
The Taking of Voluntary Testimonial Depositions in Japan for Use in U.S. Patent Interferences¹

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I. INTRODUCTION—TYPES OF DEPOSITIONS

In the United States, there are many different types of depositions. Some involve action by United States courts, or the U.S. Consul's Office in embassies around the world, while others involve only the willing cooperation of attorneys, parties to an action, and their employees or retained experts. It is the latter situation that this article is concerned with.

There is a belief, apparently based principally on custom, that "depositions" of an individual employed by a company involved in an action in the United States cannot be taken on Japanese soil without special permission pursuant to the Consular Convention. While this rule is applicable to a wide variety of situations, most involving the deposition of an individual *not* employed by any party to an action, where an appropriate district court is requested to direct the U.S. Consul to provide the necessary facilities and conduct the deposition, it is not applicable to situations where (1) the individual giving the testimony is an employee of a party to the action or has been hired by the party to represent it (e.g., the individual is an expert witness) and (2) a binding oath "to tell the truth" is not required for the proceeding.

A situation where action pursuant to the Consular Convention is *not* necessary frequently arises in connection with an interference proceeding in the United States Patent and Trademark Office. In such a proceeding, the judges (who are actually administrative officials) never

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see the witness,⁵ and *voluntary* depositions do not represent an exercise of power by the United States Government, the United States Patent and Trademark Office, or any court.⁶ Rather, the parties agree to provide evidence in a fashion that is convenient to all concerned.⁷ In such cases, taking an oath to tell the truth under the laws of the United States is not as important as the opportunity to cross-examine the witness. Thus, no government safeguards, no United States Government intervention, and no exercise of jurisdiction by a court is involved. Moreover, the depositions, wherever they are taken, do not involve discovery under the laws of foreign countries or attorneys other than the U.S. attorneys or agents involved in the interference.

It has been our experience that Japanese companies involved in interferences, particularly where all the parties to the interference are Japanese (such as two Japanese companies as junior and senior party) would often prefer to give the necessary testimony and evidence, including depositions, in Japan.⁸ While the cost of bringing the U.S. attorney to Japan may be as great or greater than the cost of sending the Japanese witnesses to the United States, frequently the comfort and reassurance provided the witnesses by conducting what is always a scary (although not necessarily unpleasant) proceeding in Japan is worth the expense.⁹ The wide spread belief that this cannot be done outside of the U.S. Embassy appears to be based on custom and tradition, not law.

II. VOLUNTARY DEPOSITIONS TO PROVE INVENTIVE ACTS IN JAPAN

The U.S. patent law has been amended effective January 01, 1996 to permit the proof of inventive acts¹⁰ in any country which belongs to

⁵ The judges may see videotapes of the testimony. However, they are not physically present during the testimony.

⁶ In interferences, most depositions are voluntary. It is only the rare deposition of a third party, a hostile ex-employee, or the like which requires the exercise of power by a governmental authority.

⁷ The rules provide that, in voluntary depositions, the witnesses' opening testimony is submitted in the form of declarations. 37 CFR 1.672. Thus, the actual depositions consist of cross-examination by opposing counsel and, if necessary, re-direct examination by the sponsoring counsel.

⁸ According to Calvert and Sofocleous, *Interference Statistics for Fiscal Years 1992 to 1994*, 77 JPTOS 417 (1995), 329 of the 607 two party interferences which ended in judgment for one of the parties during that three year period involved at least one foreigner, and 144 of them involved two foreigners. Based on our own practice, we believe that many of those foreigners were Japanese.

⁹ It is worth pointing out that, in these situations, the only two practical alternatives are bringing the U.S. lawyers to Japan and bringing the Japanese witnesses to the United States. Taking the testimony via "letters rogatory" sent to a Japanese court is so cumbersome that, practically speaking, no attorney in his right mind who has any alternative available to him uses it.

¹⁰ By "inventive acts," we mean conception of an invention, actual reduction to practice of the invention, classical diligence leading to an actual or constructive reduction to practice of the

the World Trade Organization. Since Japan belongs to the World Trade Organization, that means that Japanese companies will soon be involved in proving the inventive acts of their employees that took place in Japan.

One situation in which Japanese companies will be proving the inventive acts of their employees is patent interferences. Patent interferences are administrative proceedings presided over by administrative patent judges, who are employees of the United States Patent and Trademark Office. The administrative patent judges should be contrasted with the so-called "Article III" district court judges, who are employees of the judicial branch of the United States government and who preside over patent infringement cases.

The administrative patent judges do not preside over patent interferences in the sense of being physically present while testimony is being taken. In patent interferences, testimony is taken in settings which look like discovery depositions in district court litigation. That is, just the witnesses, the lawyers and their staffs, and a stenographer, sometimes called a court reporter¹¹ (i.e., someone who takes down the questions of the lawyers and the answers of the witnesses), are present. The testimony is reduced to a written transcript, and the written transcript is submitted to the administrative patent judges.¹² This is referred to as a testimonial deposition.

Testimonial depositions for use in patent interferences can be taken any place in the United States that is convenient. Most such depositions take place in lawyers' offices, conference rooms in the companies that employ the witnesses, or conference rooms in hotels. They are seldom or never taken in court houses with judicial officials present.¹³ Thus, the question arises whether testimonial depositions for use in patent interferences can be taken in Japan.

There are three questions to be considered here. First, is it legal under Japanese law to take testimonial depositions in Japan for use in a U.S. patent interference? Second, is it legal to use in a U.S. patent

invention, and so-called "Peeler" diligence during the period between an actual reduction to practice of the invention and the filing of a patent application on the invention. "Peeler" diligence is named for *Peeler v. Miller*, 535 F.2d 647, 190 USPQ 117 (CCPA 1976).

¹¹ A "court reporter" who transcribes depositions is *not* an employee of a court. He or she is called a "court reporter" because his or her reports (i.e., deposition transcripts) can be used in court.

¹² In some cases a videotape of the testimony is also submitted to the administrative patent judges.

¹³ The authors have never participated in or even heard of a voluntary deposition for use in a patent interference's being taken in a court house with a judicial official present.

interference transcripts of testimonial depositions taken in Japan? Third, are there practical problems that would make it impractical to take a testimonial deposition in Japan for use in a U.S. patent interference even if it is legal to do so?

The answer to the first question is apparently yes. Section 5.05[5][a] of 7 Kitagawa, *Doing Business in Japan* (Mathew Bender 1994), has the title "**Taking of Depositions by American Attorneys Prohibited.**" However, the actual text of this section reads as follows:

Until the late 1970's, American attorneys often traveled to Japan, administered oaths, and took depositions from Japanese nationals. They usually brought with them a court order (or claimed that they had inherent power) to compel the deponents to produce documents and other tangible evidence. Even though such deposition takings were usually carried out on a voluntary basis and in a private place like a hotel room, they were greatly criticized by the Japanese Bar, the Ministry of Justice, and the Ministry of Foreign Affairs.

For one thing, Japanese attorneys do not have such discovery power[,] and it was felt that American attorneys in Japan should not be allowed to do what Japanese attorneys cannot do. Moreover, if American attorneys were to be regarded as American court officers (i.e., governmental officers), it seemed clear that they *fortiori* could not exercise any power in a foreign sovereign country.

Thus, since the late 1970's, the Japanese Embassy, Consulate General's Offices and Legations in the United States have been enforcing the policy of refusing to issue tourist *visas* to American attorneys who intend to go to Japan to take depositions on their own (i.e., rather than attend the taking of voluntary depositions in Japan by a U.S. consular officer; see [b] below), and the policy of confirming that they do not perform any judicial functions while in Japan with temporary *visas*. The American Embassy in Tokyo and the State Department seem to be cooperating with the Japanese Ministry of Foreign Affairs in this regard.

Thus, the only impediment from the perspective of Japanese law¹⁴ to taking testimonial depositions in Japan for use in a patent interference

¹⁴ The fact that the Japanese bar criticized the practice of taking depositions in Japan, apparently because Japanese attorneys do not have discovery powers, is, of course, no impediment. While we can sympathize with the plight of Japanese attorneys in trying to handle litigation without discovery powers, that is really not relevant here. The fact is that American attorneys *do* have the authority to take both testimonial and discovery depositions.

Moreover, it should be noted that it is voluntary *testimonial* depositions, (*not* discovery depositions), that is the focus of this article.

was the difficulty of getting a visa to do so.¹⁵ Since American citizens are no longer required to obtain visas to visit Japan, there does not appear to be any requirement of Japanese law which would prevent American attorneys from taking voluntary testimonial depositions, agreed upon by both or all parties, in Japan.

The answer to the second question is clearly yes, although the party who wishes to take testimonial depositions outside the United States must obtain the approval of the administrative patent judge to whom the interference is assigned to take testimonial depositions outside the United States.¹⁶ However, if the parties *jointly* request leave for *both* of them to take their testimony outside the United States,¹⁷ it is our opinion that the request is unlikely to be refused by most of the administrative patent judges.¹⁸ Moreover, even if one party opposes the other party's request to take its testimony outside the United States, it is our guess that most of the administrative patent judges will grant most motions for leave to take testimony outside the United States—

¹⁵ Even prior to the amendment to U.S. patent law effective January 01, 1996, it was occasionally desirable to take the testimonial deposition of a witness in Japan for use in a patent interference. Such situations arose, for instance, when the issue was derivation, (which could be proved when the derivation took place outside the United States even prior to the amendment) or when one party was relying on testing being conducted in Japan.

¹⁶ 37 CFR 1.672(d) says that, if any opponent of a party who submitted a testimonial declaration requests the opportunity to cross-examine the declarant, the party that submitted the testimonial declaration "shall notice a deposition at a reasonable location *within the United States* . . . for the purpose of cross-examination of any opponent." (Emphasis supplied.) However, 37 CFR 1.672(i) says that, "In an unusual circumstance and upon a showing that testimony [including, of course, cross-examination] cannot be taken in accordance with the provisions of this subpart, an administrative patent judge upon motion (§1.635) may authorize testimony to be taken in another manner." One of the administrative patent judges has suggested that the fact that the parties *jointly* requested leave for *both* of them to take their testimony outside the United States would be "an unusual circumstance" justifying the grant of such a motion even absent a showing that the testimony could not be taken "within the United States." His attitude (with which the authors strongly agree) seems to be that, if the parties both want to take their testimony abroad, why should he care?

¹⁷ Approximately one-quarter of all patent interferences involve two foreign parties, so it will often be in the interest of both parties to obtain a ruling permitting the taking of testimony outside the United States.

¹⁸ We have been informed that, for reasons which are unclear to us, at least one of the administrative patent judges is hostile to the idea of taking depositions abroad under any circumstances. Our best guess is that this hostility is based simply on conservatism—that is, on the notion that that which has not been done before must be bad.

In addition, the official commentary published when the new rules were adopted states that:

in view of [the] PTO's general lack of experience regarding procedures for, and difficulties which may arise in, taking deposition testimony in a foreign country, [the] PTO has decided, at least for the time being, to take a conservative approach regarding taking testimony in a foreign country. The approach will be reevaluated after [the] PTO gains some experience with foreign deposition testimony taken pursuant to §1.671(h). [1173 O.G. 36, 38 col. 2 (April 11, 1995).]

perhaps provided that the motions offer to pay the expenses of the opposing parties' attorneys in attending the depositions outside the United States.¹⁹

There are, of course, some practical problems with taking testimonial depositions in Japan for use in U.S. patent interferences.

The first is that one will normally have to take a court reporter to Japan, since we do not believe that English speaking court reporters are available in Japan. However, that is purely an issue of expense, and the question of taking testimonial depositions in Japan will normally only arise if the client has decided that it is cheaper or otherwise desirable to bring the U.S. attorneys and their staff²⁰ to Japan rather than to send all of the witnesses to the United States.

The second is that the administrative patent judges may require the party that wishes to take the testimonial depositions outside the United States to reimburse the opposing party for sending its attorneys (and, perhaps, their staff and an expert witness to help the attorneys evaluate the evidence) to Japan.²¹ However, that is just the cost of a round trip, coach class ticket from the United States to Japan for each of the individuals involved, and that will normally be a tiny fraction of the total cost of taking the testimonial depositions.

The third is that the credibility of the testimony may be attacked on the basis that the witnesses were not subject to prosecution in Japan for perjury committed during their depositions.²² However, this problem

¹⁹ The commentary to the proposed rules indicated that a condition precedent to the grant of a motion to *compel* testimony or the production of documents or things in a foreign country might be a "show[ing] that the witness has been asked to testify in the United States and has refused to do so or that the individual or entity having possession, custody, and [sic; or] control of the document or thing has refused to produce the document or thing in the United States, even though the moving party has offered to pay the expenses involved in bringing the witness or the document or thing to the United States." 1167 O.G. 98, 98 col. 2 (Oct. 25, 1994). Even though a *party's* desire to produce *its own witnesses* for cross-examination in a *foreign country* obviously raises very different concerns than a *non-party's* desire *not* to produce its witness for examination in the *United States*, one of the administrative patent judges has indicated that the situations are analogous and that he would probably not grant an opposed motion by a party for leave to produce its own witnesses for cross-examination in a foreign country unless the moving party offered to pay its opponent's expenses involved in sending its attorney to the foreign country for the deposition.

²⁰ By "their staff" we mean a paralegal or two to help in handling documents and the numerous organizational details that typically arise during depositions and an English-speaking expert witness to help in evaluating the technical aspects of the testimony.

²¹ See footnote 19, *supra*.

²² 37 CFR 1.671(j) reads as follows:

The weight to be given deposition testimony taken in a foreign country will be determined in view of all the circumstances, including the laws of the foreign country governing the testimony. Little, if any, weight *may* be given to deposition testimony taken in a foreign country unless the party taking the testimony proves by clear and convincing evidence, as a matter of fact, that knowingly giving false testimony in that country in connection

can easily be taken care of by stipulation in the cases where both parties wish to take testimony abroad. Moreover, even in the cases where the opposing party raises that issue, it is our opinion that it is unlikely to have much impact on the administrative patent judges. It is virtually unheard of for a witness who has lied under oath in a testimonial deposition in a United States patent interference to be prosecuted for perjury. Thus, it is really the innate honesty of most witnesses and the fear of being exposed as a liar by cross-examination or other evidence in the interference that keeps most witnesses honest. The threat of being prosecuted for perjury is a classic example of a "paper tiger," so the absence of that threat is essentially meaningless.

A final caveat should be noted. What we have been talking about is *voluntary* testimony. In most cases, the witnesses will either be employees of the company whose attorney is offering them as witnesses or expert witnesses (university professors and the like) hired by the attorneys. Hence, their testimony will be induced by forces other than the compulsion of the court. If the compulsion of the court is required to induce a witness to testify, then totally different considerations will come into play.²³

III. CONCLUSION

As a side effect of the greatly increased participation in patent interferences by Japanese companies after January 01, 1996, Japan is likely to see an increased stream of visiting American patent attorneys. In addition to all the reasons that have taken us to Japan before, we will now be going there to take voluntary testimonial depositions for use in U.S. patent interferences.

with an interference proceeding in the United States Patent and Trademark Office is punishable under the laws of that country and that the punishment in that country for such false testimony is comparable to or greater than the punishment for perjury committed in the United States. The administrative patent judge and the Board, in determining foreign law, may consider any relevant material or source, including testimony, whether or not submitted by a party or admissible under the Federal Rules of Evidence. [Emphasis supplied.]

Thus, the administrative patent judges have the discretion to, but are not required to, give testimony taken in Japan without an oath the same weight that they would give to testimony taken in the United States with an oath.

23 In our country, the compulsion of the court is obtainable under 35 USC 24. The absence of similar powers in most (if not all) foreign countries led to the passage of 35 USC 104(a)(3), which reads as follows:

To the extent that any information in a NAFTA country or a WTO member country concerning knowledge, use, or other activity relevant to proving or disproving a date of invention has not been made available for use in a proceeding in the Patent and Trademark Office, a court, or any other competent authority to the same extent as such information could be made available in the United States, the Commissioner, court or such other authority shall draw appropriate inferences, or take other action permitted by statute, rule, or regulation, in favor of the party that requested the information in the proceeding.