

Post-Grant for Practitioners



FR

Part 5: How the Use of Discovery is Evolving in *Inter Partes* Review Proceedings

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Agenda

1. District Court vs. IPR Discovery
2. Garmin v. Cuozzo – “**Interest of Justice Standard**”
3. Practice Tips
4. Patentee Discovery Strategy
5. Petitioner Discovery Strategy

District Court vs. IPR Discovery

FRCP 26(b) - Discovery Scope and Limits



... Parties may obtain discovery regarding any nonprivileged matter that is relevant to any party's claim or defense—including the existence, description, nature, custody, condition, and location of any documents or other tangible things and the identity and location of persons who know of any discoverable matter. . . . Relevant information need not be admissible at the trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence.

District Court vs. IPR Discovery

37 C.F.R. § 42.51 – IPR Discovery

1. **“Mandatory” Initial Disclosures**

- Any agreement between parties must be submitted by the filing date of the patent owner preliminary response (generally w/in 3 months after petition accepted)
- If trial institutes, parties may automatically take discovery pursuant to the agreement

2. Routine Discovery

- Exhibits cited in papers or expert declaration
- Cross-examination of opposing declarants
- Relevant information that is inconsistent with a position advanced by a party during the proceeding, served concurrent with the filing of documents that are inconsistent

District Court vs. IPR Discovery

37 C.F.R. § 42.51 – IPR Discovery

3. Additional Discovery

- Parties may agree to any additional discovery
- If there is no agreement:
 - Party moves for additional discovery (request permission to file motion for additional discovery)
 - **“The moving party must show that such additional discovery is in the interests of justice . . .”**

Garmin v. Cuozzo, IPR2012-00001

- Cuozzo served standard (district court) discovery requests on Garmin
- PTAB treated the discovery request as “additional discovery” under 42.51(b)(2)
- PTAB defined 5 criteria for determining whether a discovery request is in the “interest of justice”

INTERROGATORIESINTERROGATORY No. 1.

State, in detail, the factual bases for Your contention at page 13 of the Request that the Awada '596 reference qualifies as prior art under 35 U.S.C. § 102(e) and Identify the persons most knowledgeable about any such facts.

ANSWER:INTERROGATORY No. 2.

Identify and describe, in detail, each patent application, invention disclosure, or product description generated by or on behalf of any Garmin entity that describes a “vehicle speedometer with speed limit alert” as You described in the Petition at page 13.

ANSWER:INTERROGATORY No. 3.

Describe the circumstances of Your first introducing the speed limit alert feature on Garmin products including, without limitation, the dates of all events, the reason such feature was implemented, the Identity of documents describing Your efforts to develop the feature, the value of the feature to customers, and the Identity of persons involved in the decision to develop the feature and include it in Your products.

ANSWER:

For each discovery request deemed “Additional Discovery,” the requesting party must address the following factors in the motion:

1. More than a Possibility and Mere Allegation
2. Litigation Positions and Underlying Basis
3. Ability to Generate Equivalent Information by Other Means
4. Easily Understandable Instructions
5. Requests Not Overly Burdensome to Answer

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1. More than a Possibility and Mere Allegation

“The mere possibility of finding something useful, and mere allegation that something useful will be found, are insufficient to demonstrate that the requested discovery is necessary in the interest of justice. The party requesting discovery should already be in possession of evidence tending to show beyond speculation that in fact something useful will be uncovered.”

Garmin v. Cuozzo, IPR2012-00001

Factor 1 In Practice

- Request for discovery re real-party-in interest denied because no evidence of actual coordination, control, input, funding, etc. re other parties.
Innolux v. SEL, IPR2013-00038, May 21, 2013
- Mere argument re suspected privity relationship not sufficient to receive additional discovery.
Synopsys v. Mentor Graphics, IPR2013-00042, April 25, 2013
- Indemnification clause in software development kit agreement is not sufficient evidence of privity relationship to justify additional discovery
Apple v. Achates, IPR2013-00080, -00081, April 3, 2013

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2. Litigation Positions and Underlying Basis

“Asking for the other party’s litigation positions and the underlying basis for those positions is not necessary in the interest of justice. The Board has established rules for the presentation of arguments and evidence. There is a proper time and place for each party to make its presentation. A party may not attempt to alter the Board’s trial procedures under the pretext of discovery.”

Garmin v. Cuozzo, IPR2012-00001, March 5, 2013

Factor 2 In Practice

- Cuozzo’s requests for “[d]ocuments you intend to rely upon at trial or have provided or intend to provide to an expert witness or declarant” found to violate the second factor. PTAB stresses that discovery may not be used to circumvent the procedural schedule or determine adversary’s positions before presented.

Garmin v. Cuozzo, IPR2012-00001, March 5, 2013

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3. Ability to Generate Equivalent Information by Other Means

“Information a party can reasonably figure out or assemble without a discovery request would not be in the interest of justice to have produced by the other party. In that connection, the Board would want to know the ability of the requesting party to generate the information without need of discovery.”

Garmin v. Cuozzo, IPR2012-00001, March 5, 2013

Factor 3 In Practice

- Requester could perform **market surveys** or **obtain opinions of its own expert**, so no additional discovery regarding objective evidence of non-obviousness

Garmin v. Cuozzo, IPR2012-00001, March 5, 2013

- Requests for pricing information, product reviews, marketing, and promotional materials denied because they “**all seem to be within the scope of information publicly available on the Internet or elsewhere.**”

Microsoft v. Proxyconn, IPR2012-00026, March 8, 2013

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4. Easily Understandable Instructions

“The questions should be easily understandable. For example, **ten pages of complex instructions for answering questions is prima facie unclear**. Such instructions are counter-productive and tend to undermine the responder’s ability to answer efficiently, accurately, and confidently..”

Garmin v. Cuozzo, IPR2012-00001, March 5, 2013

Factor 4 In Practice

- Cuozzo originally issued discovery requests containing ten pages of instructions for both the document requests and interrogatories. After trimming those instructions to two pages, the PTAB deemed the instruction length to be reasonable.

Garmin v. Cuozzo, IPR2012-00001, March 5, 2013

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“The requests must not be overly burdensome to answer, given the expedited nature of *Inter Partes* Review. The burden includes **financial burden, burden on human resources, and burden on meeting the time schedule of *Inter Partes* Review.** Requests should be sensible and responsibly tailored according to a genuine need.”

Garmin v. Cuozzo, IPR2012-00001, March 5, 2013

Factor 5 In Practice

- Cost estimate of \$50,000 - \$80,000 to answer discovery requests and the requests were not reasonably tailored was deemed unduly burdensome.

Garmin v. Cuozzo, IPR2012-00001, March 5, 2013

- Discovery requests for information regarding “any upgrades,” “all products,” or the “benefits” or “value” certain features denied as vague or overbroad.

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Deposition Pointers

- Parties should agree to timing/location for deposition, but PTAB will step in if no agreement is reached
- Deposition notice must be filed, at least 10 business days before the deposition
- Deposition must occur at least 7 days before filing papers that rely on the deposition testimony
- Default time limit: 7 hours
- Preserve any necessary objections on the record
- Defects in notice are waived unless objecting party “promptly” seeks authorization to file a motion to quash

Scope of Deposition Topics

- The expert deposition is not limited to only those grounds that are instituted by the PTAB
- PTAB authorizes cross examination on those portions of the expert declaration that address prior art references that were not cited as a basis for trial institution.
- PTAB suggests that questioning on non-instituted grounds may be relevant to state of the prior art or witness credibility

Micron v. Univ. of Illinois, IPR2013-00005, April 15, 2013

- Seek agreement on mandatory disclosures with petitioner
- Beware of significant prosecution and/or litigation history and potential for inconsistent statements resulting in routine discovery requirements
- Generally, do not rely on same expert used during prosecution
- Consider whether objective indicia of non-obviousness are actually helpful

- Consider whether to refuse agreement on “mandatory” disclosures
- Review produced discovery in co-pending litigation and anticipate inconsistent statements
 - Use motion to compel routine discovery of known inconsistent document not produced and potentially move for sanctions, 37 C.F.R. § 42.12
- Consider strategic use or non-use of expert for petition



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