

PTAB Expands Discovery for Inter Partes Review

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GEA Process Engineering, Inc. v. Steuben Foods, Inc.

In a decision that has the potential to expand the scope of permissible discovery in inter partes reviews (IPRs) as well as other post-grant procedures under the America Invents Act, the U.S. Patent and Trademark Office Patent Trial and Appeal Board (PTAB or Board) granted a patent owner's motion to compel production of invoices withheld under a claim of attorney-client privilege. *GEA Process Engineering, Inc. v. Steuben Foods, Inc.*, Case Nos. IPR2014-00041, -00043; -00051; -00054; and -00055 (PTAB, Sept. 12, 2014) (Elluru, APJ).

Petitioner GEA filed five IPR petitions against five related patents owned by Steuben Foods. The claims of the patents related to methods for bottling foodstuffs by aseptically disinfecting or filling bottles with aseptically sterilized foodstuffs at a rate greater than 100 bottles per minute. Parallel reexaminations and reissue proceedings had already been instituted for some of the patents. After institution of the IPRs, the patent owner alleged that GEA had failed to identify all of the necessary real parties in interest. Specifically, the patent owner alleged that GEA's sister company in Italy, Procomac, was a real party in interest to the proceedings, and that because of the failure to identify this necessary real party in interest, a statutory requirement, the IPR petitions should not have been accorded a filing date.

The patent owner contended that GEA and its sister company "act in unison for all purposes concerning the aseptic filling technology at issue in these review proceedings and in the copending district court litigation as reflected in various court filings" as well as the petitioner's website. Steuben Foods also alleged that Nestlé USA was a real party in interest, because it was supposedly jointly and severally liable with Procomac for majority of the alleged infringements of the Steuben patents. Central to the patent owner's argument was the allegation that Procomac was the manufacturer of the accused devices in the related litigation and that it bore the "vast majority of the liability for infringing the patents under review," and that Procomac had manufactured the seven allegedly infringing machines at issue in the related litigation. According to Steuben Foods, Procomac shared in-house counsel with GEA, and those two attorneys had the opportunity to influence the IPR proceedings. GEA and Procomac shared the same outside law firm as well, according to Steuben Foods. The patent owner argued that "[a] party that funds or directly controls an IPR or PGR petition or proceeding constitutes a real party-in-interest," and that the relevant consideration regarding control is whether the alleged real party-in-interest "could have exercised control." In support of its contention, Steuben Foods cited the related district court proceedings

where Procomac had allegedly suggested prior art for the IPR proceedings.

GEA contended that it alone was the real party-in-interest and vigorously resisted the patent owner's discovery requests. GEA initially refused to produce invoices from its law firm, relying on attorney-client privilege and the work product doctrine. Steuben Foods contended that any such privilege had been waived through the petitioner's declarant's reference to the invoices. Without addressing the issue of waiver, the PTAB ordered the petitioner to produce the invoices with appropriate redactions. The redactions were to include specific descriptions of services provided by the law firm but general references to services provided were not to be redacted. Any references to an IPR expense were to be produced even if the invoice also referred to an expense for the related litigation.

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