

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SQUARE, INC.,
Petitioner,

v.

THINK COMPUTER CORPORATION,
Patent Owner.

Case CBM2014-00159
Patent 8,396,808 B2

Before TONI R. SCHEINER, MICHAEL W. KIM, and
BART A. GERSTENBLITH, *Administrative Patent Judges*.

KIM, *Administrative Patent Judge*.

ORDER
Decision on Motion for Sanctions
37 C.F.R. §§ 42.5, 42.12

As authorized by the Board in an Order mailed July 7, 2015, Square, Inc. (“Petitioner”) filed a Motion for Sanctions Against Think Computer Corporation Under 37 C.F.R. § 42.12 on July 14, 2015. Paper 26, “Motion.” Petitioner requested authorization to file the Motion because an officer of

Patent Owner, Mr. Alan Greenspan, threatened to file purportedly baseless legal actions and publicly shame Petitioner's expert, Dr. Norman Sadeh-Koniecpol, primarily focusing on the manner in which Dr. Sadeh presented testimony in this proceeding. Think Computer Corporation ("Patent Owner") filed an Opposition to Petitioner's Motion for Sanctions on July 23, 2015 (Paper 28, "Opposition"), and Petitioner filed a Reply in Support of Its Motion for Sanctions on August 3, 2015 (Paper 31, "Reply"). For the reasons set forth below, Petitioner's Motion is *denied*.

As the party offering the Motion, the burden is on Petitioner to persuade the Board that sanctions are warranted. In general, a motion for sanctions should address three components: (i) whether a party has performed conduct that warrants sanctions; (ii) whether the moving party has suffered harm from that conduct; and (iii) whether the sanctions requested are proportionate to the harm suffered by the moving party. *Cf. Ecclesiastes 9:10-11-12, Inc. v. LMC Holding Co.*, 497 F.3d 1135, 1143 (10th Cir. 2007) ("We have identified a non-exhaustive list of factors that a district court ordinarily should consider in determining whether to dismiss an action with prejudice under Rule 41(b): (1) the degree of actual prejudice to the other party; (2) the amount of interference with the judicial process; (3) the litigant's culpability; (4) whether the court warned the party in advance that dismissal would be a likely sanction for noncompliance; and (5) the efficacy of lesser sanctions."). The parties mainly address factor (i) in their briefing. We deny Petitioner's Motion, however, largely because of

factors (ii) and (iii); particularly, we are unable to discern harm to Petitioner sufficient to warrant sanctions at this time.¹

Specifically, any harm based on Mr. Greenspan's conduct would most logically manifest itself by impacting negatively the testimony of Dr. Sadeh-Koniecpol. On these facts, however, we are unable to discern any impact on Dr. Sadeh-Koniecpol's testimony. Among the factors that support this determination are the following: (1) Petitioner has not indicated that Dr. Sadeh-Koniecpol has withdrawn his testimony due to the conduct of Mr. Greenspan, and, indeed, Dr. Sadeh-Koniecpol has submitted a Reply Declaration (Ex. 1021) subsequent to the above-referenced actions of Mr. Greenspan, (2) the above-referenced actions of Mr. Greenspan occurred several months after the only deposition of Dr. Sadeh-Koniecpol of record in this proceeding (Ex. 2019), (3) Patent Owner did not take its opportunity to depose Dr. Sadeh-Koniecpol concerning his Reply Declaration, (4) we already have prohibited Patent Owner from contacting Dr. Sadeh-Koniecpol without prior Board authorization (Paper 24, 3), and (5) there does not appear to be any further opportunity for contact between Patent Owner and Dr. Sadeh-Koniecpol. Accordingly, in summary, there is every indication that Dr. Sadeh-Koniecpol's testimony is squarely before the Board, that all such testimony is largely unaffected by the above-referenced actions of Mr. Greenspan, and that all such testimony will remain before the Board. On

¹ Should Patent Owner repeat such conduct, however, another factor to be considered may be whether any sanctions imposed would suffice “to deter repetition of the conduct or comparable conduct by others similarly situated.” *See Fed. R. Civ. P. 11.*

this record, we are unpersuaded that Mr. Greenspan's conduct-to-date alone warrants sanctions at this time.

Insofar as Petitioner is concerned that Patent Owner may conduct future actions that may cause Dr. Sadeh-Koniecpol to withdraw his testimony at a later point in time, Petitioner should bring those actions to the Board's attention immediately if and when they occur. In any case, we have reviewed the Declarations of Dr. Sadeh-Koniecpol (Ex. 1002, 1021) as well as the transcript of his deposition (Exs. 2019, 2020). We find that the manner of Dr. Sadeh-Koniecpol's testimony is completely in line with typical testimony before the Board, and agree with Petitioner that, absent *much* further elaboration and analysis (which we do not authorize at this time) Patent Owner's line of inquiry concerning the mechanics of declaration preparation is "a waste of time, both for the witness and the Board." *Pevarello v. Lan*, Patent Interference 105,394 MPT, slip op. at 19–21 (BPAI Jan. 12, 2007) (Paper 85). We agree with Petitioner also that the facts in this proceeding are very different from those set forth in *Numatics, Inc. v. Balluff, Inc.*, No. 13-cv-11049, 2014 WL 7211167 (E.D. Mich. Dec. 16, 2014), and *James T. Scaturochio Racing Stable, LLC v. Walmac Stud Mgmt., LLC*, No. 5:11-cv-00374-DCR, 2014 WL 1744848 (E.D. Ky. Apr. 30, 2014).

IT IS ORDERED that Petitioner's Motion is *denied*.

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