

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CISCO SYSTEMS, INC.,
Petitioner,

v.

HUAWEI TECHNOLOGIES CO. LTD.,
Patent Owner.

Case IPR2017-02076
Case IPR2017-02077¹
Patent 8,531,971 B2

Before PATRICK M. BOUCHER, JENNIFER MEYER CHAGNON, and
MICHELLE N. WORMMEESTER, *Administrative Patent Judges*.

BOUCHER, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. §§ 42.5, 42.51(b)(2)

¹ The parties are not authorized to use this style of caption.

On November 27, 2017, a conference call was held with counsel for the parties to discuss Patent Owner's request for authorization to file a motion for additional discovery under 37 C.F.R. § 42.51(b)(2) in these proceedings. In making its request, Patent Owner observes that the instant Petitions are the third and fourth petitions filed with the Board requesting institution of *inter partes* review of U.S. Patent No. 8,531,971 B2 ("the '971 patent"), and that the first and second of such petitions were denied by the Board. *See T-Mobile US, Inc. v. Huawei Techs. Co. Ltd.*, Case IPR2017-00673, slip op. (PTAB Aug. 4, 2017) (Paper 10); *T-Mobile US, Inc. v. Huawei Techs. Co. Ltd.*, Case IPR2017-00698, slip op. (PTAB Aug. 4, 2017) (Paper 10) ("the T-Mobile proceedings"). Patent Owner contends that the petitioner in the T-Mobile proceedings is now statutorily barred from filing additional petitions because it was served with a complaint alleging infringement of the '971 patent more than a year ago. *See* 35 U.S.C. § 315(b) ("An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent."). In addition, Patent Owner observes that the Petitioner in the instant proceedings has not been sued for infringement of the '971 patent, and that indemnification agreements are common in the relevant industry.

From these facts, Patent Owner speculates that Petitioner may be in privity with the petitioner in the T-Mobile proceedings, noting particularly that Petitioner's filing of the instant petitions cannot be motivated as a response to being sued itself. Essentially, Patent Owner implies that Petitioner may be acting as a surrogate for the petitioner in the T-Mobile proceedings to circumvent the statutory time bar.

Accordingly, Patent Owner seeks additional discovery in the form of production of indemnification agreements that may bear on whether such a privity relationship exists. If such a relationship exists, the instant Petitions would also be statutorily barred under the provisions of 35 U.S.C. § 315(b). In addition, Patent Owner contends that the existence of such a privity relationship would strengthen one of the factors identified by the Board as relevant in the Board's exercise of discretion to deny institution of an *inter partes* review in *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, Case IPR2016-01357, slip op. at 9 (PTAB Sept. 6, 2017) (Paper 19) (precedential), i.e., "whether the same petitioner previously filed a petition directed to the same claims of the same patent."

In support of its request, Patent Owner directs us to Federal Circuit and Board decisions in which indemnification was a factor in concluding that a privity relationship existed: *Intel Corp. v. U.S. Int'l Trade Comm'n*, 946 F.2d 821, 839 (Fed. Cir. 1991); *SAP America, Inc. v. Pi-Net Int'l, Inc.*, Case CBM2013-00013, slip op. at 4–5 (PTAB Sept 19, 2013) (Paper 15); *GSI Commerce Solutions, Inc. v. Lakshmi Arunachalam*, Case CBM2014-00101, slip op. at 3–4 (PTAB Oct. 7, 2014) (Paper 10). Although we acknowledge that indemnification may ultimately be a relevant factor in evaluating privity, Patent Owner does not sufficiently articulate facts that support authorizing a motion for additional discovery at this time.

"The test for a party seeking additional discovery in an *inter partes* review is a strict one." *Symantec Corp. v. Finjan, Inc.*, Case IPR2015-01545, slip op. at 4 (PTAB Dec. 11, 2015) (Paper 9). And because "discovery in an *inter partes* review does not start until a trial is instituted," "Patent Owner's request for pre-institution discovery . . . must be closely scrutinized in light of the normal schedule

for discovery.” *Id.* at 5 (citing Office Trial Practice Guide, 77 Fed. Reg. 48,756, 48,761 (Aug. 14, 2012) (“To streamline the proceedings, the rules and Scheduling Order provide a sequenced discovery process upon institution of the trial.”); *Wavemarket, Inc. d/b/a Location Labs. v. Locationet Sys., Ltd.*, Case IPR2014-00920, slip op. (PTAB Nov. 25, 2014) (Paper 10) (denying authorization to file pre-institution motion requesting additional discovery on privity)). To be authorized to seek additional discovery in an *inter partes* review, the party must demonstrate that “such additional discovery is in the interests of justice.”

37 C.F.R. § 42.51(b)(2)(i). This has been interpreted by the Board as requiring showing more than “[t]he mere possibility of finding something useful.” *Garmin Int’l, Inc. v. Cuozzo Speed Techs. LLC*, Case IPR2012-00001, 2013 WL 11311697, at *3 (PTAB Mar. 5 2013) (informative). The first factor identified in *Garmin* weighs decisively in our consideration of Patent Owner’s request:

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. [In this context, “useful” means “favorable in substantive value to a contention of the party moving for discovery.”]

At this stage, Patent Owner has offered nothing beyond speculation to support its theory that Petitioner may be in privity with the petitioners in the T-Mobile proceedings. Accordingly, we deny the request at this time.

It is

ORDERED that Patent Owner’s request for authorization to file a motion for additional discovery is *denied*.

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