UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PETROLEUM GEO-SERVICES INC.
Petitioner

v.

WESTERNGECO LLC
Patent Owner

Case No. IPR2014-00678
Patent No. 6,691,038

PETITIONER'S SUBMISSION OF TRANSCRIPT

On September 8, the Board expunged Petitioner's Notice Concerning Status of Discovery, and ordered "that the notice concerning the status of discovery filed September 4, 2014 be refiled with the transcript of the August 27 phone conference as the only attachment." *See* Paper 25. In response to the Board's Order, Petitioner files this Submission of Transcript and attaches the transcript of the August 27 phone conference between the parties and the board as Exhibit A.

Dated: September 12, 2014

Respectfully submitted,

/s/ David I. Berl

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CERTIFICATE OF SERVICE
(37 C.F.R. §§ 42.6(e) and 42.105(a))

The undersigned hereby certifies that the above-captioned "PETITIONER'S SUBMISSION OF TRANSCRIPT" and a true copy of Exhibit A was served on the counsel of record for the Patent Owner on September 12, 2014 via email to the email addresses at which Patent Owner consented to accept electronic service, and via notifications from the Patent Review Processing System. Service was effected by the foregoing means using the email addresses listed below:

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EXHIBIT A

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2 ----------X

3 PETROLEUM GEO-SERVICES, INC.

4 Petitioner

OBLON DOCKET NO.: 435219US

5 vs.

6 WESTERNGECO, LLC,

7 Patent Owner

8 CASES: IPR2014-00687, -00678, -00689, -00688

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14 ** T E L E C O N F E R E N C E **

15 Wednesday, August 27, 2014

16

17 BEFORE: JUDGE BRYAN MOORE

18 JUDGE BEVERLY BUNTING

19 JUDGE SCOTT DANIELS

20 (Appearing Telephonically)

21

22

23

24 Reported by:

JOMANNA DeROSA, CSR

25 JOB NO. 83930

August 27, 2014
1:00 p.m.

Teleconference, before Jomanna DeRosa, a Certified Shorthand Reporter and Notary Public of the States of New York, New Jersey, California and Arizona.

APPEARANCES:

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(Appearing Telephonically)

ALSO PRESENT:
MITCH BLAKELY, In-House Counsel for Patent Owner

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JUDGE MOORE: This is a phone conference in IPR 2014678, 2014687, 2014688, and 2014689. This is Judge Moore, and I'll have Judge Bunting and Judge Daniels.

Starting with Petitioner, who is on the call?

MR. BERL: Good morning or good afternoon, Your Honor. It's David Berl of Williams & Connolly for Petitioner. And with me on the call is Christopher Suarez, also with Williams & Connolly.

JUDGE MOORE: Okay. And for Patent Owner.

MR. MCKEOWN: For Patentee, Your Honor, it's Scott McKeown of Oblon Spivak. And with me is Chris Bullard, also of Oblon Spivak. And we also have in-house counsel for Patentee, Mitch Blakely, is on the line.

JUDGE MOORE: And there's no objection to Mitch Blakely being on the call.

Correct?

MR. BERL: Yes, your Honor, as long as there's no discussion of materials that were produced highly confidential pursuant to

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the protective order in the District Court.

Unless Mr. McKeown discusses them, I don't intend to discuss them, but they shouldn't be discussed as long as in-house counsel is on the call.

JUDGE MOORE: Okay. And, Patent Owner, can you live by those rules for this call?

MR. MCKEOWN: Sure, Your Honor. I'm not on that protective order, so I haven't seen any highly confidential materials.

MR. BLAKELY: To the extent you need me to drop off because something like this comes up, just let me know and I'll drop off.

JUDGE MOORE: Sure. I appreciate that. Okay. The call was requested by Patent Owner. And the purpose of this call is to request authorization for a motion to say that ION, I-O-N, I believe, is a real party in interest in this case.

So, since Patent Owner called this or asked for this call, maybe you can start and describe the issue.

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MR. MCKEOWN: Sure. Thank you, Your Honor. This is Scott McKeown. As detailed in the e-mail, which goes through some of the lengthy back and forth that we've already had in this proceeding, last we spoke we were dealing with the addition of real parties in interest that were added to these petitions on the day our preliminary response was due.

This was after we spent a few weeks chasing these issues down through calls seeking additional discovery and explanation from the Petitioners.

Once the Petitioner decided to come clean on those RPI issues the petitions were deemed non-compliant and new filing dates were accorded.

We were then, Patentee, given six weeks to respond to the corrected petitions, and at the time we had asked for three full months because we were aware of another RPI issue that had not been addressed, and that's the issue with ION Geophysical.

Just as background, ION was sued

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years ago on these patents and is currently appealing a $125 million judgment.

And I want to be perfectly clear here. We're not arguing that there is any joint defense agreement between co-defendants that is necessitating discovery. These are completely different lawsuits that were filed years apart. The ION case is now up on appeal at the federal circuit.

And the Petitioner, or at least the identified Petitioners in this suit, are in a separate litigation in the very early stages. ION and the identified Petitioners in these IPR proceedings are partners in buying and using the infringing products.

Despite what we believe to be its direct involve in these IPR proceedings ION is not named as a real party in interest. As we discussed last time, the need for the six weeks for coming up with our preliminary responses is that we needed to explore this relationship that was being smoked out on the District Court side, and that we believe that PGS is a straw man for ION. And ION has 125

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million reasons for participating -- as I said, we explained previously that we believe that PGS is a straw man for ION, and that ION has 125 million reasons for participating in these IPRs, and we have evidence of them doing exactly that.

As we discussed in the last call, the ongoing discovery in the District Court was represented as being completed by mid June. That's incorrect. Petitioner continues to update their privilege log. They're claiming joint interest with ION, which is interesting considering the lack of identification of ION as a joint party or a real party, rather, in these IPR proceedings.

The Petitioners have withheld discovery on the District Court side on the justification that discovery pertaining to these IPRs is best left to the PTAB.

So, we've approached the Petitioner a few weeks back about that discovery, and asked them if they would be willing to engage us in some limited discovery on this topic. And unfortunately the Petitioners have

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continued to stonewall our efforts for delay purposes.

We asked them a few weeks back for discovery specifically on the ION RPI issue based upon documents that they themselves have produced in the District Court, and they claim not to understand the scope of that discovery.

Then we went back and explained that we wanted limited interrogatories on the documents. They still explained that they were unsure of the scope based on the documents they produced. Then we sent them an actual interrogatory and said, well, here's what we have in mind, and then they came back and said, well, we still don't understand the scope and we need to see all of the interrogatories.

And at that point, given the track record here, and what we deemed to be an effort to burn up our remaining time, we're bringing this dispute now to the Panel.

Again, we have until September 16th to draft these preliminary responses, so we believe that we're entitled to discovery for

two reasons. One, the Petitioners have represented to the Court that this discovery was appropriate for the PTAB. Presumably they weren't talking out of both sides of their mouth when they withheld that discovery from the District Court and promised to produce it here.

And second -- and this is outlined in the e-mail -- the Garmin factors are satisfied here in that we have documentary evidence that shows meetings between ION's in-house counsel and the attorneys that drafted these petitions.

There's discussions of references that appear in these petitions. There's provision of legal research pertaining to those same references. There's inquiries as to supplementation strategies for additional prior art that was alleged to have been uncovered by ION recently.

In fact, the e-mail from ION on that point expressly states that their interests are aligned in this IPR.

JUDGE MOORE: Okay. I'm going to

stop you there. You're moving pretty quickly, and this is really sort of the heart of what we're talking about. And I don't know exactly when I'm going to get the transcript. So, you started to list evidence.

And if you could go back and list that, give me some pauses here so I can make sure that I understand everything that you're saying.

MR. BERL: And if I may quickly interpose, it appears that Mr. McKeown was beginning to describe documents that were produced in the District Court litigation pursuant to protective order, which he says he has never seen and doesn't even have.

JUDGE MOORE: Okay. What is your point here? Is there something that you want at this moment or are you just making me aware of your understanding?

MR. BERL: I'm making you aware of our understanding, and I am making Mr. McKeown and his client aware of that understanding so they don't further violate the District Court protective order wittingly or unwittingly.

JUDGE MOORE: Okay. I just want to be clear. I don't need to get anyone off this call or do anything right at this moment.

Okay. So, then I believe we can go back and deal with the evidence that you were talking about just a moment ago.

MR. MCKEOWN: Right. So, what I'm talking about are meeting requests with individuals from ION and the attorneys that drafted these petitions, and attorneys from PGS. You know, what the content of some of those meetings were. That's why we need interrogatories, because this is -- the District Court is not allowing interrogatory discovery. We only have documentation.

So, without getting into the substance, the extent of this material is protected, I'm not sure if it is, but there's back and forth between ION's attorneys, the attorneys that drafted these petitions, and it relates to the art and substance of what was presented in these petitions. And that communication continues to this day.

JUDGE MOORE: Okay. A couple

things here because we had the same issue before. When you say attorneys filing this IPR, well, we don't have -- I just want to make sure -- we had some co-attorneys for different parties. I guess now that all of those parties are now a real party in interest, that's not an issue. I'm sorry if that's sort of talked myself out of asking you a question, but I think that's correct.

Now, the attorneys in District Court for all the PTS entities are attorneys in the IPR in the sense that all the PTS entities are now real parties in interest.

MR. MCKEOWN: Let me clarify that. When I say the attorneys that drafted the IPR, I'm talking about Williams & Connolly attorneys that are representing at least the identified Petitioners.

And then we have communication between them, in-house PGS attorneys, and in-house ION personnel. I'm not sure that that -- ION or PGS folks are all attorneys, but I guess the point is there is communication between ION, PGS, and the

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attorneys that drafted these petitions.
JUDGE MOORE: Okay. And you said relating to the patents and the issues of the IPR. Could you expand a little bit on that?
MR. MCKEOWN: Sure. There's a discussion of one of the pieces of prior art, the PCT application that's applied across these petitions. And there's at least reference to the provision of legal research from ION to the attorneys that drafted this petition.
JUDGE MOORE: Okay. And if I can stop you right there. These pieces of prior art, were they at issue in the prior ION litigation, District Court litigation?
MR. MCKEOWN: I believe that they were, yes.
JUDGE MOORE: Okay. All right. So, the next piece of evidence?
MR. MCKEOWN: So then there's additional provision of prior art after these petitions had been filed, where there was a discussion between ION and PTS about how this prior art would be introduced into these IPR

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proceedings.
And, again, this is from a litigant that was sued years ago that's now up on the federal circuit. So, we have someone that's actively engaged in supplementation strategies for these petitions.
JUDGE MOORE: Okay. Anything else?
MR. MCKEOWN: I think those are the high points, but there's consistent reference to oral communications that we just don't have records for. And that's the purpose of these interrogatories, is to get at some of that information.
JUDGE MOORE: Okay. Are you complete with your presentation? If not, please continue.
MR. MCKEOWN: No, I believe that is the points we were looking to make here. I guess I would just add one other point, that on our last call we had discussed, you know, the time line of these filings and the ability to raise real party in interest later, but I just want to bring the Board's attention to the request for comments that was recently

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issued by the PTAB for Question No. 5. Queries the public as to whether or not real party in interest is an issue that could be raised later at trial. And given that there's at least some implication there that perhaps PTAB would not consider RPI issues later on, we think it's imperative that this matter be settled now before the trial begins.
JUDGE MOORE: Okay. All right. So, I have a couple questions here.
First of all, you mentioned that ION and PGS were named as joint interest in the District Court. And if you could explain to me what that is or what that means.
MR. MCKEOWN: Yes. I'm sorry if I misspoke. They're claiming -- so, PGS is refusing to produce some documentation based upon a privilege, and that privilege is a common interest privilege. At least that's what they've identified.
JUDGE MOORE: All right. I think I've got that. So, Petitioner, if you could give me your comments to what's been said.
MR. BERL: Thank you, Your Honor.

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I appreciate it. This is David Berl from Williams & Connolly for Petitioner.
There's quite a bit to respond to, including an e-mail that was transmitted by Patent Owner, to which we did not respond in writing. The short answer is that nearly all of what counsel just said is either falling into the category of pure speculation or blatant falsehood, and there is no basis whatsoever for discovery.
First, it is incorrect that any documentation was withheld in the District Court relating to the IPR on the basis of a joint defense privilege. That is simply untrue. There was never an assertion of a joint defense privilege vis-a-vis the IPR between ION and EGS.
JUDGE MOORE: And just to be clear, because we're all lawyers here, by "joint defense" you include what is called a common interest privilege. Correct?
MR. BERL: Yes. I'm not making such a distinction, Your Honor. No common interests, no joint defense privilege was ever

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asserted vis-a-vis the IPR.

Likewise, it is not true that PGS told the District Court that it would be willing to engage in its discovery before the PTAB. Rather, it was asserted that the PTAB, pursuant to its own rules and case law, should determine the proper scope of discovery vis-a-vis the real party in interest in the IPR, rather than the District Court sitting in Texas.

The basic argument that the Patent Owner has advanced is that PGS is somehow a straw man for ION. There's no evidence for that whatsoever, and it's simply not true.

As the Board is aware, the standard for privity here is that a party funds or directs or controls this IPR. There is no unnamed party, including ION, that funds, directs, or controls this IPR, none whatsoever.

In addition, there is no party, including ION, that has authorized, controlled, reviewed or provided confidential work product for the IPRs that PGS filed.

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That ends the matter, and indeed negates the need for any discovery, as the Board held recently in the TD Ameritrade case. That's CBM 2014 00131, Paper 11.

In fact, contrary to the assertions you just heard, the actual record of the District Court litigation reflects that ION did not even know about the IPRs before they were filed, and apparently learned about them when everyone else did, through the public system and electronic filing system.

There was one communication, one meeting between counsel for PGS and ION. Patent Owner is in possession of the e-mails relating to that meeting. That meeting related to a single prior art reference, and related to the question of whether Patent Owner had disputed in the litigation whether that reference was, in fact, prior art. It did not even relate to the substance of that, whether --

JUDGE MOORE: I just need you to go back. You said that that meeting -- if you could just -- that last sentence. You said

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that the Patent Owner used the piece of prior art, and I wasn't sure if I understood it. I thought it was prior art from the ION litigation.

MR. BERL: It was. And so, let me go back and explain. And a meeting is not even the proper characterization. It was a teleconference. It was not a meeting. It was a teleconference of approximately 30 minutes. That's the sum total of the teleconferences or meetings between PGS' IPR counsel, that is, Williams & Connolly, and ION's counsel.

There was a 30-minute teleconference, and it related to the question of whether Patent Owner, WesternGeco, had admitted or disputed in the ION litigation whether this referenced the prior art.

That's it. It did not even relate to the substance of that prior art reference. It simply related to whether there was any dispute or agreement in the ION litigation as to whether it was prior art.

And the legal research that was furnished, so to speak, as it was termed by

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Patent Owner, was simply a follow-up to that teleconference, sending along a couple cases relating to the question of whether a reference is or is not prior art. That's it.

The assertion in the e-mail to the Board, and just now that there were multiple meetings between Williams & Connolly and ION counsel is simply false and without basis. It is not true.

And if there is any basis for the assertion that there were multiple meetings, I'd like to hear it from Patent Owner's counsel so that we understand his position in any future litigation sanctions or otherwise before the Board.

The record reflects here that there was one teleconference, and that is all. The additional provision --

JUDGE MOORE: I'm sorry to interrupt again. The piece of prior art that we're talking about, is that one that Petitioner has asserted in this IPR?

MR. BERL: It is.

JUDGE MOORE: All right. I just

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wanted to be clear. Okay. Go ahead.

MR. BERL: It's the Patent Owner's own prior art 636 application. That's correct. That is prior art. So, from the ION litigation and here.

JUDGE MOORE: Okay.

MR. BERL: The additional provision of legal services that were referenced in Patent Owner's presentation about supplementation to these proceedings constituted e-mails that were sent from ION unsolicited, relating to ways to find additional prior art that were not pursued, that were not included in the petitions, and that were not substantively responded to by PGS.

Patent Owner has no basis to believe otherwise, has presented no basis to believe otherwise, and there is no reason to believe otherwise because it's simply the case that there was no further substantive communication relating to the IPR.

There is, in essence, nothing here. Even parties that work closely together have

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been found not to be real parties in interest or parties in privity. Here you have nothing even close. There's one 30-minute teleconference between a party filing an IPR and a prior defendant to ascertain more quickly, rather than combing through the entire trial record and pleadings at trial, to ascertain whether the Patent Owner had disputed the prior art status of a single reference.

Now, notwithstanding everything I just said, and the fact that this relationship comes not even close to meeting the privity or real party in interest standard, just to put this issue to bed we had offered to answer some or limited interrogatories relating to ION's participation or lack thereof in this IPR proceeding.

We attempted to resolve the issue and the Patent Owner referenced this, but mischaracterized what happened. We asked the Patent Owner to provide us the five interrogatories it is now seeking to serve. Patent Owner repeatedly refused to do that.

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Rather, Patent Owner provided one interrogatory, which, in scope, went far beyond the discovery we're discussing here, far beyond ION's participation in the IPR, and refused to provide the other interrogatories that would serve as a basis for a meet and confer, and instead suggested that we could only see the four other interrogatories if we agreed to answer their one overbroad one. That's obviously not a way that one can reasonably negotiate a scope of discovery.

We would be willing, subject to the proviso I'll get into in one moment, to answer an interrogatory directed to setting forth ION's participation in the IPR.

Aside from the Patent Owner's refusal to engage in a meet and confer and provide us with the requested scope of discovery, the other thing standing in the way of our ability to answer that interrogatory is that the Patent Owner in the District Court litigation is asserting somehow that the privileges of work product and/or other privileges, such as attorney-client, have been

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waived somehow by the production of documents relating to the communications between ION and PGS.

We cannot agree to answer such an interrogatory relating to ION's participation in the IPR as long as there's a specter that answering that interrogatory will be used by WesternGeco, by the Patent Owner, in the District Court litigation to argue that there has been some privilege waiver.

So, if Patent Owner agrees that our answering this interrogatory relating to ION's participation in the IPR will not be used by WesternGeco to argue in the District Court that a privilege has been waived, then we stand willing to answer that interrogatory and put this issue to bed, and set forth, once and for all, what ION's participation in the IPR was.

JUDGE MOORE: Is that the end of your response?

MR. BERL: Subject to the Court's questions, it is, and I would like to hear the Patent Owner's basis for his e-mail to the

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Court and representations to the Board today that there were multiple meetings, plural, between --

JUDGE MOORE: All right. We're not in a situation where we're going to require something from the other side. I understand your concern there.

MR. MCKEOWN: I'd be happy to respond to that, Your Honor.

JUDGE MOORE: Okay. Just give me one moment here. Okay. All right. If you wanted to respond, go ahead.

MR. MCKEOWN: Sure. And I think I made this clear when I was discussing the RPI concern here. I'm not just talking about communications from ION to Williams & Connolly. I'm talking about communications from ION to Williams & Connolly, and from ION to PGS, where the IPR was the point of the discussion. But I think we're just, you know, taking a blanket approach here to what I was saying.

Also, I never said that any documents were withheld under a common

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interest privilege on the District Court side that were related to the IPR. What I said is there were two buckets of information that were withheld. One was under the common interest privilege, and the other was under -- they can get this at the PTAB -- and in that transcript from July they state that it wouldn't be complicated. It's just a matter of asking.

So, the implication there was we have no problems with discovery of the PTAB. If they want to go back and correct what they said to the District Court Judge, that's another issue.

But, you know, funding and things like that, that's not dispositive of control here. We have two partners working on the same product, one of which is under $125 million judgment. And to dismiss communications with respect to these IPRs as, oh, it was just a 30-minute phone call to check something that they could have read in the record themselves, it just falls a little flat, and I would just remind the Panel of

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what happened the last time we had this discussion about blatant mischaracterizations and IPR issues. A couple weeks later the record was updated.

JUDGE MOORE: Okay. There's some representation of an offer regarding answering interrogatories. What is your reaction to that?

MR. MCKEOWN: Well, we were happy to have them answer interrogatories. I'm not in a position to agree to that without discussing it with litigation counsel, but we would hope that the process we started when we sent them the first interrogatory, which they never mentioned was overly broad. They just wanted to see all of them so that we could quibble about language for the next couple of weeks.

We don't have a lot of time here and we just want to get to the end of the process and get the information we need. That's it.

JUDGE MOORE: All right. Okay. Do you need to deal with litigation counsel for

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the question of whether you'd be willing to show them the entirety of the interrogatories rather than just the one?

MR. MCKEOWN: No. I think the offer, Your Honor, is they'd be happy to answer some interrogatories based on some agreement that relates to what's going on in the District Court. I'm not in a position to comment on what those issues are on the District Court side.

JUDGE MOORE: All right. Well, tell me this: Are you willing to pursue that? And I understand we have a time issue, and we can deal with that in a minute, but I just need to understand that if we got off this call, that's something that you could go forward or that you'd be willing, I should say, to go and discuss with litigation counsel or not.

MR. MCKEOWN: Sure. Our concern here is timing. We don't want to embark in another exercise in chasing our tail here. If we have an agreement that we can provide these interrogatories and commit to certain dates

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that were going to keep the process moving forward, then that's acceptable to us.
Our concern previously was that that was not going to happen, so that's what brought us to the Panel.
JUDGE MOORE: All right. Anything further from Petitioner?
MR. BERL: Other than to categorically reject the ad hominem attacks that we're seeking to delay or otherwise have misrepresented anything at all to the Board, I just want to make clear the offer had nothing to do with the District Court, other than to say that by agreeing to answer an interrogatory relating to ION's participation in the IPRs, that goes well beyond what the Board has ordered in similar circumstances. We shouldn't, therefore, be punished by having WesternGeco argue that, you know, no good deed goes unpunished, and because we answered this interrogatory, all of a sudden we've waived a privilege. That's all we're asking for. It seems only fair.
JUDGE MOORE: Yes. But you

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agree that that's something that the District Court litigation counsel would have to agree to. Correct?
MR. BERL: First of all, WesternGeco's counsel is on the phone. And second of all, I'm not sure, you know, this is a call before the Board, seeking discovery before the Board. You know, if they want the information, then they can have the information about ION's participation in the IPR. We're offering to answer the interrogatory. If they don't want the information, but instead want some basis to argue waiver, then I suppose they would need to confer with District Court litigation.
MR. MCKEOWN: Oblon Spivak does not represent WesternGeco in the litigation. So, if they want an answer by the end of business today I'm sure we can get it to them. It's just that that's not my role, and I'm reluctant to make, you know, agreements that I know nothing about.
MR. BERL: But I was referring to Mr. Blakely, counsel for PGS, not Mr. McKeown.

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JUDGE MOORE: Okay. We're getting a little into the weeds here. In-house obviously needs to confer with his litigation law firm representation before making some sort of decision like that. So, that seems fair to me.
Is there anything further before I am going to take a few minutes and confer with the Panel? There's some more things to discuss about timing and a possible agreement.
But what we've talked about so far, is there anything else to add before I confer?
MR. MCKEOWN: On the Patentee side, Your Honor, I just want to make sure that our agreement is for the five interrogatories and not the one that we've already discussed weeks earlier. We're interested in moving this thing along in its entirety, and we don't want to come back for Interrogatory No. 2.
JUDGE MOORE: Okay. I appreciate that. And when I come back on to the call we'll discuss that a little bit further.
MR. MCKEOWN: Thank you, Your Honor.

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JUDGE MOORE: Okay. I'm going to drop off the call for just a moment, confer with the Panel, and then, as I said, I'll come back.
(Recess taken.)
JUDGE MOORE: There's been some discussion of the e-mail that went to the Board, and it is correct, although I have ordered, or the Panel has ordered some substantive e-mails in order to efficiently resolve some issues, in general an e-mail that requests a call should be at a very high level and not contain argument.
And, you know, if we get to the point where we need to put out an order about this request for additional discovery, it would be based on a discussion we've had here today, and not based on the content of that e-mail, just so that both sides understand that.
So, you know, it sounds like you have the possibility of an offer, and something that could resolve this. And then we have an issue of timing. So, obviously,

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the first thing would be to -- for Patent Owner to see if litigation counsel would agree to this waiver or non-assertion of waiver provision. And then my sense of it would be given the timing that it would be an exchange of the five interrogatories that wanted -- that you want to have answered.

And then because of the timing, I think the 16th is -- is that correct, is the due date for the preliminary responses, September 16th?

MR. MCKEOWN: Yes, Your Honor.

JUDGE MOORE: Okay. So, I'm just going to put something out there, and then you give me your reaction. But what I was thinking is something -- a short time period, maybe a week, but you guys can talk to me about that.

For you guys to negotiate this, get these things served, and get an answer that we can understand where things stand within a week. And if the parties are willing to endeavor to do that, we would, you know, withhold any order on these issues for that

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time period.

And if the parties get back to the Board and say things haven't been resolved and interrogatories either haven't been served or they haven't been answered, then we would go ahead with an order on these issues.

I guess I'll start with Petitioner because Petitioner made the offer. Does that sound like something you'd be willing to be involved in?

MR. BERL: Yes. We're obviously happy to confer. And, again, I haven't seen five interrogatories, so I'm not sure. One issue that I potentially foresee is that the initial interrogatory that we did see requested information more broadly than the IPR correspondence and participation.

And it may be helpful for the parties, in trying to reach some agreement, to have some guidance that -- as to whether communication outside the IPR context or participation in the litigation or otherwise is within or without the potential scope of discovery.

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JUDGE MOORE: Okay. All right. So, what is the response to that?

MR. MCKEOWN: Are you asking the Patentee, Your Honor?

JUDGE MOORE: Yes. Just your reaction. He asked me to give some guidance. I want to hear from you before I have a comment on that.

MR. MCKEOWN: Sure. My reaction is we are interested in communications that link ION, obviously, to this IPR effort. If the question is do we have a cutoff date, for example, once the IPR was filed, no. We're looking at communications that lead up to the preparation of that petition.

And so, you know, certainly we're only looking for communications relating to the IPR effort. And, you know, there will necessarily be some overlap with the earlier litigation because some of the art was in there.

We're not interested in, you know, trying to open up another front for discovery here. But, you know, I'm reluctant to sort of

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say, well, you know, we're only interested in things from the date the petitions were filed forward or something like that because there will be some limited overlap, I would assume.

JUDGE MOORE: Okay. And, Petitioner, what's your reaction?

MR. BERL: That's helpful, Your Honor. I appreciate that. I was not looking for a date cutoff, but it's my understanding then that the interrogatories we'll be negotiating over and trying to reach an agreement on will relate to participation in the IPR, and we will endeavor to reach agreement within the week, as the Board set forth.

JUDGE MOORE: All right. So, you know, I have to be clear about this because of the timing. You know, what we'd be looking for is an effort to get answers.

So, you've seen the interrogatories. So, if you, on Friday, let's say, come up with interrogatories that you both could be happy with, then do you think by Wednesday then of next week you could have

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responses to those interrogatories?
MR. BERL: Again, Your Honor, I haven't seen the interrogatories, but assuming that they relate to ION's participation in the IPR, then if we have an agreement about the interrogatories by Friday, I think we could answer them by Wednesday.
JUDGE MOORE: Okay. All right. You know, I want to give the best chance of success. I have to say that the Board certainly appreciates when the parties work together. You know, we are very busy, as you know. We're getting inundated with filings. And to the extent that we can avoid filing of papers and resolving disputes through orders, we'd appreciate that.
So, it sounds like this is something that you guys would be interested in trying to get done. So, give me just one minute to circle back with the Panel, and then I'll -- actually, before I do that, am I correct in that both sides feel like what I've presented is something you'd be interested in trying to do?

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MR. MCKEOWN: Yes. The Patentee accepts that proposal, Your Honor.
MR. BERL: As does Petitioner, Your Honor.
JUDGE MOORE: Okay. All right. Just give me one minute. I will drop off and drop back on.
(Recess taken.)
JUDGE MOORE: Okay. This is Judge Moore back on the record. So, what we have is an agreement, and I will characterize it here. And if both sides agree, then we will adjourn the call.
The agreement is that Patent Owner will today seek to get an agreement that answering any interrogatories would not be used as a waiver of privilege in District Court litigation.
And given that, then both sides will endeavor to negotiate on five interrogatories related to ION's participation in the IPR, hopefully by the end of this week.
Assuming that occurs, then those interrogatories would be answered by one week

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from today, Wednesday of next week, September 3rd. And if all that occurs, then the Board will withhold any order relating to the additional discovery issue.
And if it doesn't occur by the 3rd, then, you know, starting the 4th you may see -- and not guaranteed on the 4th, but starting on the 4th you may see an order from the Panel relating to this request for additional discovery.
We'll start with Petitioner. Do you agree with that understanding?
MR. BERL: Yes, Your Honor.
JUDGE MOORE: And Patent Owner?
MR. MCKEOWN: Yes, Your Honor. I appreciate your time on this.
JUDGE MOORE: Okay. Is there anything else from Petitioner?
MR. BERL: No, thank you, Your Honor.
JUDGE MOORE: Anything else from Patent Owner?
MR. MCKEOWN: Nothing from Patent Owner, Your Honor.

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JUDGE MOORE: Okay. This call is adjourned.
(Time Ended: 1:55 p.m.)

CERTIFICATE

STATE OF NEW YORK)
)ss:
COUNTY OF NEW YORK)

I, JOMANNA DeROSA, a Certified Shorthand Reporter and Notary Public within and for the States of New York, New Jersey, California and Arizona, do hereby certify:

That such teleconference is a true record of the proceedings.

I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

In witness whereof, I have hereunto set my hand this 3rd day of September, 2014.

_____
JOMANNA DeROSA