

NAVIGATING THE LIMITATIONS ON DISCOVERY IN AIA POST-GRANT PROCEEDINGS

MARY R. HENNINGER^{*}, JILL K. MACALPINE[‡], AMELIA FEULNER BAUR^{*},
ANTHONY A. HARTMANN[‡], LARA C. KELLEY^{*}, REBECCA M. MCNEILL^{*}, P.
ANDREW RILEY[‡], AND MICHAEL A. STRAMIELLO[†]

^{*}MCNEILL BAUR PLLC

[‡]FINNEGAN, HENDERSON, FARABOW, GARRETT, & DUNNER, LLP

[†]PAUL HASTINGS LLP

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In the AIA post-grant proceedings (PGPs), particularly *inter partes* review (IPRs) and post-grant review (PGRs), a question arises as to how much discovery may be obtained from an opponent. The deciding tribunal, the Patent Trial and Appeal Board (“PTAB” or “Board”), offers routine discovery, such as cross-examination of a petitioner’s declarants. After routine discovery, the vague in-the-interests-of-justice standard provides no clear path for the bounds of allowable additional discovery. What does “in the interests of justice” mean? Experience so far has indicated that discovery will not be robust. This article will examine the scope and nature of discovery in existing PGPs, analyze granted and denied discovery requests, and discuss lessons learned therefrom.

I. INTRODUCTION

The Leahy–Smith America Invents Act instituted many changes in patent law, including the implementation of PGPs as cost-effective and time-saving alternatives to litigation.¹ In fact, once PTAB institutes a PGP, it has only one year within which to issue a final determination.² To achieve reasonably fast, inexpensive, and fair proceedings, the scope of discovery permitted in PGPs is significantly limited versus that available in district court litigation under the Federal Rules of Civil Procedure.³

The lengthy period of broad discovery afforded in district court litigation is unnecessary for PGPs. For example, issues such as infringement, inventorship, and inequitable conduct that often arise in patent litigation and require complicated discovery do not arise in PGPs, where the bases for institution are limited to invalidity.⁴ Instead, the issues in PGPs typically involve publicly available references and the contents of the specification.⁵ This means that parties of a PGP proceeding are generally on equal footing when it comes to accessibility of relevant evidence—the expense, time, and complications associated with discovery can be significantly reduced, if not avoided.⁶

But beyond publicly available information, to what discovery is a party entitled as a matter of right in a PGP, and when can it obtain that discovery? How does a party request additional discovery? What factors does PTAB consider when deciding a motion for additional discovery? And what lessons can be gleaned from those decisions?

In the following discussion, we review the scope of the three types of discovery (“mandatory,” “routine,” and “additional”) permitted in PGPs, as authorized under the statutes and regulations. We address some of the more

¹ See H. R. REP. NO. 112-98 at 45-48 (2011); United States Patent and Trademark Office, *Message From Administrative Patent Judges Jacqueline Bonilla and Sheridan Snedden: Routine and Additional Discovery in AIA Trial Proceedings: What Is the Difference?*, AIA BLOG (Sept. 30, 2014, 10:01 AM), http://www.uspto.gov/blog/aia/entry/message_from_administrative_patent_judges [<http://perma.cc/ATH3-VKN4>].

² 35 U.S.C. § 326(a)(11) (2011) (permitting good-cause extension for up to six months).

³ United States Patent and Trademark Office, *supra* note 1; See Ryan Davis, *supra* note 3.

⁴ Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 48,612, 48,621-22 (Aug. 14, 2012) (to be codified at 37 C.F.R. pts. 1, 42 and 90) (hereinafter *Trial Rules*). The grounds for IPR are limited to 35 U.S.C. §§ 102-03 (2012) (and on the basis of patents or printed publications). The grounds for IPR are limited to 35 U.S.C. §§ 102-03 (2012) (and on the basis of patents or printed publications). The grounds for PGR or CBM are limited to 35 U.S.C. §§ 101-03, 112 (except best mode), 251 (2012); see also 35 U.S.C. § 311(b) and § 321(b) (2012).

⁵ *Trial Rules*, *supra* note 4, at 48,621-22.

⁶ *Id.*

important PTAB rules and guidelines pertaining to routine discovery, the typical discovery timeline, logistics for cross-examination, and discovery motion practice. We also discuss the five *Garmin* factors that PTAB considers when deciding a motion for additional discovery. Moreover, we provide summaries and analyses of PTAB decisions granting and denying motions for additional discovery. From those analyses, it is clear that for PTAB to grant a request for additional discovery, the request should be timely, well-supported, clear, and narrowly focused to the discovery of non-public information that directly relates to an issue in the PGP and that is not already available through routine discovery.

II. A DISCUSSION OF THE STATUTES, REGULATIONS, RULES, AND GUIDELINES GOVERNING DISCOVERY IN POST GRANT PROCEEDINGS

Legislation, regulations, rules, and guidelines set forth the standards and procedures for PGPs, including the discovery of relevant evidence.⁷ For IPRs, such discovery should be limited to the deposition of declarants and “what is otherwise necessary in the interests of justice.”⁸ For PGRs, such discovery should be limited to “evidence directly related to factual assertions advanced by either party in the proceeding.”⁹ The PGP regulations call for discovery in three categories: mandatory initial disclosures and two forms of limited discovery—“routine” and “additional.”¹⁰ Such limited discovery follows the goal of providing trials that are timely, inexpensive, and fair.¹¹ In addition, the Board’s rules allow parties to agree to mandatory initial disclosures and additional discovery. Beyond mandatory and routine discovery, PTAB “encourages parties to agree on discovery whenever possible.”¹²

A. Mandatory Initial Disclosures

Parties of a PGP may agree to mandatory discovery of initial disclosures by filing the agreement with the initial disclosures as exhibits no later than the filing of the patent owner’s preliminary response (POPR), or by the date the POPR is due.¹³ Early filing of the initial disclosures is

⁷ See generally 35 U.S.C. § 316(a)(5) (2011); 35 U.S.C. § 326(a)(5) (2011); 37 C.F.R. § 42.51 (2012); 37 C.F.R. § 42.224 (2012); *Trial Rules*, *supra* note 4; Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756 (Aug. 14, 2012) (to be codified at 37 C.F.R. pt. 42) (hereinafter *Trial Guide*).

⁸ 35 U.S.C. § 316(a)(5) (2011).

⁹ 35 U.S.C. § 316(a)(5) (2011).

¹⁰ 37 C.F.R. § 42.51 (2012).

¹¹ *Trial Rules*, *supra* note 4, at 48,622.

¹² United States Patent and Trademark Office, *supra* note 1.

¹³ 37 C.F.R. § 42.51(a)(1)(i) (2012); *Trial Rules*, *supra* note 4, at 48,622; *Trial Guide*, *supra* note 7, at 48,761.

required because, upon institution of a PGP, the parties may automatically take discovery of the information identified in the initial disclosures.¹⁴

While the Federal Rules of Civil Procedure do not apply in PGPs,¹⁵ the Board has modeled some PGP Rules after the Federal Rules. For example, the Office Patent Trial Practice Guide (“Trial Guide”) explains that when the parties agree to initial disclosures, two options are available, the first of which is modeled after Rule 26(a)(1)(A) of the Federal Rules of Civil Procedure. Specifically, choosing the first option requires disclosure of:

- (1) the name and, if known, the address and telephone number of each individual likely to have discoverable information—along with the subjects of that information—that the disclosing party may use to support its claims or defenses, unless the use would be solely for impeachment; and
- (2) a copy—or a description by category and location—of all documents, electronically stored information, and tangible things that the disclosing party has in its possession, custody, or control and may use to support its claims or defenses, unless the use would be solely for impeachment.¹⁶

The second option is more extensive and focuses on petitioner’s disclosure of information related to its grounds for cancellation based on the existence of an alleged prior non-published public disclosure or based on alleged obviousness.¹⁷ In either case, the petitioner will provide a statement:

- (1) [i]dentifying, to the extent known by the petitioner, the names and information sufficient to contact all persons other than those offering affidavits or declarations who are reasonably likely to know of the alleged prior non-published public disclosure [*or*] likely to have information regarding the secondary indicia of non-obviousness];
- (2) indicating which of such persons are within the control of petitioner, or who have otherwise consented to appear for a testimony in connection with the proceeding;

¹⁴ 37 C.F.R. § 42.51(a)(1)(ii) (2012); *Trial Rules*, *supra* note 4, at 48,622; *Trial Guide*, *supra* note 7, at 48,762.

¹⁵ *BlackBerry Corp. v. Wi-Lan USA Inc.*, IPR2013-00126, Paper 15, at 2 (P.T.A.B. Aug. 19, 2013).

¹⁶ *Trial Guide*, *supra* note 7, at 48,762.

¹⁷ 37 C.F.R. § 42.51(a)(1)(i) (2012); *Trial Guide*, *supra* note 7, at 48,762.

(3) indicating which, if any, of such persons are represented by petitioner's counsel;

(4) identifying all documents and things within petitioner's possession, custody, or control referring to or relating to the alleged prior non-published public disclosure [*or*] referring to or relating to such secondary indicia of non-obviousness]; and

(5) identifying all things relating to the alleged prior non-published public disclosure [*or*] related to the secondary indicia of non-obviousness], including a complete description, photographs, the chemical analysis (if the chemical composition is in issue), and computer code (for computer-related subject matter), and their locations, and whether petitioner will produce such things for inspection, analysis, testing, and sampling.¹⁸

If the parties fail to agree to the mandatory discovery discussed above, a party may seek such discovery by motion.¹⁹

B. Routine Discovery

Routine discovery is evidence and information that a party must provide the opposing party and includes (1) production of any exhibit cited in a paper or testimony, (2) cross-examination of the opposing declarants, and (3) production of relevant information that is inconsistent with a position advanced during the proceeding.²⁰ It is unnecessary to file a motion for routine discovery with the Board or to serve a request for routine discovery with a party.²¹ Instead, parties have the burden to come forward and serve such information.²² If a party has specific reasons to doubt that the opposing party has complied with the requirements of routine discovery, it may communicate those concerns to the party and ask for affirmance that it has complied with those requirements.²³

¹⁸ *Trial Guide*, *supra* note 7, at 48,762.

¹⁹ 37 C.F.R. § 42.51(a)(2) (2012).

²⁰ 37 C.F.R. § 42.51(b)(1) (2012); *Trial Guide*, *supra* note 7, at 48,761; United States Patent and Trademark Office, *supra* note 1.

²¹ *BlackBerry Corp. v. Wi-Lan USA Inc.*, IPR2013-00126, Paper 15, at 2 (P.T.A.B. Aug. 19, 2013); *Nichia Corp. v. Emcore Corp.*, IPR2012-00005, Paper 19, at 2 (P.T.A.B. Mar. 26, 2013).

²² *BlackBerry Corp. v. Wi-Lan USA Inc.*, IPR2013-00126, Paper 15, at 2 (P.T.A.B. Aug. 19, 2013); *Nichia Corp. v. Emcore Corp.*, IPR2012-00005, Paper 19, at 2 (P.T.A.B. Mar. 26, 2013).

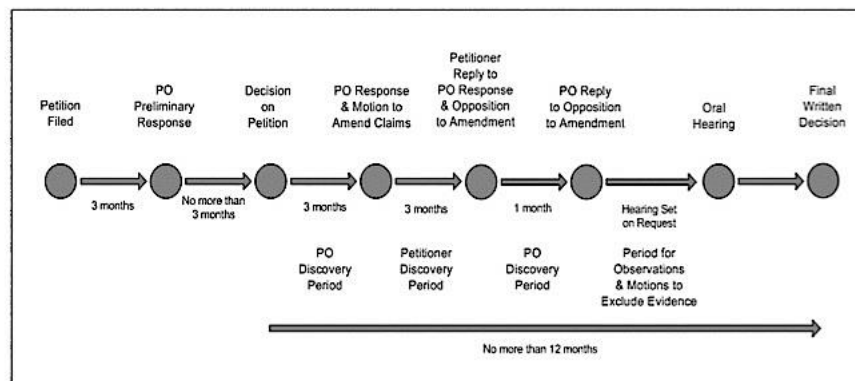
²³ *BlackBerry Corp. v. Wi-Lan USA Inc.*, IPR2013-00126, Paper 15, at 2 (P.T.A.B. Aug. 19, 2013).

1. *Discovery Timeline*

The parties need not seek PTAB's permission for routine discovery. Instead, PTAB's Scheduling Order, which is appended to an institution decision, will set out the deadlines within which discovery should be completed.²⁴ During the initial conference call held about one month from the institution date, PTAB may allow adjustments to that Scheduling Order.²⁵

Unlike district court litigation discovery, where information is simultaneously exchanged among parties, PGP discovery generally advances as a sequence of alternating unilateral disclosures. Usually, each party is allowed a set time for discovery prior to the filing of a pleading (*i.e.*, patent owner's response, petitioner's reply, patent owner's opposition, etc.).²⁶

The Trial Guide provides a hypothetical timeline (reproduced below) within which all discovery is completed, all pleadings and motions are filed and decided, oral hearing is held, and a final written decision is issued—all within the one-year statutory deadline. In the Trial Guide's hypothetical PGP Scheduling Order, the patent owner is allowed three months for discovery beginning from the institution decision up until the filing of its response and motion to amend the claims. The petitioner is then permitted three months for discovery before filing its reply to the patent owner's response and opposition to the proposed amendment. The patent owner proceeds with an additional month of discovery before filing its reply to petitioner's opposition to the proposed amendment.²⁷



2. *Exhibits Cited In a Paper or Testimony*

The first category of routine discovery is directed to “any exhibit cited

²⁴ *Trial Guide*, *supra* note 7, at 48,761.

²⁵ *Id.* at 48,758.

²⁶ *See id.* at 48,757-58.

²⁷ *Trial Guide*, *supra* note 7, at 48,757.

in a paper or in testimony” and does not require a party to create materials or to provide materials not cited.²⁸ A party must serve those exhibits with the paper or testimony unless the exhibits were previously served, both parties agree, or the Board orders otherwise.²⁹

Furthermore, the Board has construed this routine discovery rule to relate to “evidence actually cited in the paper or testimony,” rather than materials merely “relie[d] upon when prepar[ing]” it.³⁰ In *BlackBerry Corp. v. Wi-Lan USA Inc.*, IPR2013-00126, the Board found that not only was Wi-Lan’s “routine discovery” request not required and unauthorized, it also went beyond the limitations on routine discovery of cited exhibits by also requesting exhibits merely “relied upon.”³¹ Section III.E., below, discusses how such information may be more appropriately sought through a motion for additional discovery.

3. Cross-Examination of Declarants

Either party may present uncompelled direct testimony to the Board as an exhibit, but it must submit the testimony in the form of an affidavit.³² Routine discovery includes the cross-examination of affidavit testimony prepared for the proceeding.³³ Accordingly, when a party presents direct testimony of its experts, employees, and non-party witnesses by affidavit, the party should arrange to make those witnesses available for oral, recorded cross-examination.³⁴ Prior authorization from the Board is unnecessary.³⁵ Cross-examination generally takes place after filing of any supplemental evidence relating to the direct testimony and more than a week before filing a paper relying on the cross-examination testimony.³⁶

Unless otherwise stipulated by the parties or ordered by the Board, the default time limits for examination are seven hours for cross-examination, four hours for redirect examination, and two hours for recross-examination.³⁷ The Board may allow additional time if needed to examine the witness fairly

²⁸ 37 C.F.R. § 42.51(b)(1)(i) (2014); *Trial Rules*, *supra* note 4, at 48,622.

²⁹ 37 C.F.R. § 42.51(b)(1)(i) (2014).

³⁰ United States Patent and Trademark Office, *supra* note 1.

³¹ See *BlackBerry Corp. v. Wi-Lan USA Inc.*, IPR2013-00126, Paper 15, at 2 (P.T.A.B. Aug. 19, 2013).

³² 37 C.F.R. § 42.53(a) (2014); *Trial Guide*, *supra* note 7, at 48,772; Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board, 80 Fed. Reg. 28561 (May 19, 2015) (“May 2015 Final Rule Amendments”) at 28563; 37 C.F.R. § 42.2 (2014) (defining affidavit to mean affidavits or declarations under 37 C.F.R. § 1.68 (2014) and to include a transcript of an ex parte deposition or a declaration under 28 U.S.C. § 1746 (2013)).

³³ 37 C.F.R. 42.51(b)(1)(ii) (2014); May 2015 Final Rule Amendments at 28,563.

³⁴ *Trial Guide*, *supra* note 7 at 48,762, 48,772.

³⁵ 37 C.F.R. § 42.53(a) (2014); *Trial Rules*, *supra* note 4, at 48,622.

³⁶ 37 C.F.R. § 42.53(d)(2) (2014); *Trial Guide*, *supra* note 7 at 48,769.

³⁷ 37 C.F.R. § 42.53(c)(2); *Trial Guide*, *supra* note 7 at 48,762, 48,772.

or if the examination is impeded or delayed.³⁸ Occasionally, the Board may require live testimony and order cross-examination to take place in the presence of an administrative patent judge, either at the deposition or oral argument.³⁹

The Trial Guide provides rules for cross-examination outside the presence of the Board. For example, “speaking” objections and “coaching” are prohibited; objections should be concise, non-argumentative, and non-suggestive.⁴⁰ In addition, once the cross-examination has commenced, counsel may not confer with her witness regarding the substance of the testimony, except for the purpose of conferring on whether to assert a privilege or on how to comply with a Board order.⁴¹

4. *Inconsistent Statements*

The Trial Guide provides examples of inconsistent statements that are subject to routine discovery.⁴² A party is required to produce any non-privileged work undertaken by or on behalf of the party that is inconsistent with its experts’ testimony.⁴³ For example, “where a petitioner relies upon an expert affidavit alleging that a method described in a patent cannot be carried out, the petitioner would be required to provide any non-privileged work undertaken by, or on behalf of, the petitioner that is inconsistent with the contentions in the expert’s affidavit.”⁴⁴ In addition, “where a patent owner relies upon surprising and unexpected results to rebut an allegation of obviousness, the patent owner should provide the petitioner with non-privileged evidence that is inconsistent with the contention of unexpected properties.”⁴⁵

The Board has interpreted “information inconsistent with” to exclude from routine discovery “documents and things *relating to* information that is inconsistent with.” In *BlackBerry Corp. v. Wi-Lan USA Inc.*, IPR2013-00126, the Board also found *Wi-Lan’s* Request for Documents and Things “*relating to* information that is inconsistent with” to have deviated from the routine discovery requirement for “information inconsistent with.”⁴⁶

In *Aker Biomarine AS v. Neptune Tech & Bioresources Inc.*, IPR2014-00003, petitioner Aker filed a Motion to Compel Additional Discovery

³⁸ *Trial Guide*, *supra* note 7, at 48,772.

³⁹ *Id.* at 48,762.

⁴⁰ *Id.* at 48,772.

⁴¹ *Id.*

⁴² *See id.* at 48,761.

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ *See BlackBerry Corp. v. Wi-Lan USA Inc.*, IPR2013-00126, Paper 15, at 2 (P.T.A.B. Aug. 19, 2013).

seeking additional discovery from patent owner, Neptune.⁴⁷ Of the five requests by Aker, two were sought for the reason that they related to testimony and documents that were inconsistent with prior positions taken by Neptune. In a first instance, Aker requested additional discovery of certain transcripts of the sole inventor of the involved patent,⁴⁸ and in another, additional discovery of a deposition transcript and associated exhibits.⁴⁹ In both instances, the only reason provided by Aker was that the evidence showed inconsistent positions of Neptune.

The Board denied both requests because, according to 37 C.F.R. §42.51(b)(1)(iii), Neptune was obligated to provide that information to Aker as part of its required disclosures.⁵⁰ The Board explained that both parties are subject to the “ongoing, self-executing obligations of routine discovery,” and that “routine discovery under Rule 42.51(b)(1) includes ‘relevant information that is inconsistent with a position advanced by a party.’”⁵¹ Legally recognized privileges such as attorney–client or attorney work product remain non-discoverable, even if inconsistent.⁵² Here, where Aker did not provide an alternative reason for additional discovery, the Board denied the requests, concluding “to the extent Neptune has knowledge of non-privileged information that is inconsistent with its position . . . it is already obliged to provide that information to Aker”⁵³

In *Intri-Plex Tech, Inc. v. Saint-Gobain Performance Plastics Rencol Ltd.*, IPR2014-00309,⁵⁴ petitioner Intri-Plex requested additional discovery from patent owner Saint-Gobain relating to three items of information that Intri-Plex argued contained information having relevant information inconsistent with certain assertions made by Saint-Gobain.⁵⁵ The first request was for all papers and/or electronic documents having relevant information inconsistent with its assertion that the introduction of Intri-Plex’s product caused Saint-Gobain’s sales to decline.⁵⁶ The second related to all papers and/or electronic documents having relevant information inconsistent with Saint-Gobain’s assertion that a certain figure in the patent was known only to the inventors, and not to others, prior to the priority date

⁴⁷ See *Aker Biomarine AS v. Neptune Tech & Bioresources Inc.*, IPR2014-00003, Paper 93 (P.T.A.B. Oct. 6, 2014).

⁴⁸ See *id.* at 5.

⁴⁹ See *id.* at 7.

⁵⁰ *Id.* at 6, 8 (citing *Garmin Int’l, Inc. v. Patent of Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, slip op. at 3-4 (P.T.A.B. Mar. 5, 2013)).

⁵¹ *Id.* at 5-6.

⁵² *Id.*

⁵³ *Id.*

⁵⁴ See generally *Intri-Plex Tech, Inc. v. Saint-Gobain Performance Plastics Rencol Ltd.*, IPR2014-00309, Paper 40 (P.T.A.B. Sept. 4, 2014).

⁵⁵ *Id.* at 2-3.

⁵⁶ *Id.* at 2.

of the patent.⁵⁷ The third request related to all papers and/or electronic documents having relevant information inconsistent with Saint-Gobain's assertion that a certain mistake was made during prosecution of the involved patent.⁵⁸

As in *Aker v. Neptune*, IPR2014-00003,⁵⁹ the Board denied all three requests, because routine discovery includes production of any exhibit cited in a paper or in testimony and relevant information that is inconsistent with a position advanced during the proceeding.⁶⁰ The Board further indicated that routine discovery is narrowly directed to "specific information known to the responding party to be inconsistent with a position advanced by that party in the proceeding, and not broadly directed to any subject area in general which the requesting party hopes to discover such inconsistent information."⁶¹ Because Intri-Plex had not provided the Board with any evidence that the requested information indeed contained inconsistent statements,⁶² and also because Intri-Plex had not provided the Board with any evidence that Saint-Gobain had not already produced specific information relating to the inconsistent positions,⁶³ the requests for additional discovery were denied.

In *Int'l Sec. Exch., LLC v. Chicago Board Options Exch., Inc.*, IPR2014-00097,⁶⁴ patent owner Chicago Board filed a motion for additional discovery of the prosecution history of one of petitioner ISE's patent applications, which had been abandoned and therefore was not available to the public.⁶⁵ ISE did not oppose the motion.⁶⁶ Chicago Board argued that in the prosecution history, ISE made statements about a prior art reference asserted in present IPR that were inconsistent with positions taken by ISE in its petitions.⁶⁷ The Board granted the motion because the factors set forth in *Garmin* were satisfied such that additional discovery was necessary in the interests of justice.⁶⁸ The Board found that Chicago Board's request was

⁵⁷ *Id.*

⁵⁸ *Id.* at 3.

⁵⁹ See *Aker Biomarine AS v. Neptune Tech & Bioresources Inc.*, IPR2014-00003, Paper 93 (P.T.A.B. Oct. 6, 2014).

⁶⁰ *Intri-Plex Tech, Inc. v. Saint-Gobain Performance Plastics Rencol Ltd.*, IPR2014-00309, Paper 40, at 3 (P.T.A.B. Sept. 4, 2014) (citing *Trial Guide* at 48,761).

⁶¹ *Id.* at 3-4 (citing *Garmin Int'l, Inc. v. Patent of Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, slip op. at 4 (P.T.A.B. Mar. 5, 2013)).

⁶² *Id.* at 3.

⁶³ *Id.* at 4.

⁶⁴ See *Int'l Sec. Exch., LLC v. Chi. Board Options Exch., Inc.*, IPR 2014-00097, Paper 20 (P.T.A.B. July 14, 2014).

⁶⁵ *Id.* at 2.

⁶⁶ *Id.* at 3.

⁶⁷ *Id.* at 2.

⁶⁸ *Id.* at 3.

“narrow, easily understandable and not unduly burdensome, and demonstrate[ed] more than a mere possibility of uncovering something useful.”⁶⁹ The Board also noted that because the file history was unpublished, it represented something that Chicago Board could not obtain reasonably without a discovery request.⁷⁰

Additional discovery for the sole reason that it contains information relating to inconsistent statements should be accompanied by evidence that the additional information indeed contains an inconsistent statement, as well as evidence that that inconsistent statement was not already produced according to “routine discovery” as outlined in Rule 42.51(b)(1)(iii).

III. ADDITIONAL DISCOVERY

The third category of discovery in post-grant proceedings is “additional discovery.”⁷¹ At times, PTAB has recharacterized a request for “routine discovery” as a request for “additional discovery” when it determined that the requested discovery was not in fact routine discovery under Rule 42.51(b)(1).⁷²

The forms of available “additional discovery” extend at least as far as those identified in the Federal Rules of Civil Procedure.⁷³ Examples of sought discovery have included privilege logs,⁷⁴ personal depositions,⁷⁵ third-party depositions,⁷⁶ corporate depositions,⁷⁷ interrogatories,⁷⁸ document requests,⁷⁹ and requests for admission.⁸⁰ While PTAB may not have yet granted a request for additional discovery directed to some of these forms of discovery, PTAB has not admonished any requesting party for

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ 37 C.F.R. § 42.51(b)(2) (2014).

⁷² *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00043, Paper 27, at 3 (P.T.A.B. June 21, 2013); *Apple Inc. v. Smartflash, LLC*, CBM2015-00029, Paper 22, at 3 (P.T.A.B. July 24, 2015).

⁷³ *Trial Guide*, *supra* note 7 at 48,761.

⁷⁴ *CB Distributors, Inc. v. Fontem Holdings 1 BV*, IPR2014-01529, Paper 19, at 2 (P.T.A.B. May 26, 2015).

⁷⁵ *Zerto Inc. v. EMC Corp.*, IPR 2014-01254 WL 981664, Paper 15, at 8-9 (P.T.A.B. Nov. 25, 2014).

⁷⁶ *SMART Modular Tech., Inc. v. Netlist*, IPR2014-01372, Paper 24, at 3 (P.T.A.B. July 7, 2015).

⁷⁷ *Synopsys, Inc. v. Mentor Graphics Corp.*, IPR2012-00042, Paper 24, at 2 (P.T.A.B. Apr. 23, 2013); *Garmin Int'l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2014-0001, Paper 26, at 2 (P.T.A.B. Mar. 5, 2013).

⁷⁸ *Unified Patents Inc. v. Clouding IP, LLC*, IPR2013-00586, Paper 12, at 2-3 (P.T.A.B. Apr. 22, 2014).

⁷⁹ *See Zodiac Pool Sys, Inc. v. Aqua Prod., Inc.*, IPR2013-00159, Paper 26, at 2 (P.T.A.B. Oct. 18, 2013).

⁸⁰ *Id.*

seeking an inappropriate form of discovery. As to subpoenas, the Board does not have authority to issue a subpoena to compel testimony.⁸¹ Rather, such discovery must be compelled through a subpoena issued by a district court.⁸²

A. *Standard Applied*

While the scope of additional discovery theoretically is broad, in practice it is quite narrow. The AIA legislative history reports that additional discovery should be confined to “particular limited situations, such as minor discovery that PTO finds to be routinely useful, or to discovery that is justified by the special circumstances of the case.”⁸³ Limited discovery was seen to lower the costs, minimize complexity, and shorten the period for resolving the disputes—conditions necessary given the short discovery periods and the one-year statutory deadline to complete post-grant reviews.⁸⁴

This is reflected in the conservative standards applied by PTAB in reviewing motions for additional discovery. In IPRs and derivation cases, PTAB applies an interests-of-justice standard.⁸⁵ In PGRs and CBMs, PTAB applies a more liberal good-cause standard.⁸⁶ The different standards are said to reflect “the more limited scope of issues raised in IPR petitions, i.e., grounds that could be raised under §§ 102 or 103 based on patents or printed publications, as compared with PGR petitions.”⁸⁷

It is the preference of PTAB that the parties work together to arrive at a reasonable scope of discovery.⁸⁸ However, if there is no agreement, the party seeking discovery must file a motion to obtain the discovery that meets these standards.⁸⁹

B. *The “Interests of Justice” Standard*

The interests-of-justice standard is not new to proceedings at the U.S. Patent and Trademark Office.⁹⁰ For example, the interests-of-justice

⁸¹ *Amneal Pharm, LLC v. Endo Pharm Inc.*, IPR2014-00360, Paper 39, at n.1 (P.T.A.B. Dec. 3, 2014).

⁸² 35 U.S.C. § 24 (2012); *see also* *Alt. Legal Solutions, Inc. v. Emp’t Law Compliance*, IPR2014-00562, Paper 22, at 3-4 (P.T.A.B. Dec. 2, 2014).

⁸³ 154 CONG. REC. S9988–89 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl).

⁸⁴ 35 U.S.C. § 316(a)(11) (2011); 35 U.S.C. § 326(a)(11) (2011); *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 5 (P.T.A.B. Mar. 5, 2013).

⁸⁵ *Trial Guide*, *supra* note 7, at 48,761; 37 C.F.R. § 42.51(b)(2)(i) (2012); 35 U.S.C. § 316(a)(5) (2011).

⁸⁶ *Trial Guide*, *supra* note 7, at 48,761; 37 C.F.R. § 42.51(b)(2)(i) (2012); 37 C.F.R. § 42.224(a) (2012).

⁸⁷ United States Patent and Trademark Office, *supra* note 1 (citing 35 U.S.C. § 311(b) (2012)).

⁸⁸ *See* 37 C.F.R. § 42.51(b)(2)(i) (2012).

⁸⁹ *Id.*

⁹⁰ *See e.g.*, 37 C.F.R. § 41.150(c) (2012).

standard has been applied in interference proceedings for decades.⁹¹ With respect to whether additional discovery is “necessary in the interests of justice” in AIA post-grant proceedings, PTAB identified, in the very first IPR, *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, a set of five factors to be considered. These so-called *Garmin* factors are:

1. the request is more than a possibility and mere allegation;
2. the request does not seek the litigation positions and their underlying basis;
3. the requester does not have the ability to generate equivalent information by other means;
4. the request has easily understandable instructions; and
5. the request is not overly burdensome to answer.⁹²

Arguably, these factors are nonexclusive. However, it is not apparent that PTAB has yet found a need to consider additional factors.

PTAB has applied these five factors in a wide variety of subjects for additional discovery, including: real party-in-interest/privity,⁹³ secondary considerations,⁹⁴ bases for expert testimony,⁹⁵ institution limits under 35 U.S.C. § 315(b),⁹⁶ inconsistent positions,⁹⁷ and compelling depositions.⁹⁸

1. More Than a Possibility and Mere Allegation

Before a U.S. district court, it is sufficient for a requesting party to simply allege that the discovery sought is relevant to a claim or defense or

⁹¹ McKelvey, “Discovery Before the Board of Patent Interference,” 58 J. PAT. OFF. SOC’Y 186, 193 (1976).

⁹² *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 6-7 (P.T.A.B. Mar. 5, 2013).

⁹³ *See Arris Grp, Inc. v. C-Cation Techs., LLC*, IPR2014-00746, Paper 15, at 3–4 (P.T.A.B. July 2014).

⁹⁴ *See Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 8 (P.T.A.B. Mar. 5, 2013).

⁹⁵ *See Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00043, Paper 27, at 4 (P.T.A.B. June 2013).

⁹⁶ *See Synopsys, Inc. v. Mentor Graphics Corp.*, IPR2012-00042, Paper 24, at 3 (P.T.A.B. Apr. 23, 2013).

⁹⁷ *See Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00043, Paper 27, at 6-7 (P.T.A.B. June 2013).

⁹⁸ *See Mexichem Amanco Holdings S.A. de C.V. v. Honeywell Int’l, Inc.*, IPR2013-00576, Paper 36, at 2 (P.T.A.B. Sept. 5, 2014).

that it is reasonably calculated to lead to the discovery of admissible evidence.⁹⁹ That is not the case before PTAB. In *Garmin*, PTAB applied a more restrictive standard, usefulness.¹⁰⁰ “[U]seful’ . . . does not mean merely ‘relevant’ or ‘admissible.’ . . . [but rather] means favorable in substantive value to a contention of the party moving for discovery.”¹⁰¹

When seeking discovery, the requesting party must identify the party’s contention to which the additional discovery is alleged to be useful and explain how it would be useful.¹⁰² If the requesting party “has failed to clearly and consistently articulate why it needs the discovery in the first instance, the Board cannot grant the request.”¹⁰³ For example, in *Synopsys, Inc. v. Mentor Graphics Corp.*, IPR2012-00042, the patent owner requested additional discovery regarding the applicability of the 35 U.S.C. § 315(b) bar, but failed to show how the requested discovery was useful to that contention.¹⁰⁴ Similarly, in *Garmin*, Cuozzo sought information to identify Garmin’s privies and yet failed to explain how such information would be useful with respect to any of its contentions.¹⁰⁵

The mere possibility or allegation that additional discovery may lead to something useful is insufficient to demonstrate that the requested discovery is necessary in the interests of justice. For PTAB to grant additional discovery, the requesting party must *already* possess evidence tending to show that in fact something useful will be uncovered.¹⁰⁶ While this threshold does not require conclusive evidence, mere speculation will not suffice.¹⁰⁷

For example in *Garmin*, the requesting party had sought additional discovery related to various secondary indicia of nonobviousness. However, PTAB found that Cuozzo failed to offer evidence, let alone sufficient reasoning, to show that it was more than mere speculation that Garmin had copied, or that Garmin had attempted but failed to develop a similar device, or that Garmin had achieved success because of an inventive feature recited in the claims.¹⁰⁸ In *Apple Inc. v. Achates Reference Publ’g, Inc.*,

⁹⁹ FED. R. CIV. P. 26(b)(1).

¹⁰⁰ See *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 6-7 (P.T.A.B. Mar. 5, 2013).

¹⁰¹ *Id.* at 7.

¹⁰² See *Synopsys, Inc. v. Mentor Graphics Corp.*, IPR2012-00042, Paper 24, at 3 (P.T.A.B. Apr. 23, 2013).

¹⁰³ *Id.* at 4.

¹⁰⁴ *Id.* at 3-4.

¹⁰⁵ *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 12-13 (P.T.A.B. Mar. 5, 2013).

¹⁰⁶ *Id.* at 6.

¹⁰⁷ *Microsoft Corp. v. Proxyconn, Inc.*, IPR2012-00026, Paper 32, at 5 (P.T.A.B. Mar. 8, 2013).

¹⁰⁸ *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 8 (P.T.A.B. Mar. 5, 2013); see also *Microsoft Corp. v. Proxyconn, Inc.*, IPR2012-00026, Paper

IPR2013-00080, Achates sought additional discovery of agreements between Apple and its co-defendants in a related litigation.¹⁰⁹ To justify the discovery, Achates presented evidence of a software development kit agreement, contending that this type of document established Apple to be in privity with other companies.¹¹⁰ Despite this evidence, PTAB denied discovery, in part because Achates provided no evidence that the co-defendants had signed such a document.¹¹¹

PTAB also has granted discovery in view of the first factor. For example, in *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00043, PTAB granted discovery regarding laboratory notebooks related to a declarant's testing.¹¹² PTAB noted that a reference to testing in a declaration does not obligate production as part of routine discovery.¹¹³ However, PTAB agreed with DSM that the details of the procedures used to synthesize and test the samples were "per se useful," since Corning's expert relied on those details to reach a conclusion of unpatentability.¹¹⁴

Accordingly, factor (1) places a heavy burden on the requesting party to justify the additional discovery. It is likely that only when there is a related pending litigation will a requesting party have the evidence necessary to show that the additional discovery is not speculative. However, counsel should check the laws regarding protective orders in the district court. Protective orders often restrict the "use" of the confidential information to use in the proceeding in which the confidential information has been produced.¹¹⁵ It may be a violation of the protective order to consider confidential information from one matter in the context of discovery for another matter.

2. *Litigation Positions and Underlying Basis*

In *Garmin*, Cuozzo sought discovery that often is requested in district court litigation: "Documents [y]ou intend to rely upon at trial or have

32, at 4-5 (P.T.A.B. Mar. 8, 2013); *Palo Alto Networks, Inc. v. Juniper Networks, Inc.*, IPR2013-00369, Paper 36, at 3-6 (P.T.A.B. Feb. 5, 2014); *Schott Gemtron Corp. v. SSW Holding Co.*, IPR2013-00358, Paper 43, at 4 (P.T.A.B. Feb. 14, 2014).

¹⁰⁹ *Apple Inc. v. Achates Reference Publ'g, Inc.*, IPR2013-00080, Paper 18, at 2 (P.T.A.B. Apr. 13, 2013).

¹¹⁰ *Id.* at 4.

¹¹¹ *Id.* at 5.

¹¹² *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00043, Paper 27, at 2 (P.T.A.B. June 21, 2013).

¹¹³ *Id.* at 3.

¹¹⁴ *Id.* at 4.

¹¹⁵ See e.g., *Trial Guide*, *supra* note 7, at 48,771 ("Confidential information received in a proceeding, however, may not be used in any other Office proceeding in which the providing party is not also a party.").

provided or intend to provide to an expert witness or declarant.”¹¹⁶ PTAB found that asking for the other party’s litigation positions and the underlying basis for those positions is “not necessary in the interests of justice.”¹¹⁷ PTAB reasoned that rules already existed that control when arguments and evidence are to be presented and that a party cannot try to alter those rules under the pretext of additional discovery.¹¹⁸ A party need only produce what the party and the declarant relied upon in making the arguments and testimony and any information inconsistent with positions that were advanced.¹¹⁹

Unlike factor (1), factor (2) rarely has been addressed following the *Garmin* decision. In part, parties likely have recognized the limited usefulness of such discovery in PTAB proceedings.

3. Ability to Generate Equivalent Information by Other Means

In *Garmin*, PTAB held that information a party can reasonably figure out, generate, obtain, or assemble without a discovery request would not be in the interests of justice.¹²⁰ In particular, the requesting party needs to explain why equivalent information could not be obtained by another means, such as from public sources or internally.¹²¹ This factor has been relatively easy to apply in the interests-of-justice analysis.

For example, PTAB denied Cuozzo’s request for information regarding long-felt need because that information presumably should have been publicly available or available through a market survey by Cuozzo.¹²² Similarly, in *Microsoft Corp. v. Proxyconn, Inc.*, IPR2012-00026, PTAB denied Proxyconn’s request for additional discovery on secondary indicia of nonobviousness, because much of the evidence should already be publicly available, such as pricing information, product reviews, promotional materials, and awards.¹²³ In *Corning*, PTAB denied DSM’s request for the samples tested by Corning’s declarant.¹²⁴ DSM failed to show that it could

¹¹⁶ *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 13 (P.T.A.B. Mar. 5, 2013).

¹¹⁷ *Id.* at 6.

¹¹⁸ *Id.*

¹¹⁹ 37 C.F.R. § 42.51(b)(1)(i) (2014); 37 C.F.R. § 42.51(b)(1)(iii) (2014).

¹²⁰ *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 6 (P.T.A.B. Mar. 5, 2013).

¹²¹ *Synopsys, Inc. v. Mentor Graphics Corp.*, IPR2012-00042, Paper 24, at 6 (P.T.A.B. Apr. 25, 2013).

¹²² *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 6 (P.T.A.B. Mar. 5, 2013).

¹²³ *Microsoft Corp. v. Proxyconn, Inc.*, IPR2012-00026, Paper 32, at 6 (P.T.A.B. Mar. 8, 2013).

¹²⁴ *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00052, Paper 27, at 5–6 (P.T.A.B. June 21, 2013).

not generate the samples within the discovery period and that it could derive the needed information from the notebooks for which PTAB had granted discovery.¹²⁵

4. *Easily Understandable Instructions*

PTAB has found that the interests of justice require that not only should the discovery requests be easily understandable, the instructions for answering those requests should be as well.¹²⁶ In particular, PTAB concluded that ten pages of complex instructions are *prima facie* unclear.¹²⁷ They are counterproductive, tending to undermine the responding party's ability to answer efficiently, accurately, and confidently.¹²⁸ Essentially, if it takes ten pages to explain what you are seeking, the requests themselves must not be clear. In *Garmin*, PTAB concluded that two pages of instructions were understandable and not unreasonable.¹²⁹

Like factor (1), factor (4) addresses practices seen in district court litigation, where extensive instructions with lists of defined terms are commonplace. Since additional discovery is expected to be limited, the instructions should also be limited.

5. *Requests Not Overly Burdensome to Answer*

Given, in part, the short discovery periods associated with post-grant proceedings, PTAB determined that the interests of justice require that the additional discovery not impose an undue burden on the responding party.¹³⁰ PTAB considers at least the financial burden, the burden on human resources, and the burden to comply within the given time schedule.¹³¹ Hence, there is an expectation that the requests will be sensible and responsibly tailored, according to a genuine need of the requesting party.¹³² Where a requesting party has not shown that it has narrowly tailored the requests to reduce the burden on the producing party, additional discovery may be denied.¹³³ It is advised that requesting parties include time limits, precise and focused language, and not seek "any" or "all" documents

¹²⁵ *Id.* at 6.

¹²⁶ *Garmin Int'l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 6 (P.T.A.B. Mar. 5, 2013).

¹²⁷ *Id.*

¹²⁸ *Id.* at 6-7.

¹²⁹ *Id.* at 14.

¹³⁰ *Id.* at 7.

¹³¹ *Id.* at 14.

¹³² *Id.*

¹³³ *Synopsys, Inc. v. Mentor Graphics Corp.*, IPR2012-00042, Paper 24, at 7 (P.T.A.B. Apr. 25, 2013).

“relating” or “referring” to the subject.¹³⁴

As the moving party, the party seeking discovery bears the burden of proving that it is entitled to the requested relief.¹³⁵ However, PTAB effectively relies upon the producing party to establish that factor (5) weighs against additional discovery. In *Garmin*, for example, PTAB denied the discovery in view of Garmin’s determination that it would need to expend hundreds of hours and tens of thousands of dollars to comply with the requests.¹³⁶

The burden however is not necessarily quantifiable. For example, in *Corning*, PTAB denied additional discovery for samples because Corning had only a small amount remaining since the testing was destructive by nature.¹³⁷ In *Mexichem Amanco Holdings S.A. de C.V. v. Honeywell Int’l, Inc.*, IPR2013-00576, PTAB denied additional discovery in the form of a deposition of a declarant.¹³⁸ Petitioner had submitted a declaration, which had been submitted in a related *inter partes* reexamination.¹³⁹ PTAB acknowledged that the *Garmin* factors (except the fifth) favored discovery; the declarant was not under petitioner’s control and resided outside the U.S., which would have required a subpoena and/or invoking the Hague Convention.¹⁴⁰ Notably, while PTAB would not compel discovery, it stated that it would “give that Declaration little or no weight as Patent Owner has not been offered a fair opportunity to challenge his testimony [by making the witness available for cross-examination].”¹⁴¹

Even where the requests may be otherwise reasonable, requests for additional discovery may be denied when they are made late in the discovery period. PTAB has often denied requests that were made with days and even weeks before the end of the discovery period.¹⁴² When timing its requests

¹³⁴ *Microsoft Corp. v. Proxycorn, Inc.*, IPR2012-00026, Paper 32, at 6 (P.T.A.B. Mar. 8, 2013); *Seoul Semiconductor Co. v. Enplas Corp.*, IPR2014-00605, Paper 17, at 6-7 (P.T.A.B. Nov. 5, 2014); *see also Schott Gemtron Corp. v. SSW Holding Co., Inc.*, IPR2013-00358, Paper 43, at 6-7 (P.T.A.B. Feb. 14, 2014) (objecting to “not limited to” language).

¹³⁵ *Palo Alto Networks, Inc. v. Juniper Networks, Inc.*, IPR2013-00369, Paper 36, at 3 (P.T.A.B. Feb. 5, 2014) (citing 37 C.F.R. § 42.20(c) and § 42.51(b)(2) (2014)).

¹³⁶ *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 15 (P.T.A.B. Mar. 5, 2013).

¹³⁷ *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00052, Paper 27, at 5-6 (P.T.A.B. June 21, 2013).

¹³⁸ *Mexichem Amanco Holdings S.A. de C.V. v. Honeywell Int’l, Inc.*, IPR2013-00576, Paper 36, at 2 (P.T.A.B. Sept. 5, 2014).

¹³⁹ *Id.*

¹⁴⁰ *Id.*

¹⁴¹ *Id.* at 3.

¹⁴² *Apple Inc. v. Achates Reference Publishing, Inc.*, IPR2013-00080, Paper 18, at 7 (P.T.A.B. Apr. 13, 2013) (denied when request was one week before response due date); *Alternative Legal Solutions, Inc. v. Employment Law Compliance, Inc.*, IPR2014000562, Paper 22, at 5-6 (P.T.A.B. Dec. 2, 2014) (denied when request was 11 days before response

for additional discovery, the requesting party must consider the time that will be needed to meet and confer regarding the requests, the time to initiate and conduct a conference call with PTAB, and (if granted) the time needed to brief a motion seeking additional discovery. Hence, requesting parties are advised to identify desired additional discovery early in the discovery period.¹⁴³

C. The “Good Cause” Standard

All AIA post-grant proceedings “share the same public policy, statutory, and regulatory considerations of discovery.”¹⁴⁴ However, the good-cause standard of CBMs and PGRs is a slightly more liberal standard than the interests-of-justice standard for IPRs and derivation proceedings.¹⁴⁵ The different standards reflect that the scope of issues raised in an IPR is limited to grounds that could be raised under §§ 102 or 103 based on patents or printed publications.¹⁴⁶

In light of the common public policy, statutory, and regulatory considerations, the Office promulgated Rule 42.224 on discovery in PGRs:

Discovery is limited to evidence directly related to factual assertions advanced by either party in the proceeding.¹⁴⁷

So, when PTAB decided to apply the five *Garmin* factors, they needed to be “slightly modif[i]ed.”¹⁴⁸ Again, the *Garmin* factors are:

1. the request is more than a possibility and mere allegation;
2. the request does not seek the litigation positions and their underlying basis;
3. the requester does not have the ability to generate equivalent

due date); *Schott Gemtron Corp. v. SSW Holding Co., Inc.*, IPR2013-00358, Paper 43, at 7 (P.T.A.B. Feb. 14, 2014) (denied when request was 22 days before response due date).

¹⁴³ *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 15–16 (P.T.A.B. Mar. 5, 2013) (appropriate to seek discovery five weeks after institution of proceeding).

¹⁴⁴ *Bloomberg Inc. v. Markets-Alert Pty Ltd.*, CBM2013-00005, Paper 32, at 4 (P.T.A.B. May 29, 2013).

¹⁴⁵ *Trial Guide*, *supra* note 7, at 48,761; 37 C.F.R. § 42.51(b)(2)(i) (2012); 37 C.F.R. § 42.224(a) (2012).

¹⁴⁶ *See* United States Patent and Trademark Office, *supra* note 1; 35 U.S.C. § 311(b), 321(b) (2012).

¹⁴⁷ 37 C.F.R. § 42.224(b) (2012).

¹⁴⁸ *Bloomberg Inc. v. Markets-Alert Pty Ltd.*, CBM2013-00005, Paper 32, at 4 (P.T.A.B. May 29, 2013).

information by other means;

4. the request has easily understandable instructions; and
5. the request is not overly burdensome to answer.¹⁴⁹

Specifically, the modification comes with respect to factor (1). While “useful” remains to mean favorable to a contention of the party moving for discovery, PTAB determined that a “good cause showing requires the moving party to provide a specific factual reason for expecting reasonably that the discovery will be ‘useful.’”¹⁵⁰

For example, in *Bloomberg Inc. v. Markets-Alert Pty Ltd.*, CBM2013-00005, PTAB granted additional discovery with respect to documents and things considered by the declarant that had not already been produced.¹⁵¹ In particular, PTAB noted that “Markets-Alert sufficiently demonstrates specific factual reasons for expecting that there are other items which the defendant relied on in providing the declaration.”¹⁵² PTAB, however, denied additional discovery regarding secondary considerations of nonobviousness because “Markets-Alert fail[ed] to provide a specific factual reason or evidence for expecting that the discovery w[ould] be ‘useful.’”¹⁵³ Rather, the arguments were deemed to be “speculative and not meaningful.”¹⁵⁴

Thus, whereas the good-cause standard means that PTAB requires a requesting party to show a specific factual reason to justify the additional discovery, the interests-of-justice standard means that PTAB requires the requesting party to address a broader range of relevant factors.

D. PTAB Practical Considerations

Aside from the five *Garmin* factors, the Board may consider practical aspects when deciding whether to grant a party’s request for additional discovery. In fact, Administrative Patent Judges are permitted “wide latitude in administering the proceedings to balance the ideal of precise rules against the need for flexibility to achieve reasonably fast, inexpensive, and fair proceedings.”¹⁵⁵ In a “boardside chat,” PTAB Chief Judge James Smith raised several practical points regarding requests for discovery:

¹⁴⁹ See *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 6-7 (P.T.A.B. Mar. 5, 2013).

¹⁵⁰ *Bloomberg Inc. v. Markets-Alert Pty Ltd.*, CBM2013-00005, Paper 32, at 5 (P.T.A.B. May 29, 2013).

¹⁵¹ *Id.* at 6.

¹⁵² *Id.*

¹⁵³ *Id.* at 10.

¹⁵⁴ See *id.*

¹⁵⁵ *Trial Rules*, *supra* note 4, at 48,616 (citing 37 C.F.R. §§ 42.5(a) and (b) (2012)).

1. the Board encourages timely, abbreviated discovery to ensure effective management of a large docket of cases and completion of the reviews within 12 months after institution;
2. requests for discovery should clearly demonstrate the information being sought and avoid “fishing expeditions” that are sometimes possible in district court; and
3. the Board discourages discovery requests where harassment is a purpose.¹⁵⁶

The Board has also addressed some of these factors in its decisions, such as timing and discouraging “fishing expeditions.”

1. Timeliness

Timing is clearly an important factor in PGP discovery—from the Scheduling Order that lays out the timeline for routine discovery to the Board’s 12-month statutory deadline—the Board is focused on a timely and abbreviated discovery. In *Apple Inc. v. SightSound Tech., LLC*, CBM2013-00020, -00023, the Board denied patent owner SightSound’s motion for additional discovery pertaining to commercial success and copying, in part because such discovery would delay the trial schedule, contrary to the PGP’s goal of “an efficient, streamlined alternative to litigation, completed within one year of institution.”¹⁵⁷ Moreover, the Board found that SightSound failed to sufficiently explain how, if its request were granted, the proceedings could have been completed within the one-year time frame.¹⁵⁸

The Board’s attention to timing is also evident with respect to when it allows additional discovery. In *Apple Inc. v. Achates Reference Publ’g, Inc.*, IPR2013-00080, -00081, the patent owner Achates sought additional discovery allegedly relevant to determining whether petitioner Apple’s co-defendants in a related litigation filed in 2011 were real parties-in-interest or privies of Apple.¹⁵⁹ The Board denied Achates’s motion, finding that the evidence and argument Achates presented amounted to mere allegation and

¹⁵⁶ Ryan Davis, *PTAB Chief Judge Offers Tips on AIA Discovery, Amendments*, LAW360, (Feb. 3, 2015), <https://www.law360.com/articles/615912/print?section=ip> [http://perma.cc/2L9E-EX8M].

¹⁵⁷ *Apple Inc. v. SightSound Techs, LLC*, CBM2013-00020, -00023, Paper 36, at 2, 6 (P.T.A.B. Dec. 11, 2013).

¹⁵⁸ *Id.* at 6.

¹⁵⁹ *Apple Inc. v. Achates Reference Publishing, Inc.*, IPR2013-00080, Paper 18, at 2 (P.T.A.B. Apr. 13, 2013).

speculation.¹⁶⁰ The Board also considered Achates's delay in filing its motion:

Achates's delay in requesting additional discovery weighs against granting the motion. As the plaintiff in the related litigation filed in 2011, Achates was well aware of the relevant dates on which Apple and the co-defendants were served with a complaint, but waited until nearly three months after Apple's petitions were filed and one week prior to the due date for its preliminary responses to make its request.¹⁶¹

Seeking additional discovery too early in the proceedings can result in the Board denying authorization to file a motion for additional discovery. In *Microsoft Corp. v. Surfcaster, Inc.*, IPR2013-00292, during an initial conference call, petitioner Microsoft sought to file a motion for additional discovery with respect to deposition transcripts and exhibits relevant to patent owner Surfcaster's potential earlier conception, diligence, and/or reduction to practice of the claimed invention.¹⁶² The Board denied without prejudice Microsoft's request, noting that it was premature because Surfcaster had not yet filed its patent owner response or sought to antedate the prior art relied upon in the institution decision.¹⁶³

The Board obviously finds the timeliness of discovery important. From the *Apple* and *Microsoft* decisions, it appears that the Board considers the discovery windows to apply to not only to routine discovery, but also additional discovery. As a result, the timing of a party's request for additional evidence is important. A party should avoid presenting its request too late during the discovery window or proposing such discovery before its discovery window opens. In summary, a party should submit its request for additional discovery reasonably soon after first notice of an issue and sufficiently early within its discovery window to allow time for briefing, as well as the discovery, should the Board grant its request.

2. Avoid "Fishing Expeditions"

As discussed in section III.B. above, motions may run afoul of the *Garmin* factors if they seek unnecessary discovery, contain overly broad requests for information, or are based on a possibility or mere allegation. The Board likewise has cautioned that a motion for additional discovery "is

¹⁶⁰ *Id.* at 7.

¹⁶¹ *Id.*

¹⁶² *Microsoft Corp. v. Surfcaster, Inc.*, IPR2013-00292, Paper 25, at 2 (P.T.A.B. Dec. 31, 2013).

¹⁶³ *Id.* at 2-3.

not an opportunity to enter into a ‘fishing expedition’ in the hopes that something will emerge that will aid a party’s case.”¹⁶⁴ Instead, “a party requesting additional information must already be in possession of a threshold amount of evidence or reasoning beyond speculation that useful material will be uncovered.”¹⁶⁵ To avoid appearance of an unlicensed fishing expedition, a party should clearly demonstrate in its motion that they possess sufficient evidence supporting the basis for which it seeks the additional discovery.

E. Motion Practice and Briefing

1. The First Hurdle: Motion for Leave to File

A preauthorized motion is required when requesting any relief (other than institution), including additional discovery.¹⁶⁶ Generally, preauthorization to file an opposed motion is sought from the Board during a conference call.¹⁶⁷ This preauthorization procedure allows the Board to determine whether the motion is necessary and sufficient and permits time to adjust the trial schedule if briefing is necessary. It also facilitates speedy resolution of the proceeding and decreased costs—perhaps even revealing dispositive issues that facilitate settlement.¹⁶⁸

Exceptions to preauthorization include motions where it is impractical to seek prior Board approval (*e.g.*, motions to seal and motions to waive page limit filed with a petition) or where authorization is automatically granted (*e.g.*, requests for rehearing and where scheduling orders preauthorize observations on cross-examination and motions to exclude evidence).¹⁶⁹

Quite often, the relief requested in the motions can be granted (or denied) during a conference call whose outcome is later reported in a written order.¹⁷⁰ This may occur during the initial conference call (generally within one month of institution) or a later conference call specifically initiated to obtain preauthorization.¹⁷¹ No later than two business days prior to the initial conference call, a party should provide to the Board and opposing counsel a list of proposed motions the party anticipates filing during the proceeding, thereby allowing the Board and opposing party adequate time to prepare for

¹⁶⁴ *Acco Brands Corp. v. Fellowes, Inc.*, IPR2013-00566, Paper 20, at 5 (P.T.A.B. Apr. 24, 2014).

¹⁶⁵ *Id.*

¹⁶⁶ 37 C.F.R. § 42.20(a) (2012); *Trial Guide*, *supra* note 7, at 48,762.

¹⁶⁷ *Trial Rules*, *supra* note 4, at 48,619; *see also Trial Guide*, *supra* note 7, at 48,762.

¹⁶⁸ *Trial Guide*, *supra* note 7, at 48,765.

¹⁶⁹ *Trial Guide*, *supra* note 7, at 48,762-63.

¹⁷⁰ *Trial Rules*, *supra* note 4, at 48,619.

¹⁷¹ *Trial Guide*, *supra* note 7, at 48,763.

the call.¹⁷²

The Board has found that by addressing procedural issues early in the proceeding, it quickly can dismiss motions outside the scope of the proceeding. This helps avoid unnecessary briefing and ensures counsel remain focused on resolving relevant issues:

Typically the Board will decide procedural issues raised in a conference call during the call itself or shortly thereafter, thereby avoiding the need for additional briefing. The Board has found that this practice simplifies a proceeding by focusing the issues early, reducing costs and efforts associated with motions that are beyond the scope of the proceeding. By taking an active role in the proceeding, the Board can eliminate delay in the proceeding and ensure that attorneys are prepared to resolve the relevant disputed issues.¹⁷³

When necessary, the Board may adjust the trial schedule to accommodate the motion.¹⁷⁴

2. *Briefing*

Just as federal courts have limited page count to manage motions practices, so has the Board. Motions and oppositions (due one month after service of the motion) are each limited to 15 pages.¹⁷⁵ Replies, which are due one month after service of the opposition, are limited to 5 pages.¹⁷⁶ Those page limits do not include the table of contents, a table of authorities, a certificate of service, or appendix of exhibits.¹⁷⁷ The Board encourages “concise, well-organized, easy-to-follow arguments supported by readily identifiable evidence of record.”¹⁷⁸ And since the administrative patent judges are former patent attorneys, parties need not waste valuable pages providing extended discussions of general patent law principles.¹⁷⁹

IV. A DISCUSSION OF THE LESSONS LEARNED FROM PTAB DISCOVERY ORDERS

In just a few years, the Board has decided numerous motions seeking

¹⁷² *Id.*

¹⁷³ *Id.*

¹⁷⁴ *Id.* at 48,765.

¹⁷⁵ 37 C.F.R. § 42.24(a)(1)(v) (2014).

¹⁷⁶ 37 C.F.R. § 42.24(b)(3) (2014); 37 C.F.R. § 42.25(a)(1) (2014).

¹⁷⁷ 37 C.F.R. §§ 42.24(c)(2) (2014); 37 C.F.R. § 42.25(a)(2) (2014).

¹⁷⁸ *Trial Guide*, *supra* note 7, at 48,763.

¹⁷⁹ *Id.*

discovery of various types of additional evidence, including information relating to real party-in-interest and privity; underlying evidence or bases for opinions; and information pertaining to secondary considerations. In this section, we consider some Board decisions on motions seeking discovery of evidence related to those topics and discuss lessons that can be learned from those decisions. The bottom line is that when deciding those motions, the Board routinely applies the *Garmin* factors and seems more likely to grant motions that are timely, well-supported, clear, and narrowly focused to the discovery of non-public information that directly relates to an issue in the PGP and that is not already available through routine discovery.

A. *Identifying the Real Party in Interest and Privity*

According to the Trial Guide, petitioners must identify all real parties-in-interest for two reasons: “to assist members of the Board in identifying potential conflicts, and to assure proper application of the statutory estoppel provisions.”¹⁸⁰ Indeed, Sections 312 and 322 of the Patent Act list identifying “all real parties in interest” as a requirement for any PGP petition.¹⁸¹ The Trial Guide notes a difference between real party-in-interest and privity. A real party-in-interest “is the party that desires review of the patent” and “may be the petitioner itself, and/or it may be the party or parties at whose behest the petition has been filed.”¹⁸² “[P]rivacy” is more expansive, encompassing of parties that do not necessarily need to be identified in the petition as a “real party-in-interest.”¹⁸³

PTAB determines real party-in-interest and privity on a case-by-case basis. The Trial Guide, however, offers some guidance on determining a real party-in-interest. “For example, a party that funds and directs and controls an IPR or PGR petition or proceeding constitutes a ‘real party-in-interest,’ even if that party is not a ‘privity’ of the petitioner.”¹⁸⁴

For a number of reasons, patent owners often focus on real party-in-interest and privity during PGPs. In addition to clearly identifying the parties subject to the estoppel provision, patent owners pursue real party-in-interest because PTAB may deny institution or revoke institution for failure to identify a real party-in-interest. For example, on January 6, 2015, PTAB vacated its January 22, 2014, decision to institute IPR based on a petition filed by Atlanta Gas Light Company.¹⁸⁵ PTAB vacated the proceeding

¹⁸⁰ *Trial Guide*, *supra* note 7, at 48,759; *see also* 35 U.S.C. § 315(e) (2012) (estoppel).

¹⁸¹ 35 U.S.C. § 312(a)(2) (2012).

¹⁸² *Trial Guide*, *supra* note 7, at 48,759.

¹⁸³ *Id.*

¹⁸⁴ *Id.* at 48,760.

¹⁸⁵ *See Atlanta Gas Light Co., v. Bennett Regulator Guards, Inc.*, IPR2013-00453, Paper 88, at 1 (P.T.A.B. Jan. 6, 2015).

nearly a year after PTAB instituted IPR “[b]ecause the petition failed to identify all real parties in interest as required by 35 U.S.C. § 312(a)(2).”¹⁸⁶ Specifically, PTAB had struggled, and ultimately failed, to untangle the petitioner, a subsidiary, from its parent and sister subsidiary. “Rather than maintaining well-defined corporate boundaries, [parent] AGLR, Petitioner, and [sister] AGLS are so intertwined that it is difficult for both insiders and outsiders to determine precisely where one ends and another begins.”¹⁸⁷ The parent and sister companies would benefit from petitioner’s IPR as the patent owner filed a patent infringement complaint in district court against them.¹⁸⁸ This, coupled with the ambiguous corporate structure and uncertainty about who controlled and directed the filing of the petition for IPR, led PTAB to vacate its institution decision.¹⁸⁹

Patent owners can raise real party-in-interest concerns to PTAB in a number of ways. First, a patent owner can highlight its real party-in-interest concerns in its preliminary response to a petition for PGP and PTAB often addresses the issue in its institution decision. For example, patent owner Dragon Intellectual Property, LLC argued in its preliminary response that petitioner Unified Patents Inc. failed to name all real parties-in-interest in IPR2014-01252.¹⁹⁰ Before Unified filed its petition for IPR, Dragon filed ten district court complaints alleging infringement of the patent at issue in the IPR.¹⁹¹ Dragon argued that Unified, a member-funded company that pursues IPRs against non-practicing entities (NPEs), failed to name one or more of its members that directed Unified to pursue this particular IPR.¹⁹² Specifically, Dragon argued that Unified received payments from others to prepare and file the petition. In response, Unified provided Dragon with limited discovery on this issue, including responding to interrogatories, providing documents, and producing a witness for deposition.¹⁹³ PTAB found Dragon’s arguments unpersuasive. “For example, even if we accept Patent Owner’s allegations that Petitioner engages in no activity of practical significance other than filing IPR petitions with money received from its members, this does not demonstrate that any member paid, directed, or suggested to Petitioner to challenge the ‘444 patent, specifically.”¹⁹⁴ Thus, PTAB found Dragon’s real party-in-interest argument did not weigh against

¹⁸⁶ *Id.*

¹⁸⁷ *Id.* at 11; *see also id.* at 2 (describing the corporate structure).

¹⁸⁸ *Id.* at 2.

¹⁸⁹ *Id.* at 9–13.

¹⁹⁰ *See* Unified Patents Inc. v. Dragon Intellectual Prop., LLC, IPR2014-01252, Paper 37, at 9-10 (P.T.A.B. Feb. 12, 2015).

¹⁹¹ *Id.* at 3.

¹⁹² *Id.* at 8-1.

¹⁹³ *Id.* at 11–12.

¹⁹⁴ *Id.* at 12.

institution.

To further pursue any real party-in-interest concerns, a patent owner can request that the Board authorize additional discovery on the issue. As discussed above, a party must file a motion requesting additional discovery and PTAB grants such requests in IPR under the interest-of-justice standard and in CBM and PGR under the “more liberal” good-cause standard.¹⁹⁵ In *Innolux Corp. v. Semiconductor Energy Lab Co.*, IPR2013-00028, patent owner SEL filed such a motion. In its decision authorizing SEL to file a motion for additional discovery, PTAB stressed that SEL must address the factors set forth in *Garmin*. According to PTAB, however, SEL’s motion recycled the same evidence and argument it had already found lacking in SEL’s preliminary response.¹⁹⁶ “Merely making the same arguments and directing us to the same evidence is not enough to show that, if the motion is granted, SEL will uncover something useful.”¹⁹⁷ Thus, PTAB denied SEL’s request for additional discovery.¹⁹⁸

Patent owners succeed when they file a narrowly tailored motion for additional discovery that addresses the *Garmin* factors. In *Arris Group, Inc. v. C-Cation Techs., LLC*, IPR2014-00746, for example, PTAB granted the patent owner’s request for production of an indemnification between the petitioner and non-party Comcast.¹⁹⁹ Dismissing the petitioner’s argument that the patent owner must first show privity between the petitioner and Comcast before getting additional discovery, PTAB found the evidence the patent owner plead “sufficient to deem the very limited request of the indemnification agreement to be necessary in the interests of justice.”²⁰⁰

PTAB often finds unpersuasive one particular argument by patent owners seeking additional discovery. In numerous decisions, PTAB has found unpersuasive the fact that PGP counsel is also counsel for another party (the alleged real party-in-interest) in a district court litigation involving the patent owner. For example, in *GEA Process Eng’g, Inc. v. Steuben Foods, Inc.*, IPR2014-00041, the patent owner argued the fact that petitioner’s IPR counsel also acted as litigation counsel for two non-parties supported its argument that petitioner failed to identify one or more real

¹⁹⁵ *Trial Guide*, *supra* note 7, at 48,761.

¹⁹⁶ See *Innolux Corp. v. Semiconductor Energy Lab Co.*, IPR2013-00028, Paper 31, at 3-4 (P.T.A.B. May 21, 2013); *cf.* *Wavemarket Inc. d/b/a Location Labs v. Locationet Sys. Ltd.*, IPR2014-00199, Paper 34, (P.T.A.B. Aug. 11, 2014) (denying request for additional discovery of indemnification agreement, among other discovery sought).

¹⁹⁷ *Innolux Corp. v. Semiconductor Energy Lab Co.*, IPR2013-00028, Paper 31, at 3-4 (P.T.A.B. May 21, 2013).

¹⁹⁸ *Id.* at 6.

¹⁹⁹ *Arris Group, Inc. v. C-Cation Techs., LLC*, IPR2014-00746, Paper 15, at 2 (P.T.A.B. July 24, 2014).

²⁰⁰ *Id.* at 4.

parties-in-interest.²⁰¹ This did not convince PTAB because the patent owner failed to provide “any evidence tending to show that [petitioner] GEA has sought or accepted advice, input, or monetary compensation from” the parties sharing counsel “in support of GEA’s participation in this proceeding.”²⁰² When presented with similar arguments regarding IPR and litigation counsel in *Innolux Corp. v. Semiconductor Energy Lab Co.*, IPR2013-00028, PTAB reached a similar conclusion. According to PTAB, the patent owner in that IPR “has not shown that just because Innolux’s backup counsel . . . represents some of the co-defendants in the related litigation that that means the co-defendants *have* exercised control of this proceeding in any manner.”²⁰³

As these decisions and others demonstrate, PTAB will more likely entertain a narrowly tailored request for additional discovery on real party-in-interest and privity. Indeed, patent owners succeed more often when they plead specific facts and seek targeted discovery.

B. Underlying Evidence or Bases for Opinions

The evidence underlying expert opinions is an area that is particularly ripe for discovery in PGP. In the case of scientific testing conducted in support of an expert declaration, the Board seems unlikely to grant a request for actual samples made during testing, but a party may be able to obtain laboratory notebooks or other documents detailing the experimental procedures used and data obtained during testing, provided it can show the usefulness of the information sought.²⁰⁴ On the other hand, data underlying the examples in a challenged patent, even if mentioned by an expert during cross-examination testimony, may not be discoverable where a stipulation is found as to what would be shown by the data.²⁰⁵ Specific non-privileged communications between experts may be discoverable where those communications form the basis for an opinion expressed in a declaration.²⁰⁶

²⁰¹ *GEA Process Eng’g, Inc. v. Steuben Foods, Inc.*, IPR2014-00041, Paper 23, at 4-5 (P.T.A.B. Apr. 22, 2014).

²⁰² *Id.* at 6.

²⁰³ *Innolux Corp. v. Semiconductor Energy Lab Co.*, IPR2013-00028, Paper 31, at 4 (P.T.A.B. May 21, 2013) (emphasis in original); *see also* *DENSO Corp. and Clarion Co. Ltd.*, IPR2013-00026, Paper 34, at 10–11 (P.T.A.B. Mar. 14, 2014) (finding no real parties-in-interest omitted where IPR counsel also represented non-parties in a district court litigation involving the same patent).

²⁰⁴ *See Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00043, Paper 27 (P.T.A.B. June 21, 2013).

²⁰⁵ *See Amneal Pharm., LLC v. Endo Pharm. Inc.*, IPR 2014-00360, Paper 48 (P.T.A.B. Jan. 20, 2015).

²⁰⁶ *See Apple Inc. v. Achates Ref. Publ’g, Inc.*, IPR 2013-00080, -00081, Paper 66 (P.T.A.B. Jan. 31, 2014).

1. Data Underlying an Expert Declaration

In *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00043, patent owner DSM moved for discovery related to scientific testing performed by Corning's expert and referenced in a supporting declaration filed with the petition for IPR. Specifically, DSM sought discovery of (1) laboratory notebooks and other documents containing protocols for testing prior art compositions for properties recited in the claims, as well as the underlying data; (2) samples actually prepared by Corning; and (3) any test results inconsistent with Corning's petition, or at least a privilege log of such information.²⁰⁷ The Board granted DSM's request for discovery of the first category of materials, finding that the request for laboratory notebooks and underlying data met the interests of justice standard. It denied the other discovery requests.

Discussing the requests for laboratory notebooks and underlying data, the Board first disagreed that this information was routine discovery under 37 C.F.R. § 42.51(b)(1)(i), stating, "We do not agree that any reference to experiments in a paper requires that all the underlying data and lab notebooks be produced with that paper."²⁰⁸ The Board then analyzed the request using the *Garmin* factors for determining whether the additional discovery met the "interests of justice" standard under 35 U.S.C. § 316(a)(5). Under *Garmin* factor 1, the Board found the protocols used to prepare and test the relevant compositions "per se useful" because the Petitioner relied on the details of those procedures to demonstrate the unpatentability of DSM's claims based on inherency.²⁰⁹ Notably, DSM convinced the Board that Corning's declarations had failed to include critical information to assist in analyzing the reliability of the expert's testing. While DSM had not specifically addressed the other *Garmin* factors, the Board found that these also weighed in favor of DSM.²¹⁰

On the other hand, the Board denied the discovery request for the actual samples prepared by Corning's expert, finding that this request did not meet the interests of justice standard. The Board noted that DSM did not specify which samples it would be unable to create on its own or how much of each sample it required, but instead requested samples of every composition. DSM also had not shown that its request would not unduly burden Corning, and it had not explained in enough detail why it could not obtain the information from cross-examination or from inspection of the laboratory

²⁰⁷ See *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00043, Paper 27, at 2 (P.T.A.B. June 21, 2013).

²⁰⁸ *Id.* at 3.

²⁰⁹ *Id.* at 4.

²¹⁰ *Id.* at 5.

notebooks.²¹¹

Finally, with respect to DSM's request for inconsistent results, the Board noted that this request fell within routine discovery under 37 C.F.R. § 42.51(b)(1)(iii), specific information known to the responding party to be inconsistent with a position advanced by that party. Since Corning had already confirmed that it had produced routine discovery information, the Board found this request to have already been met. The Board denied DSM's request for a privilege log because DSM did not provide sufficient evidence or explanations that this information was necessary in the interests of justice.²¹²

The Board's *Corning* decision makes clear that data underlying an expert opinion will not be automatically considered "routine discovery," but it provides guidance as to how a party might obtain the data under "additional discovery." Particularly, where the moving party can point to missing critical information in the expert declaration that would be clarified by the requested data, it seems that the Board is open to a showing that such discovery is in the interests of justice and should be produced.

2. *Data Underlying the Challenged Patent*

On the other hand, data referenced in the patent specification and not relied upon by an expert may not be ripe for discovery. The Board denied a discovery request for reports of underlying data supporting three out of five clinical studies described in the challenged patent in *Amneal Pharm. LLC v. Endo Pharm. Inc.*, IPR 2014-00360.²¹³ In that case, patent owner Endo had produced relevant clinical data from two studies that its expert testified about, but petitioner Amneal sought the remaining clinical data, seeking to establish that no table in the patent contained data calculated by "LS means," as required by the disputed claims.²¹⁴ The Board repeatedly noted that there did not appear to be a dispute about what was shown by the patent studies, as Endo would have stipulated that all of its tables contained data calculated by arithmetic means.²¹⁵ Thus, the requested data did not constitute relevant information inconsistent with a position advanced by the Endo pursuant to 37 C.F.R. § 42.51(b)(1) (routine discovery).²¹⁶ Nor was production of the requested data in the interests of justice under 35 U.S.C. § 316(a)(5) and 37 C.F.R. § 42.51(b)(2) (additional discovery), particularly in view of the

²¹¹ *Id.* at 5–6.

²¹² *Id.* at 7.

²¹³ See *Amneal Pharm. LLC v. Endo Pharm. Inc.*, IPR 2014-00360, Paper 48, at 5 (P.T.A.B. Jan. 20, 2015).

²¹⁴ *Id.* at 3.

²¹⁵ *Id.* at 5–7.

²¹⁶ *Id.* at 5.

confidential nature of the documents.²¹⁷

3. *Non-Privileged Communications Between Experts*

In *Apple Inc. v. Achates Reference Publ'g, Inc.*, IPR2013-00080, -00081, the Board granted a motion for additional discovery under 37 C.F.R. § 42.51(b)(2) of email communications between patent owner Achates's experts.²¹⁸ Petitioner Apple had conducted cross-examination depositions of Achates's expert declarants, in which each declarant had referenced direct email communication with one another regarding opinions on the alleged patentability of the challenged claims.²¹⁹ Citing deposition testimony that each expert had considered the emails in forming his opinion about the patentability of the claims over the prior art, the Board found there was more than a possibility that something useful would be uncovered. Moreover, there were a discrete number of emails that would not be overly burdensome to produce.²²⁰

In considering whether such discovery would violate the parties' agreement not to permit discovery regarding the "process" of producing the expert declarations, the Board noted that the agreement had not been submitted to the Board and there was a dispute as to its terms.²²¹ The Board dismissed an argument that the communications were privileged since the request sought only non-privileged communications.²²² In light of this decision, practitioners should advise their experts not to engage in private communications with other experts on the case. Even in the event that the experts want to use each other as sounding boards, the attorneys should remain involved in all communications, in an effort to preserve privilege. Moreover, all agreements between parties should include exact language about any communications between experts.

C. *Secondary Considerations*

In assessing whether subject matter would have been obvious under 35 U.S.C. § 103, PTAB follows the guidance of the Supreme Court in *Graham v. John Deere Co.*²²³ PTAB first determines the scope and content of the prior art, ascertains the differences between the prior art and the claims at

²¹⁷ *Id.* at 7.

²¹⁸ *See* *Apple Inc. v. Achates Reference Publ'g, Inc.*, IPR2013-00080, -00081, Paper 66 (P.T.A.B. Jan. 31, 2014).

²¹⁹ *Id.* at 4.

²²⁰ *Id.* at 6-7.

²²¹ *Id.* at 8.

²²² *Id.*

²²³ *In re Kahn*, 441 F.3d 977, 985 (Fed. Cir. 2006) (citing *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966)).

issue, and resolves the level of ordinary skill in the pertinent art.²²⁴ Taking stock of these questions, PTAB then determines whether the subject matter was obvious. In making this determination, PTAB can also consider evidence related to secondary indicia of nonobviousness like commercial success, long-felt but unresolved needs, failure of others, etc.²²⁵ Secondary considerations guard against the use of hindsight and resist the temptation to read the teachings of the present invention into the prior art.²²⁶ In order for any evidence to carry weight, however, a patent owner must show that a nexus exists between the secondary consideration and the scope of the patent claims.²²⁷

The ability of parties to use secondary considerations in PGPs, however, significantly depends on whether they can obtain relevant evidence for submission to PTAB. Several cases have addressed discovery pertaining to secondary considerations in PGPs as this type of discovery generally does not fall within the routine discovery set forth in Rule 42.²²⁸ Instead, discovery targeting secondary considerations most often falls within additional discovery subject to the “interests of justice.”²²⁹ PTAB has been very conservative about discovery requests in this area, denying motions for discovery in multiple cases for a plurality of reasons. In this section, the authors will evaluate a number of PTAB decisions on secondary consideration discovery requests and draw conclusions about how patent owners can improve their chances of discovery in this area. Other similarly-situated cases, *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*²³⁰ and *Bloomberg Inc. v. Markets-Alert Pty Ltd.*,²³¹ were also addressed above in Sections III.B. and III.C., respectively.

1. Microsoft Corp. v. Proxyconn, Inc., IPR2012-00026 & IPR2013-00109, Paper No. 32 (March 8, 2013)

In *Microsoft Corp. v. Proxyconn, Inc.*, IPR2012-00026 & IPR2013-00109, Paper No. 32 (March 8, 2013), PTAB denied patent owner Proxyconn’s discovery motion relating to the alleged commercial success of

²²⁴ *Id.*

²²⁵ *Id.* (citing *Graham*, 383 U.S. at 17-18).

²²⁶ *Id.* at 986. (citing *Graham*, 383 U.S. at 36).

²²⁷ *Microsoft Corp. v. Proxyconn, Inc.*, IPR2012-00026 & IPR2013-00109, Paper No. 32, at 4 (P.T.A.B. Mar. 8, 2013) (citing *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1311–12 (Fed. Cir. 2006)).

²²⁸ 37 CFR 42.51(b)(1) (2012).

²²⁹ 37 CFR 42.51(b)(2) (2012).

²³⁰ *See* *Garmin Int’l, Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26 (P.T.A.B. Mar. 5, 2013).

²³¹ *Bloomberg Inc. v. Markets-Alert Pty Ltd.*, CBM2013-00005, Paper 32, at 4 (P.T.A.B. May 29, 2013).

the claimed invention.²³² Specifically, Proxyconn sought sales data from petitioner Microsoft to show commercial success of Microsoft's allegedly infringing product.²³³ Microsoft objected, claiming that its product did not use the patented feature and that many other aspects of the product motivated consumers to purchase it.²³⁴

In making its decision, PTAB focused on the nexus requirement—that evidence of commercial success only holds significance when a nexus exists between the claimed invention and the commercial success. In other words, did commercial success result from the use of the claimed and novel features as recited in the patent?²³⁵ If features of the product other than those claimed in the patent provide the stimulus for enhanced sales, the commercial success does not offer relevant evidence for an obviousness analysis.²³⁶ PTAB required Proxyconn to show that Microsoft's product fell within the scope of the claims and that the commercial success derived from the claimed feature.²³⁷ PTAB ultimately denied the discovery motion, indicating that Proxyconn had failed to show a nexus between the information sought and the allegation of commercial success. PTAB pointed out that although it had requested this information, Proxyconn had responded only by suggesting that such a showing would be premature.²³⁸

PTAB also criticized Proxyconn for requesting public information, such as pricing information, product reviews, marketing materials, public comments, and awards.²³⁹ Lastly, Proxyconn's general request without time limits or other meaningful boundaries also seemed to frustrate PTAB.²⁴⁰

2. *Palo Alto Networks, Inc. v. Juniper Networks, Inc., IPR2013-00369, Paper 36 (February 5, 2014)*

In *Palo Alto Networks, Inc. v. Juniper Networks, Inc.*, PTAB denied a discovery motion from patent owner Juniper seeking information on alleged acts of copying by petitioner PAN that it sought to establish objective indicia of nonobviousness.²⁴¹

In this case, PTAB emphasized certain factors used in determining

²³² Microsoft Corp. v. Proxyconn, Inc., IPR2012-00026 & IPR2013-00109, Paper No. 32, at 2 (P.T.A.B. Mar. 8, 2013).

²³³ *Id.* at 2–3.

²³⁴ *Id.* at 3.

²³⁵ *Id.* at 4.

²³⁶ *Id.* at 4.

²³⁷ *Id.* at 5.

²³⁸ *Id.* at 5, 8.

²³⁹ *Id.* at 6.

²⁴⁰ *Id.*

²⁴¹ *Palo Alto Networks, Inc. v. Juniper Networks, Inc., IPR2013-00369, Paper 36, at 2 (P.T.A.B. Feb. 5, 2014).*

whether additional discovery in an IPR is in the interests of justice, namely, (1) whether there was more than a possibility and a mere allegation that something useful will be discovered; and (2) whether the discovery requests are not too overly burdensome to answer.²⁴²

As part of its discovery request, Juniper contended that PAN copied a certain feature from products that Juniper had developed and sold. PAN responded that Juniper had not shown this feature was encompassed by the claims at issue.²⁴³ As in *Microsoft Corp. v. Proxyconn, Inc.*, PTAB agreed that copying may be a relevant secondary consideration; however, the patent owner must show a nexus between the copying and the novel aspects of the claimed invention.²⁴⁴ While PTAB indicated that it would not require a conclusive showing of a nexus, some showing of relevance is necessary to explain the allegedly copied feature and how the claims embody that feature.²⁴⁵ As Juniper had not met either of those requirements, its discovery motion was denied.

PTAB also addressed the breadth of the discovery requests, indicating that the discovery requests extended beyond the copying issue, which was the subject of the motion in question, and that some of the discovery requested were not focused and appeared unduly burdensome.²⁴⁶ PTAB also concluded that Juniper had not demonstrated more than a mere possibility that the requested discovery would uncover something useful to show acts of copying.²⁴⁷

3. *Schott Gemtron Corp. v. SSW Holding Co., IPR2013-00358, Paper 43 (February 14, 2014); IPR2014-00367, Paper 20 (August 13, 2014)*

In *Schott Gemtron Corp. v. SSW Holding Co.*, PTAB likewise denied patent owner SSW's motion for additional discovery pertaining to commercial success as a secondary consideration of nonobviousness. PTAB criticized SSW for not providing even a threshold amount of evidence of sales allegedly amounting to commercial success or an alleged nexus between the claimed inventions and the commercial success of any of petitioner's products.²⁴⁸ Providing some evidence demonstrates that there is

²⁴² *Id.* at 3.

²⁴³ *Id.* at 3-4.

²⁴⁴ See *Microsoft Corp. v. Proxyconn, Inc.*, IPR2012-00026, IPR2013-00109, Paper 32 (P.T.A.B. Mar. 8, 2013); *Palo Alto Networks, Inc. v. Juniper Networks, Inc.*, IPR2013-00369, Paper 36, at 4 (P.T.A.B. Feb. 5, 2014).

²⁴⁵ *Palo Alto Networks, Inc. v. Juniper Networks, Inc.*, IPR2013-00369, Paper 36, at 4 (P.T.A.B. Feb. 5, 2014).

²⁴⁶ *Id.* at 5.

²⁴⁷ *Id.* at 6.

²⁴⁸ *Schott Gemtron Corp. v. SSW Holding Co.*, IPR2013-00358, Paper 43, at 4 (P.T.A.B. Feb. 14, 2014).

more than a mere possibility that the request would uncover something useful.²⁴⁹

Specifically, SSW argued that it had enjoyed commercial success by selling products containing the patented component and concluded that petitioner Schott likewise had enjoyed success. In making these general statements, SSW did not quantify its own success, nor did it explain why it would be reasonable to assume Schott's success would track its own.²⁵⁰ PTAB criticized SSW for this faulty reasoning. PTAB also noted that SSW had failed to show that sales of the multi-component product directly resulted from the use of the *patented* component. The requests in the case were also broad, naming only certain product part numbers that listed the patented component, but stating that the requests were not limited to those parts.²⁵¹ Lastly, PTAB noted that SSW's delay in requesting additional discovery weighed against granting the motion. SSW had not requested discovery until nearly two months after the trial was instituted, and only three weeks before the due date for its response.²⁵²

A follow-on discovery request by the patent owner in a related IPR, *Schott Gemtron Corp. v. SSW Holding Co.*, was also denied.²⁵³ Here, in addition to other factors, PTAB addressed the burden on the petitioner of the discovery request. While PTAB conceded that certain aspects of the request were narrowly tailored, other aspects made the requests unduly broad (seeking all documents or communications, internal or external that include or attach any of four drawings at issue and not limiting the requests to any particular employees).²⁵⁴ PTAB also criticized as overly simplistic the patent owner's suggestion that simple key-word searches would suffice, as electronic discovery of petitioner's data would require searching multiple systems and email accounts. PTAB also indicated that specific employees had been named in prior evidentiary exhibits, suggesting that the result might have been different if the request were limited to those employees.²⁵⁵

4. *Riverbed Tech, Inc. v. Silver Peak Sys, Inc., IPR2014-00245, Paper 19 (August 22, 2014)*

In *Riverbed Tech, Inc. v. Silver Peak Sys, Inc.*,²⁵⁶ PTAB denied another

²⁴⁹ *Id.* at 4.

²⁵⁰ *Id.* at 5-6.

²⁵¹ *Id.* at 6-7.

²⁵² *Id.* at 7.

²⁵³ *Schott Gemtron Corp. v. SSW Holding Co.*, IPR2014-00367, Paper 20, at 8-9 (P.T.A.B. Aug. 13, 2014).

²⁵⁴ *Id.* at 8.

²⁵⁵ *Id.* at 8-9.

²⁵⁶ See *Riverbed Tech, Inc. v. Silver Peak Sys, Inc.*, IPR2014-00245, Paper 19 (P.T.A.B. Aug. 22, 2014).

motion for discovery relating to secondary considerations of nonobviousness. In this case, patent owner Silver Peak sought (a) product specifications for petitioner Riverbed's product, (b) documents attributing to the lack of a feature in Riverbed's product lost sales or customer dissatisfaction, and (c) documents either (i) lauding the presence of the feature in Riverbed's products or (ii) criticizing the lack of the same feature in Riverbed's competitors' products.²⁵⁷

In this case, as part of determining whether the request was in the interests of justice, PTAB considered whether the requesting party could generate equivalent information by other means.²⁵⁸ If the requesting party could figure out or assemble the requested information on its own, granting the discovery request would not serve the interests of justice. PTAB also evaluated whether the requesting party had a threshold amount of evidence tending to show that the discovery it sought would factually support its contention.²⁵⁹

In making its determination, PTAB determined that Silver Peak had provided neither sufficient initial evidence that Riverbed had commercial success nor adequate information regarding a nexus between the alleged commercial success and the claimed subject matter.²⁶⁰ As for copying, Silver Peak likewise had failed to provide any evidence tending to show that any manufacturer copied the systems in the claims.²⁶¹ Similarly, PTAB found that Silver Peak had not provided any evidence showing lost sales or customer dissatisfaction relating to a lack of the claimed feature; its request was based only on speculation.

Regarding the Silver Peak's request for documents containing laudatory or critical comments regarding products of others having or lacking, respectively, certain features, PTAB also found that the Silver Peak failed to show how these statements would impact the obviousness determination and whether the existence of such documents was more than mere speculation.²⁶²

5. Permobil Inc. v. Pridemobility Prod. Corp., IPR2013-00407, Paper 43 (July 2, 2014)

In *Permobil Inc. v. Pridemobility Prod. Corp.*, PTAB also denied Pridemobility's request for discovery regarding evidence of copying of the

²⁵⁷ *Id.* at 2.

²⁵⁸ *Id.* at 3-4.

²⁵⁹ *Id.* at 4.

²⁶⁰ *Id.* at 6.

²⁶¹ *Id.* at 6-7.

²⁶² *Id.* at 7-8.

product embodying the claims at issue.²⁶³ Pridemobility first argued that the requested discovery was routine, due to alleged inconsistency with Permobil's positions.²⁶⁴ Despite Pridemobility's arguments that Permobil's expert testimony was unreliable, PTAB found that the testimony was not inconsistent with Permobil's arguments and that witness credibility impacts only the weight that his testimony carries in the proceeding.²⁶⁵ Pridemobility also argued that Permobil's President and CEO was unable to answer questions concerning the extent of Permobil's analysis of Pridemobility's product; however, PTAB did not consider this to rise to the level of an inconsistent statement.

As an alternative position, Pridemobility argued that the interests of justice demanded discovery in order to prevent Permobil from withholding its own evidence of copying while simultaneously arguing that Pridemobility had failed to prove copying.²⁶⁶ And even though Permobil's President and CEO had admitted to owning Pridemobility's product, PTAB found that Pridemobility had failed to provide a threshold amount of evidence that copying had occurred.²⁶⁷

6. Analysis

Proving secondary indicia of nonobviousness in a PGP has been hampered by the limited discovery available in these proceedings and the difficulty patent owners have had in preparing winning discovery motions. In order to change the tide of denial, we recommend that patent owners:

1. gather all publicly available information relevant to the discovery request to show the likelihood that more evidence exists;
2. prepare an extremely narrow discovery request;
3. request only nonpublic information;
4. address any questions raised by PTAB;
5. establish how the evidence will be used (especially addressing the nexus requirement for secondary considerations);

²⁶³ See *Permobil Inc. v. Pridemobility Prod. Corp.*, IPR2013-00407, Paper 43 (P.T.A.B. July 2, 2014).

²⁶⁴ *Id.* at 2.

²⁶⁵ *Id.*

²⁶⁶ *Id.* at 3.

²⁶⁷ *Id.* at 3-4.

6. accurately address the burden to the other party; and
7. request discovery as early as possible (within the appropriate window).

If a patent owner plans to argue secondary considerations during a PGP, it first should gather all information available outside of the discovery process, both to rely on it directly and to support this especially challenging discovery motion. In particular, it should look for publicly available information that supports the existence of private documents.

Second, patent owners should prepare to explain how the gathered information compels the conclusion that additional information is at least moderately likely to exist. While it may seem ironic that PTAB requires some level of evidence in order to permit discovery of more evidence, we reiterate that the streamlined design of PGP proceedings intentionally seeks to limit discovery, permitting broader requests only for good reason.

Third, patent owners should take care to only request non-public information and to present narrowly tailored requests. In multiple cases, PTAB has rejected broad language (*e.g.*, providing certain part numbers but indicating that the request was not limited to those parts).

In sum, patent owners should prepare narrowly tailored discovery requests seeking only nonpublic information. Unlike in district court, asking for information the patent owner could independently identify or evaluate may jeopardize the entire discovery request. Though such discovery even may be in the interests of justice, a PTAB-savvy requestor will ask for only what it truly cannot obtain on its own, narrowly tailoring its requests to reduce the overall volume of its discovery petition and bearing in mind the limited-discovery philosophy of PGPs.

Wherever possible, discovery requests should name specific products, provide a date window, name specific employees from whom email discovery is sought, and name specific types of requested documents, wherever possible. Though current PTAB decisions suggest that broad requests invite denial, narrower requests may reduce the burden on a requestor to provide relevant evidence already in its possession.

PTAB may request specific information that it believes to be necessary to making a determination on whether granting the discovery request is in the interests of justice. Obviously, patent owners should make every effort to comply with PTAB's inquiry. Arguing that the showing requested by PTAB would be "premature" has failed others in the past.²⁶⁸

The patent owner should evaluate whether it has provided sufficient

²⁶⁸ Microsoft Corp. v. Proxyconn, Inc., IPR2012-00026, Paper 32, at 5, 8 (P.T.A.B. Mar. 8, 2013).

proof that the requested discovery would impact the legal question at hand. Since secondary considerations affect the obviousness determination only when a nexus exists between the evidence and the patent claims, failure to address nexus at the time of the discovery motion can prevent the granting of the motion. To prevail, the patent owner must provide evidence of a nexus between the requested information and the scope of the patent claims at the time it requests further discovery.

The patent owner also should fairly address the burden on the petitioner, should PTAB grant the discovery request. Without oversimplifying or underestimating the work required of the petitioner, the patent owner should provide a reasonable assessment of the burden of the requested discovery. In so doing, the patent owner also may identify additional ways to narrow the discovery request and thus increase its chances of being granted.

Finally, in addition to the factors described above, parties seeking additional discovery should do so as early as possible and substantially before they have a paper due in the proceeding. Late discovery requests may seem less warranted in the interests of justice.

V. CONCLUSION

From the legislative history of the PGP statute to regulations and rules governing those proceedings—and even further to the Board’s orders reflecting its “wide latitude” in the management of those proceedings—limited discovery is clearly necessary to achieve fast, inexpensive, and fair proceedings. In addition to “mandatory” and “routine” discovery such as cross-examination of declarants, parties are permitted “additional” discovery. But only after obtaining the Board’s preauthorized approval may a party file a motion for additional discovery. In deciding whether a motion for additional discovery meets the “interests of justice” or “good cause” standards, the Board routinely applies the five *Garmin* factors. A review of the Board’s decisions reveals that the Board is more likely to grant motions for additional discovery that are timely, well-supported, clear, and narrowly focused to the discovery of non-public information that directly relates to an issue in the PGP and that is not already available through routine discovery.