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EXPERT DISCOVERY PROTECTIONS: COMPARING DISTRICT COURTS WITH THE PTAB

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INTRODUCTION

Expert witness testimony can be critical in patent litigation in all forums. In Patent Trial and Appeal Board ("PTAB") proceedings, particularly *inter partes* review ("IPR") and post-grant review ("PGR"), expert testimony through declarations and depositions plays a central role in both challenging and defending patents. In district courts, live expert testimony is key to proving infringement and invalidity. Accordingly, the legal protections governing the disclosure of expert testimony in discovery in both forums are carefully proscribed, but with notable distinctions.

Under the expert discovery protections set forth in the Federal Rules of Civil Procedure ("FRCP"), draft expert reports, any expert's or consultant's personal notes, and the substance of communications between or among any experts, consultants, and counsel are generally not discoverable in district court litigation. FRCP 26(b)(4) explicitly protects from discovery "drafts of any report or disclosure required . . . regardless of the form in which the draft is recorded"[1] and "communications between the party's attorney and any witness required to provide a report."[2] There are three exceptions to this rule which permit discovery into any communications between a party's attorney and an expert witness concerning: (1) any facts or data provided by the attorney and considered by the expert in forming the expert's opinions; (2) any assumptions provided by an attorney and

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1. Fed. R. Civ. P. 26(b)(4)(B).
2. Fed. R. Civ. P. 26(b)(4)(C).

relied upon by an expert in forming opinions; and (3) the compensation for the expert's study and testimony.[3]

PTAB proceedings are not bound by the FRCP, but the PTAB has adopted practices that are consistent with the FRCP.[4] As in district court litigation, PTAB trial rules require an expert to "disclose the underlying facts or data on which the opinion is based."[5] PTAB case law has encouraged practitioners to rigorously cross-examine expert declarants on the information that they considered in coming to their opinion.[6] At the same time, PTAB rules protect from routine discovery information that is attorney work product, extending these protections to "persons involved in the preparation or filing of the documents or things."[7] Thus, even though PTAB trial practice rules do not explicitly protect drafts and communications related to the preparation of expert testimony, attorney–expert communications have been protected during PTAB proceedings in a manner similar to that in district court litigation.[8]

As described in Section III, *infra*, the PTAB has, however, granted discovery into exchanges between an expert and counsel that go beyond the scope of assumptions provided by attorneys and where evidence suggests that the exchanged information may have formed the basis of an expert's testimony. The PTAB's willingness to grant discovery into these communications suggests that counsel cannot assume that FRCP 26(b)(4)-type protections will automatically protect all exchanges with experts in PTAB proceedings. This article highlights instances where the

3. *See* Fed. R. Civ. P. 26(b)(4)(C)(i)-(iii).

4. *See, e.g.*, Adobe Inc. v. RAH Color Techs. LLC, Nos. IPR2019-00627, IPR2019-00628, IPR2019-00629, IPR2019-00646, Paper 59 at 8 (P.T.A.B. Dec. 12, 2019) ("[A]lthough the Federal Rules of Civil Procedure do not govern these proceedings, we note that FRCP Rule 26 is consistent with our determination."); Cisco Sys., Inc. v. Centripetal Networks, Inc., No. IPR2018-01437, Paper 15 at 7 n.5 (P.T.A.B. July 10, 2019) ("Although the Federal Rules of Civil Procedure do not apply *per se* to these proceedings, we note that the Federal Rules also contemplate that any communications between a party's attorney and its testifying expert are discoverable to the extent that they 'identify facts or data [or assumptions] that the party's attorney provided and that the expert considered in forming the opinions to be expressed.'") (quoting Fed. R. Civ. P. 26(b)(4)(C)(ii)–(iii)).

5. 37 C.F.R. § 42.65 (2013).

6. *See, e.g.*, *Adobe*, Nos. IPR2019-00627, -00628, -00629, -00646, Paper 59 at 6 ("Thus, per our rules (*see* 37 C.F.R. § 42.65(a)) and our guidance, the parties are encouraged to question the expert on the facts, data, principles, and methods that the expert has considered in providing his testimony.")

7. 37 C.F.R. § 42.51(b)(1)(iii).

8. *See, e.g.*, Seoul Semiconductor Co., Ltd. v. Sharp Kabushiki Kaisha, No. IPR2014-00879, Paper 16 at 2-3 (P.T.A.B. Jan. 20, 2015) (Denying a motion to depose Petitioner's counsel on the basis of privilege after Petitioner's expert "made statements indicating that the underlining in certain passages quoted in his declaration was made by or at the direction of Petitioner's counsel."); GEA Process Eng'g, Inc. v. Steuben Foods, Inc., No. IPR2014-00041, Paper 52 at 2 (P.T.A.B. July 21, 2014) (indicating that draft declarations prepared before the expert's signed declaration qualify for privilege under work-product protection).

PTAB granted discovery into attorney–expert communications, the lessons learned from those decisions, and themes that provide guidance for PTAB practitioners.

I. THE ROLE OF EXPERT TESTIMONY IN PTAB PROCEEDINGS

In contrast to district court, PTAB proceedings do not typically include live expert testimony, so the PTAB is unable to assess the credibility of experts in person. But the PTAB has other procedural tools to assign weight to expert testimony.[9] The PTAB considers direct expert testimony from expert declarations and cross-examination from deposition transcripts,[10] so an expert's credibility is assessed based "on the plausibility of [the expert's] theories" presented in declarations and depositions.[11]

The technical and legal expertise of a typical administrative patent judge ("APJ") is different from that of the average district court judge or juror. APJs often have scientific or technical degrees and prior experience practicing patent law. As a result, the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit") has given leeway to APJs to weigh expert testimony, and APJs have discretion to disregard expert evidence in some circumstances.[12] The PTAB is "entitled to weigh the credibility of the witnesses in light of their qualifications and evaluate their assertions accordingly."[13] The TPG states that an expert's credibility is critical.[14] This weight resounds on appeal where the Federal Circuit reviews PTAB factual findings under the substantial evidence standard[15] and has typically affirmed a relatively high percentage of PTAB Final Written Decisions.[16]

9. Patent Trial and Appeal Board, Consolidated Trial Practice Guide, (TPG) (November 2019) at 31-32.

10. *Id.* at 34, 73.

11. *Id*. at 32.

12. *See, e.g.*, VirnetX Inc. v. Apple Inc., 665 F. App'x 880, 884 (Fed. Cir. 2016) (APJs, "because of expertise, may more often find it easier to understand and soundly explain the teachings and suggestions of prior art without expert assistance.") (quoting Belden Inc. v. Berk–Tek LLC, 805 F.3d 1064, 1079 (Fed. Cir. 2015)).

13. Trs. of Columbia Univ. v. Illumina, Inc., 620 F. App'x 916, 922 (Fed. Cir. 2015).

14. TPG at 34-35 ("The Board has broad discretion to assign weight to be accorded expert testimony.") (citing Yorkey v. Diab, 601 F.3d 1279, 1284 (Fed. Cir. 2010)).

15. *See VirnetX*, 665 F. App'x at 882.

16. Dan Bagatell, *Fed. Circ. Patent Decisions In 2019: An Empirical Review*, LAW360 (Jan. 9, 2020) (In 2019, "[t]he Federal Circuit's affirmance rate in PTAB appeals rose from 76% in 2018 and 2017 to 80% in 2019, but the district court affirmance rate fell slightly, to 73%.").

II. EXPERT DISCOVERY PROTECTIONS IN DISTRICT COURT

In district court litigation, FRCP 26 outlines the information and materials that parties are required to disclose during the expert discovery process, and the protections afforded to certain expert–attorney communications. Patent litigators have grown accustomed to the protections provided by FRCP 26(b)(4) when working with experts. FRCP 26(b)(4)(B)-(C) were added in 2010 "to provide work-product protection for attorney–expert communications regardless of the form of the communications, whether oral, written, electronic, or otherwise" and "to protect counsel's work product and ensure that lawyers may interact with retained experts without fear of exposing those communications to searching discovery."[17] However, the advisory committee added that these protections "do not impede discovery about the opinions to be offered by the expert or the development, foundation, or basis of those opinions."[18] Accordingly, communications relating to the identification of facts, data, or assumptions provided by counsel and considered by the expert, as well as expert compensation, must be disclosed.[19] Otherwise, discovery is permitted only in limited circumstances and by court order.[20]

In district court litigation, the party seeking discovery has the burden to show that the discovery request falls within an appropriate exception to the discovery protections.[21] For example, in *Medicines Co. v. Mylan Inc.*, Defendant's counsel admitted that it had provided the expert report of a first expert to a second expert, and that certain text in the second expert's report was copied from the first expert's report.[22] Plaintiff argued it was entitled to discovery relating to the details of this exchange, but the district court denied Plaintiff's motion and held that although Plaintiff was entitled to facts and data, "further communications about the potential relevance of the facts or data that may have been provided to [the second expert] are protected from

17. Fed. R. Civ. P. 26(b) advisory committee's note.

18. *Id.*

19. Fed. R. Civ. P. 26(b)(4)(C)(i)-(iii).

20. Fed. R. Civ. P. 26(b) advisory committee's note.

21. Sarkees v. E. I. DuPont de Nemours & Co., No. 17-cv-651V, 2019 WL 1375088, at *6 (W.D.N.Y. Mar. 27, 2019) (denying additional discovery based on FRCP 26(b)(4) where there was no evidence to "suggest[] that plaintiffs' counsel instructed [plaintiff's expert] to assume the truth of any of plaintiffs' contentions or to guide her analysis down any particular path."); In re Cook Med., Inc., No. 1:14-ml-2570, 2018 WL 6113466, at *5 (S.D. Ind. Nov. 21, 2018) (finding "identity of the person who typed which portions of the report is not 'facts or data' or an assumption that the expert considered or relied upon in 'forming the opinions to be expressed' in the report").

22. No. 11-cv-1285, 2013 WL 2926944, at *4 (N.D. Ill. June 13, 2013).

discovery" under FRCP 26(b)(4).[23] As described below, a PTAB panel may not afford similarly broad protection to such information in an IPR or PGR.

III. APPLYING ATTORNEY–EXPERT PROTECTIONS TO THE PREPARATION OF AN EXPERT'S DECLARATION IN PTAB PROCEEDINGS

While the Federal Rules of Evidence govern the admissibility of evidence in PTAB proceedings, the PTAB has stated that the Federal Rules of Civil Procedure do not govern PTAB proceedings.[24] The PTAB has indicated attorney–expert communications are generally protected by work-product privilege, but that such privilege does not protect information provided by an attorney to an expert, or between two experts, if the expert considered that information to develop an opinion.[25] Draft declarations are also protected by privilege in PTAB proceedings, but privilege may not protect drafts from discovery if there is evidence that a declaration was drafted or modified without significant expert involvement.[26] A party's failure to explicitly assert "work-product" privilege to protect attorney–expert communications in a PTAB proceeding may also leave such communications unprotected.[27]

In deciding the recent discovery dispute in *Adobe Inc. v. RAH Color Techs. LLC*, the PTAB explained how its ruling was consistent with the requirements of FRCP 26.[28] In *Adobe*, the Petitioner attempted to use FRCP 26(b)(4) as a shield to prevent the Patent Owner from compelling expert testimony on whether the expert conducted any prior art searches, considered certain evidence from the Patent Owner, or determined that any reference combination did not render the

23. *Id*. (citing Fed. R. Civ. P. 26(b) advisory committee's note).

24. *See, e.g.*, Adobe Inc. v. RAH Color Techs. LLC, Nos. IPR2019-00627, -00628, -00629, -00646, Paper 59 at 8 (P.T.A.B. Dec. 12, 2019); Cisco Sys., Inc. v. Centripetal Networks, Inc., No. IPR2018-01437, Paper 15 at 7 n.5 (P.T.A.B. July 10, 2019).

25. *See, e.g.*, *Adobe*, Nos. IPR2019-00627, -00628, -00629, -00646, Paper 59 at 6-7 (compelling a party to identify, *inter alia*, prior art references provided to an expert by counsel); Apple Inc. v. Achates Reference Publ'g, Inc., Nos. IPR2013-00080, IPR2013-00081, Paper 66 at 6 (P.T.A.B. Jan. 31, 2014) (finding emails exchanged directly between experts discoverable).

26. GEA Process Eng'g, Inc. v. Steuben Foods, Inc., No. IPR2014-00041, Paper 52 at 5-7 (P.T.A.B. July 21, 2014).

27. *See, e.g.*, Schott Gemtron Corp. v. SSW Holding Co., Inc., No. IPR2013-00358, Paper 52 at 3 (P.T.A.B. Mar. 20, 2014) (finding that attorney work-product protections, but not attorney–client protections apply to attorney–expert communications).

28. Adobe Inc. v. RAH Color Techs. LLC, Nos. IPR2019-00627, -00628, -00629, -00646, Paper 59 at 8 (P.T.A.B. Dec. 12, 2019).

challenged claim obvious.[29] The PTAB explained that under both 37 CFR § 42.65(a) and FRCP 26(b)(4), these topics were fair game because they were facts and data considered by the expert in coming to his opinion, rather than the substance of attorney–expert communication.[30]

If a party's counsel provides evidence to an expert, that party may not be able to rely on privilege or work-product protections to avoid disclosing the substance of communications between counsel and the expert regarding that evidence.[31] In *Schott Gemtron Corp. v. SSW Holding Co., Inc.*, the Patent Owner's expert testified in a deposition that he had no personal knowledge of two photographs provided to him by counsel that he relied on his declaration.[32] The Patent Owner instructed its expert not to answer questions related to communications with counsel regarding the photographs, so the Petitioner moved for additional discovery, arguing "that the substance of what Patent Owner's counsel told [its expert] about the photographs is relevant to whether [the expert] has sufficient personal knowledge to make the statements in his declaration."[33] Patent Owner responded that the substance of the expert's discussions with Patent Owner's counsel was privileged and also protected under FRCP 26(b)(4).[34] Notably, the *Schott* opinion never addressed the Patent Owner's FRCP 26(b)(4) argument, but nonetheless found that work-product protection may apply and ordered additional briefing.[35] Although the parties ultimately resolved this dispute without further intervention, *Schott* shows that experts should not only be familiar with evidence provided by counsel and cited in their declarations, but should also independently verify that evidence, when possible.

As noted above, the PTAB has also found that communications between two experts can be discoverable. In *Apple Inc. v. Achates Reference Publishing, Inc.*, expert deposition testimony "indicate[d] that [the experts] exchanged emails regarding the challenged patents and prior art, and at least considered the statements in those emails (in addition to the other individual's declaration) in forming their opinions

29. *Id*. at 3.

30. *Id*. at 4-5, 7 (granting discovery on "the identity of the documents [expert] reviewed and considered for his testimony" including prior art searches and claim charts).

31. *See* Schott Gemtron Corp. v. SSW Holding Co., Inc., No. IPR2013-00358, Paper 52 at 2 (P.T.A.B. Mar. 20, 2014).

32. *Id*.

33. *Id*.

34. *Id*. at 2-3 (citing Fed. R. Civ. P. 26(b)(4)(C)).

35. *Id*. at 3-4.

regarding the alleged patentability of the challenged claims over that prior art."[36] The PTAB concluded that these emails were not expert declaration drafts and were not protected by any privilege, because they formed a basis for the experts' opinions under 37 C.F.R. § 42.51(b)(1).[37]

In another PTAB proceeding, the Board ordered that certain expert declaration *drafts* were discoverable and should be produced to the opposing party, and were not subject to work-product protections.[38] While the facts in *GEA Process Eng'g, Inc. v. Steuben Foods, Inc.* are unusual, it forms part of the PTAB case law on evidentiary rulings from which certain themes can be derived. Here, Patent Owner's expert authorized an omnibus declaration, which was then modified by Patent Owner's counsel to prepare and file five separate declarations from the authorized omnibus declaration. But the expert initially testified that he did not "decide[] which paragraphs would be included in each of the five filed declarations" and "that [he] did not specifically authorize any of the sentences or paragraphs in the single omnibus declaration to be changed after his review."[39] In a later declaration, however, the expert explained that he did have communications with counsel to "discuss[] how the omnibus declaration might be split up into separate declarations to be filed in each of the cases."[40]

The PTAB ordered production of the omnibus declaration, because "Petitioner has a strong interest in discovering any changes that were made between the omnibus declaration that Patent Owner's declarant authorized and the five declarations that were actually filed because those changes are relevant to the credibility of the declarations."[41] Moreover, the PTAB found that normal work-product draft protections did not apply, because the alleged draft was the document that the expert authorized to be filed, rather than the type of working draft typically afforded work-product protection.[42] As *GEA Process* exemplifies, if an expert declaration gives the impression that it is merely attorney argument masquerading as expert opinion, that expert's testimony may be afforded little or no credibility.

36. *See* Apple Inc. v. Achates Reference Publ'g, Inc., Nos. IPR2013-00080, -00081, Paper 66 at 6 (P.T.A.B. Jan. 31, 2014).

37. *Id*. at 7-8.

38. *See* GEA Process Eng'g, Inc. v. Steuben Foods, Inc., No. IPR2014-00041, Paper 52 at 6-7 (P.T.A.B. July 21, 2014).

39. *Id*. at 3.

40. *Id*. at 4.

41. *Id*. at 5.

42. *Id*. at 7.

Finally, the PTAB has found that a party's failure to explicitly assert "work-product" privilege to protect attorney–expert communications in a PTAB proceeding may also leave such communications unprotected—even if attorney–*client* privilege was asserted. In *Schott*, the Patent Owner raised both attorney–client and attorney work-product privilege, but the PTAB panel determined that attorney–client privilege was inapplicable because Patent Owner's Counsel did not represent the expert, but that attorney work-product was relevant and properly asserted.[43] In *Cisco Sys., Inc. v. Centripetal Networks, Inc.*, Petitioner's counsel had asserted only attorney–client privilege—and not work-product privilege—in attempting to shield from discovery certain attorney–expert communications that occurred prior to redirect deposition testimony.[44] But the PTAB found that the expert was not a client of Petitioner's counsel, so this privilege did not apply, leaving these communications unprotected by privilege.[45] Therefore, a cautionary takeaway from *Schott* and *Cisco* is that counsel must always ensure that the proper privilege protection is invoked, even if it means asserting multiple privilege protections.

IV. APPLYING ATTORNEY–EXPERT PROTECTIONS TO EXPERT DEPOSITION TESTIMONY IN PTAB PROCEEDINGS

As previously indicated, expert declarations are not the only source of expert testimony in a PTAB proceeding. Experts provide testimony during deposition and PTAB Rules explicitly forbid a party from witness coaching of cross-examination testimony during a deposition.[46] Once cross-examination is complete, however, counsel may discuss testimony with the expert witness before redirect.[47] Still, counsel should minimize pre-redirect testimony discussions with expert witnesses, because the content of these discussions may be discoverable.[48]

43. Schott Gemtron Corp. v. SSW Holding Co., Inc., No. IPR2013-00358, Paper 52 at 2-3 (P.T.A.B. Mar. 20, 2014) (finding that attorney work-product protections, but not attorney–client protections, apply to attorney–expert communications).

44. Cisco Sys., Inc. v. Centripetal Networks, Inc., No. IPR2018-01437, Paper 15 at 6-7 (P.T.A.B. July 10, 2019).

45. *Id.* at 7 ("Petitioner has not shown that he is a 'client' such that the Break Discussions would be privileged. Thus, we see no basis for blocking discovery on the Break Discussions on the basis of attorney–client privilege").

46. TPG at 127 (citing 37 C.F.R. § 42.1(b)).

47. Focal Therapeutics, Inc. v. Senorx, Inc., No. IPR2014-00116, Paper 19 at 2-3 (P.T.A.B. July 21, 2014) (deemed precedential on July 10, 2019).

48. Cisco Sys., Inc. v. Centripetal Networks, Inc., No. IPR2018-01437, Paper 15 at 7 (P.T.A.B. July 10, 2019).

In *Cisco*, the PTAB held that if Petitioner's counsel provided the expert with "any facts, evidence, or assumptions . . . in the Break Discussions . . . Patent Owner is entitled to discovery on those matters" through written interrogatories.[49] The Board may exclude, or give little weight, to redirect testimony that was elicited through excessive coaching and/or leading questions.[50] With the risk that pre-redirect communications may become discoverable, attorneys considering whether to elicit redirect testimony must evaluate whether an expert can adequately respond to questions in a manner that supports that party's case without requiring significant coaching by the attorney.

V. BEST PRACTICES TO PROTECT COMMUNICATIONS WITH EXPERTS IN PTAB PROCEEDINGS

The stakes for written declarations and depositions in PTAB proceedings can be high because these are often the only sources of expert testimony that the PTAB will review. Although the processes for preparing expert reports and depositions in district court litigation and expert declarations in PTAB proceedings are similar, the protections conferred on such preparations differ and can present traps for the unwary.

Experts should always be intimately involved in the process of preparing their declarations and reviewing all cited evidence so that the expert declaration consists of the expert's own analyses and opinions. Under no circumstances should an expert simply review and adopt data, methodology, or tests furnished to the expert by the attorneys without independently verifying that information. The expert declaration should provide expert views insulated from attorney advocacy. It is imperative that the expert be able to truthfully claim authorship of the declaration during cross-examination in a deposition and defend his or her own opinions, formed by applying reliable principles and methods known to an expert in the field. If the PTAB suspects that an expert is merely parroting the words of counsel, the expert's testimony will lose credibility and risks being assigned little or no weight. While less discovery is typically available in PTAB proceedings than in district court litigation, the importance of protecting the expert record remains

49. *Id.*

50. *See* Universal Remote Control, Inc. v. Universal Elecs., Inc., No. IPR2014-01146, Paper 36 at 6, 7 (P.T.A.B. Dec. 10, 2015) (granting a motion to exclude redirect testimony because "[t]he three questions that were asked of [the expert] on re-direct examination are impermissible leading questions under Federal Rule of Evidence 611.").

paramount. Counsel must be aware of pitfalls, to ensure expert discovery protections are not unwittingly waived in any forum.