IRWIN IP
INTELLECTUAL PROPERTY LITIGATION
IP CASE OF THE WEEK

Experts Walk the Line: Avoiding Exclusion of Testimony as Legal Opinions

SB IP Holdings LLC v. Vivint, Inc., No. 4:20-CV-00886 (E.D. Tex. Jun. 15, 2023)

By: Mike Bregenzer and Anthony Hao | June 23, 2023

Courts continue to measure that fine line between reliable expert testimony and legal opinion that patent experts constantly walk on. In a recent opinion, the Eastern District of Texas denied a patentee's motion to exclude the accused infringer's expert testimony holding that the expert was merely doing his job, rather than trying to offer legal opinions.

SB IP Holdings LLC ("SBIP") sued Vivint, Inc. ("Vivint") for patent infringement. Vivint asserted inequitable conduct as a defense, alleging that SBIP made false statements to the United States Patent and Trademark Office ("PTO") during the prosecution of a relevant patent application. Specifically, Vivint alleged that SBIP falsely represented to the PTO that an earlier application was still pending at the same time as one of the applications that led to the patents-in-suit in order to improperly obtain priority, even though SBIP knew that the earlier application had been abandoned for months and could not support a claim for priority. Relying on SBIP's alleged misrepresentation, the PTO issued the asserted patents. To support its defense, Vivint retained Mr. Robert Stoll, a former Commissioner for Patents at the USPTO, to provide expert testimony regarding PTO practices and procedures and their application in this case. While not challenging Mr. Stoll's qualifications, SBIP moved to exclude Mr. Stoll's testimony, arguing that: (1) Mr. Stoll offered legal opinions and conclusions that invaded the province of the court; (2) Mr. Stoll improperly "narrated" evidence; and (3) Mr. Stoll's testimony regarding the impact of the allegedly false statements on the PTO and the intent of the various speakers was impermissible speculation.

The court denied SBIP's motion. As an initial matter, the court observed that the court's gatekeeping role for expert testimony is less important when, as was the case here, the expert testimony in question would be presented in a bench trial. Then, in denying SBIP's motion, the court made several findings. First, the court recognized that "there is a fine line" between an expert opinion that properly applies a legal framework to the facts and one that impermissibly provides legal opinions, and that the line is particularly difficult to draw in patent cases. However, the court found that Mr. Stoll did not "stray so far over the line" because (1) his citations to legal authorities are only intended to explain his analysis rather than to usurp the court's role as the arbiter of the law, and (2) his testimony was based on his extensive familiarity with USPTO practice and procedure. Second, the court ruled that it would not strike the portions of Mr. Stoll's reports that set out background facts because it is entirely permissible for an expert to explain the facts that form the basis of his opinion. Finally, the court found that Mr. Stoll's testimony related to materiality was sufficiently reliable and SBIP's arguments regarding speculation were better addressed through "cross-examination and presentation of contrary evidence" as the issue went to weight rather than admissibility. This case demonstrates that when expert testimony will be presented in a bench trial, the judge is likely to give more leeway in expert reports when there are no jury concerns.