023-01458, Paper 14 (July 25, 2024).

³² IPR2023-01339, 01348, 01461, Paper 12 (July 9, 2024).

³³ IPR2022-00734, Paper 43 (February 20, 2024).

³⁴ IPR2024-00222, Paper 7 (July 10, 2024).

³⁵ IPR2023-01218, Paper 12 (April 19, 2024).

³⁶ IPR2016-01357, Paper 19 (Sept. 6, 2017).

³⁷ IPR2019-00062, Paper 11 (Apr. 2, 2019).

³⁸ IPR2023-00763, Paper 28 (March 22, 2024).

³⁹ IPR2023-00797, Paper 27 (March 22, 2024).

⁴⁰ IPR2023-00962, Paper 16 (March 22, 2024).

Recent USPTO Developments (continued from page 6)

relevant licensing agreements or other agreements, and each petitioner had a different court proceeding. In addition, their court-ordered case-management coordination, by itself, did not create the type of “significant relationship” contemplated by *Valve*.



(vii) Expert Testimony

In *MAHLE Behr Charleston Inc. v. Catalano*,⁴¹ Director Vidal vacated a decision denying institution because the panel misapplied Federal Circuit case law regarding the use of patent figures. The petitioner’s expert testimony relied on a patent figure showing an anode lining an inlet to teach an anode within 10 inches of the inlet. The expert testified this disclosure would have been clear on its face to a POSA looking at the figure. The Director held where a POSA could derive

dimensions from the patent’s disclosure, the specification does not need to explicitly disclose proportions or sizes.

(viii) Multiple Proceedings—35 U.S.C. §325(d)

In *Nokia of Am. Corp. v. Soto*,⁴² Director Vidal vacated the decision to deny institution because the panel did not sufficiently explain its findings that substantially the same art and arguments were previously presented to the Office. The Director first noted that the petitioner did not rely on the same references previously presented to the Office and alleged material differences existed between the references and arguments presented to the PTAB and the references and arguments presented during prosecution. The Director held that it is necessary to address each of these alleged material differences but that the panel failed to do so. Instead, the panel relied on high-level similarities and improperly focused on the similarities in claim mapping.

A Notable PTAB Post-Grant Review Decision

A PGR has a broader focus than the more common IPR. In addition to allowing a wider range of unpatentability challenges, PGR also permits institution on “Additional Grounds” under 35 U.S.C. §324(b). The statute defines these additional grounds as “a novel or

unsettled legal question that is important to other patents or patent applications.”

In *Inari Agriculture v. Pioneer Hi-Bred Int’l*,⁴³ the PTAB addressed a petition raising additional grounds but denied institution. Inari’s final ground for institution raised the question under section 324(b) of whether a patent applicant has met its burden of production when it declines to provide proprietary information in response to an examiner’s requirement for information. The PTAB panel held that this ground was insufficiently supported in the record, but also categorically denied that the PTAB had power to address the question. Significantly, the panel held that the “Petitioner’s question represents a matter of patent examination process or policy,” which is the responsibility of the USPTO Director, and thus “a post-grant review proceeding is not the proper vehicle for Petitioner’s request.”

The decision leaves open the question of how, if ever, a petition could raise a novel or unsettled legal question that is important to other patents or patent applications without running into this bar on PTAB consideration of policy. The decision to institute is assigned by statute to the Director (§324(a)) but has been delegated to the PTAB. If this panel decision stands, the USPTO could create a mechanism for directly presenting such questions to the Director.

⁴¹ IPR2023-00861, Paper 15 (April 5, 2024).

⁴² IPR2023-00680, 00681, 00682, Paper 18 (March 28, 2024).

⁴³ IPR2024-00019, -00020 (Sept. 24, 2024).

Federal Circuit Holds Expert Need Not Be a POSA at the Time of the Invention

The Federal Circuit recently issued a precedential opinion clarifying the qualifications necessary for expert witness testimony to be considered in patent proceedings. In its September 2024 decision in *Osseo Imaging, LLC v. Planmeca USA Inc.*,⁴⁴ the Federal Circuit clarified that there is no requirement that an expert witness must have been qualified as a person of ordinary skill in the art as of the date of the invention. This decision has the potential to stymie an argument commonly advanced in patent cases to exclude testimony where a proffered expert may not have been sufficiently qualified at the time of the invention but is currently qualified as a person of ordinary skill in the art (POSA).

Expert Witnesses in PTAB Proceedings Before Osseo

Expert witness testimony is extremely common in challenges before the PTAB. Petitioners typically rely on expert witness testimony to give weight to their arguments so that contentions are not discounted as mere attorney argument. Patent owners may opt not to include expert witness testimony with a preliminary response (and about 60 percent do not),⁴⁵ but following institution patent owners commonly include expert witness testimony with

their responses. It is expected in most PTAB trials that there will be a “battle of the experts” over what the prior art does and does not teach and how this impacts the validity of challenged claims. Such testimony “is generally permitted where the expert’s scientific, technical, or other specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue.”⁴⁶

Expert witness testimony is not a requirement in patent cases, but it is frequently used because it is important for any case involving complex technology. The Federal Circuit has stated that “[w]here the field or art is complex, we have repeatedly approved the use of expert testimony.”⁴⁷ But where “the technology will be ‘easily understandable without the need for expert explanatory testimony’” such expert testimony may not be necessary.⁴⁸ Nonetheless, due to the increasingly complex nature of patents, expert witness testimony is heavily relied upon in patent challenges.

Though motions to exclude are rarely granted, before the recent *Osseo* decision, moving to exclude expert testimony has nonetheless been common, including on the basis that the expert witness was not sufficiently qualified to be a

POSA at the time of the invention.⁴⁹ If the hypothetical construct of the POSA is to be considered at the time of the invention, the argument goes, then the expert testifying from that perspective likewise should have been qualified at the time of the invention. Challenging experts that were *currently* qualified but did not have the requisite credentials at the time of the invention was one way to attack that expert’s qualifications.

The PTAB Consolidated Trial Practice Guide did not squarely address whether the testimony of a witness regarding the perspective of a POSA at the relevant time might be excluded when that witness lacked qualifications as a POSA at the relevant time. The Guide noted that “the absence of an advanced degree in a particular field may not preclude an expert from providing testimony that is helpful to the PTAB, so long as the expert’s experience provides sufficient qualification in the pertinent art.”⁵⁰ But the Guide also notes that, in some circumstances, an expert “may not need to be a person of ordinary skill in the art in order to testify as an expert under [Federal Rule of Evidence] 702.”⁵¹ Federal Rule of Evidence 702 requires that: 1) the expert be qualified; 2) the testimony address a subject matter on which the factfinder can be assisted by

⁴⁴ *Osseo Imaging, LLC v. Planmeca USA Inc.*, No. 23-1627 (Fed. Cir. Sept. 4, 2024).

⁴⁵ Anthony Sotelo, Amanda Antons, and Katherine Helm, *Does Expert Testimony Aid Preliminary IPR Responses?*, LAW360 (May 9, 2024), <https://www.law360.com/ip/articles/1834684>; WILSON SONSINI GOODRICH & ROSATI, *The PTAB Review* (August 2024), <https://www.wsgr.com/a/web/5pKKgijm7wcy-AySZ7h76XK/ptab-review-august-2024.pdf>.

⁴⁶ PTAB Consolidated Trial Practice Guide (Nov. 2019), 34.

⁴⁷ *Centricut, LLC v. Estab Group, Inc.*, 390 F.3d 1361, 1369 (Fed. Cir. 2004).

⁴⁸ *Id.* (quoting *Union Carbide Corp. v. Am. Can Co.*, 724 F.2d 1567, 1573 (Fed. Cir. 1984)).

⁴⁹ See, e.g., *U.S. Endoscopy Group, Inc. v. CDX Diagnostics, Inc.*, IPR2014-00642, Paper 25 at 13-14 (Oct. 15, 2015); *Microsoft Corp. v. Zipit Wireless, Inc.*, IPR2021-01130, Paper 18 (Aug. 30, 2022); see also *Flex-Rest, LLC v. Steelcase, Inc.*, 455 F.3d 1351, 1360 (Fed. Cir. 2006) (holding a district court did not abuse its discretion when it determined an offered expert witness “was not one of ordinary skill in the art at the time of the invention”).

⁵⁰ PTAB Consolidated Trial Practice Guide (Nov. 2019), 34.

⁵¹ *Id.*

Federal Circuit Holds Expert Need Not Be a POSA... (continued from page 8)

the expert; 3) the testimony be reliable; and 4) the testimony “fit” the facts of the case.⁵² Challenges to expert testimony that do not go to one of these threshold requirements will instead go to the weight that should be afforded the testimony rather than its admissibility.⁵³ Motions to exclude experts who were not qualified at the time of the invention thus purported to address the space where a witness was addressing the perspective of a POSA and where that perspective required an advanced degree in a particular field at a particular time, but where that witness failed to demonstrate possession of qualifications to address that perspective at the relevant time.

Case Law on Expert Witness Qualifications and Testimony

Under *Daubert* and its progeny, a judge must act as a gatekeeper to determine whether the threshold requirements for admissibility of all expert testimony have been satisfied.⁵⁴ In *Sundance*,⁵⁵ for example, the Federal Circuit explained that admitting testimony from a patent attorney “with no skill in the pertinent

art, serves only to cause mischief and confuse the factfinder.” The court declared that where a witness “was never offered as a technical expert, and in fact was not qualified as a technical expert, it was an abuse of discretion for the district court to permit him to testify as an expert on the issues of noninfringement or invalidity.”⁵⁶

In 2022, the Federal Circuit held in *Kyocera* that for expert witness testimony to be admissible “from the perspective of a skilled artisan in a patent case—like for claim construction, validity, or infringement—a witness must at least have ordinary skill in the art.”⁵⁷ Commentators asserted that the court had, for the first time, addressed minimum qualifications needed to offer testimony from the perspective of a POSA in patent cases.⁵⁸ A debate ensued over whether testimony of an expert witness who gained requisite qualifications after the date of the invention would be admissible under *Kyocera*.⁵⁹ Several PTAB panels declined to disregard expert witness testimony from later-qualified expert witnesses.⁶⁰



The Osseo Decision

With the recent *Osseo* decision, the Federal Circuit clarified there is no admissibility requirement that an expert witness was qualified as a POSA at the time of the invention. The court concluded that “*Kyocera* does not state that an expert must be a person of ordinary skill in the art *at the time of the invention* to offer expert testimony from the vantage point of a skilled artisan.”⁶¹ The court continued, “[n]or do we think that we should impose such a requirement.”⁶² Instead:

⁵² FED. R. EVID. 702 advisory committee’s note to 2000 amendment.

⁵³ FED. R. EVID. 702 advisory committee’s note to 2023 amendment (“[O]nce the court has found it more likely than not that the admissibility requirement has been met, any attack by the opponent will go only to the weight of the evidence.”).

⁵⁴ *Daubert v. Merrell Dow Pharm., Inc.*, 509 U.S. 579, 587-89 (1993); *Kumho Tire Co., Ltd. v. Carmichael*, 526 U.S. 137, 147 (1999).

⁵⁵ *Sundance, Inc. v. DeMonte Fabricating, Ltd.*, 550 F.3d 1356, 1363 (Fed. Cir. 2008).

⁵⁶ *Id.* at 1362.

⁵⁷ *Kyocera Senco Indus. Tools Inc. v. Int’l Trade Comm’n*, 22 F.4th 1369, 1376-77 (Fed. Cir. 2022).

⁵⁸ See, e.g., Andrew P. Siuta, *It’s Not Complicated: Make Sure the Technical Expert You Retain to Testify About Infringement Has Credentials that Match the Level of Skill Required by the Court*, SUNSTEIN INSIGHTS (Mar. 4, 2022), <https://www.sunsteinlaw.com/publications/its-not-complicated-make-sure-the-technical-expert-you-retain-to-testify-about-infringement-has-credentials-that-match-the-level-of-skill-required-by-the-court>; Jeremy Albright, *New Bar for Expert Testimony Warrants Legal Analysis When Selecting Experts*, NORTON ROSE FULBRIGHT (Aug. 2022), <https://www.nortonrosefulbright.com/en-us/knowledge/publications/cidfa01b/new-bar-for-expert-testimony-warrants-legal-analysis-when-selecting-experts>; David W. Haars, *Federal Circuit Holds that Your Technical Expert Must be a POSA*, STERNE KESSLER (Jan. 2022), <https://www.sternekeessler.com/news-insights/publications/federal-circuit-holds-your-technical-expert-must-be-posa>.

⁵⁹ See David W. Haars & Daniel S. Block, *Kyocera and the Brewing Debate Over Expert Qualifications at the PTAB*, STERNE KESSLER (May 1, 2023), <https://www.sternekeessler.com/news-insights/publications/kyocera-and-brewing-debate-over-expert-qualifications-ptab>; see also *Flex-Rest, LLC v. Steelcase, Inc.*, 455 F.3d 1351, 1360 (Fed. Cir. 2006).

⁶⁰ See, e.g., *Hanwha Solutions Corp. v. Rec Solar PTE, Ltd.*, IPR2021-00989, Paper 40 at 12 (Dec. 9, 2022); *Scenair Tech., LLC v. Prolittec Inc.*, IPR2021-00012, Paper 22 at 61 (Apr. 22, 2022).

⁶¹ *Osseo Imaging, LLC v. Planmeca USA Inc.*, No. 23-1627, slip op. at 6-7 (Fed. Cir. Sept. 4, 2024) (original emphasis).

⁶² *Id.* at 7.

Federal Circuit Holds Expert Need Not Be a POSA... *(continued from page 9)*

All that is required “to be qualified to offer expert testimony on issues from the vantage point of an ordinarily skilled artisan in a patent case” is that “an expert must at a minimum possess ordinary skill in the art.” *Our precedent is clear—nothing more is required.*⁶³

This decision will likely shift arguments in PTAB and District Court practice where an expert witness is qualified as a POSA but was not qualified at the time of the invention. The *Osseo* decision holds that such testimony is admissible.

In view of *Osseo*,⁶⁴ challenges to a later-qualified witnesses’ testimony in motions to exclude will likely decrease or focus on alternative arguments outlining the expert’s lack of qualifications. In practice, it is common for parties to

file a motion to exclude expert witness testimony but for the party opposing the motion to argue that such arguments go to the weight rather than admissibility of testimony because the PTAB “has broad discretion to assign weight to be accorded expert testimony.”⁶⁵ Based on the Federal Circuit’s *Osseo* decision, parties will have difficulty excluding expert witness testimony solely because the witness is *now qualified* as a POSA but was not qualified at the time of the invention.

⁶³ *Id.* at 6 (citation omitted) (emphasis added).

⁶⁴ *Osseo*, slip op. at 6-7.

⁶⁵ PTAB Consolidated Trial Practice Guide (Nov. 2019), 35 (citing *Yorkey v. Diab*, 601 F.3d 1279, 1285 (Fed. Cir. 2010)).

About Our Post-Grant Practice

The professionals in Wilson Sonsini Goodrich & Rosati’s post-grant practice are uniquely suited to navigate the complex trial proceedings at the United States Patent and Trademark Office (USPTO). We have extensive experience before the PTAB, representing clients in numerous new trial proceedings and in countless reexaminations and patent interference trials. Our practice includes professionals with decades of experience at the PTAB, including former USPTO personnel. Our core team leverages firmwide intellectual property expertise to provide comprehensive IP solutions for clients that cover strategy, prosecution, licensing, enforcement, and defense.

For more information, please contact:

Michael Rosato
206.883.2529
mrosato@wsgr.com

Matt Argenti
650.354.4154
margenti@wsgr.com

Richard Torczon
202.973.8811
rtorczon@wsgr.com

Jad Mills
206.883.2554
jmills@wsgr.com

WILSON SONSINI

650 Page Mill Road, Palo Alto, California 94304-1050 | Phone 650-493-9300 | Fax 650-493-6811 | www.wsgr.com

Wilson Sonsini has 19 offices in technology and business hubs worldwide. For more information, visit wsgr.com/offices.

For more information on the current venture capital climate, please contact any member of Wilson Sonsini Goodrich & Rosati’s emerging companies practice. To learn more about Wilson Sonsini’s full suite of services for entrepreneurs and early-stage companies, please visit the emerging companies section of wsgr.com.

This communication is provided as a service to our clients and friends for general informational purposes. It should not be construed or relied on as legal advice or a legal opinion, and does not create an attorney-client relationship. This communication may be considered attorney advertising in some jurisdictions. Prior results do not guarantee a similar outcome.

To update your preferences for the kinds of materials you’d like to receive from us, please [click here](#) to visit the Wilson Sonsini Subscription Center. You also can quickly unsubscribe from all Wilson Sonsini mailings by clicking [here](#).