UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BLOOMBERG INC.; BLOOMBERG L.P.;
BLOOMBERG FINANCE L.P.;
THE CHARLES SCHWAB CORPORATION;
CHARLES SCHWAB & CO., INC.;
E*TRADE FINANCIAL CORPORATION; E*TRADE SECURITIES LLC;
E*TRADE CLEARING LLC; OPTIONSXPRESS HOLDINGS INC.;
OPTIONSXPRESS, INC.; TD AMERITRADE HOLDING CORP.;
TD AMERITRADE, INC.; TD AMERITRADE IP COMPANY, INC.; and
THINKORSWIM GROUP INC.
Petitioners,

v.

MARKETS-ALERT PTY LTD.
Patent Owner.

Case CBM2013-00005 (JYC)
Patent 7,941,357

Before JAMESON LEE, SALLY C. MEDLEY, and JONI Y. CHANG,
Administrative Patent Judges.

PATENT OWNER MARKETS-ALERT
MOTION FOR AND TO COMPEL DISCOVERY

Pursuant to the May 17, 2013 Order Authorizing Motion for Additional Discovery 37 C.F.R. §42.224 (D27) ("Order") by the Patent Trial and Appeal Board ("Board") and 37 C.F.R. §§42.51 and 42.52, Patent Owner Markets-Alert Pty. Ltd. ("Markets-Alert") hereby moves for and to compel additional discovery.

I. INTRODUCTION

Although discovery is limited in a CBM Review, the Board may upon motion by a party for *good cause* authorize additional discovery of evidence directly related to factual assertions advanced in the proceeding. 37 C.F.R. §42.51(b)(2) and §42.224. At the parties' May 15, 2013 teleconference with the Board, the Board referred the parties to the five factor test applied in *Garmin International, Inc. et al. v. Cuozzo Speed Technologies LLC*, Case IPR2012-00001: (i) more than a possibility and mere allegation; (ii) litigation positions and underlying basis; (iii) ability to generate equivalent information by other means; (iv) easily understandable instructions; and (v) requests not overly burdensome to answer. *Garmin* at 6-7. Markets-Alert notes that *Garmin* is an *inter partes* review, which is subject to the interests of justice standard, while CBM review is subject to the more liberal standard of good cause. 77 *Fed. Reg.* 48612, 48622. However, pursuant to the Board's guidance, Markets-Alert applies the *Garmin* factors.

Unlike the discovery requests in *Garmin*, the discovery sought by Markets-Alert is neither exorbitant nor unduly broad. Specifically, Markets-Alert requests limited discovery on the following topics:

(1) Prior art to U.S. Patent No. 7,941,357 ("'357 Patent") known to a Petitioner that was not submitted in the Petition For Post Grant Review Of A Covered Business Method Under 25 U.S.C. § 321 and § 18 filed by Petitioners ("Petition").

(2) Documents and things reviewed or considered by a Petitioner in conjunction with preparation of the Petition.

(3) Documents and things reviewed or considered by Steven R. Kursh ("Kursh") in conjunction with preparation of his Declaration of Steven R. Kursh, Exhibit 1002 to the Petition ("Declaration").

(4) Documents and things relating to any communication, discussion, evaluation, consideration or decision regarding licensing from Markets-Alert or commercial implementation or adoption of any specific embodiment of the '357 Patent in the 2000 to 2011 time frame.

(5) Documents and things relating to any commercial or technical review, analysis or decision regarding licensing or commercial implementation or adoption of any technology similar to the invention of the '357 Patent in the 2000 to 2011 time frame.

See Exhibit 2021.[1]

Each of Markets-Alert's requests is tailored narrowly to specific evidence, which is highly relevant to the instituted grounds and issues *under review* and genuinely necessary to prepare its Response and Amendment to the '357 Patent.

[1] In an effort to narrow the discovery issues before the Board, Markets-Alert has elected not to move for its discovery requests directed to the Mandatory Initial Disclosures at this time.

77 *Fed. Reg*. 48756, 48761. Each request is easily understandable and the evidence sought by Markets-alert is "uniquely in the possession" of Petitioners. 77 *Fed. Reg*. 48756, 48761. None of the requests prematurely force Petitioners to present their litigation position.

Moreover, since Markets-Alert's requests seek only documents and information already considered by and in the hands of Petitioners, they are not overly burdensome to answer. Any minor burden on Petitioners, who are among the largest companies in the industry, would be far outweighed by the benefit of developing a fair record before the Board, which will level the playing field, streamline these proceedings and avoid an unnecessary guessing game. 77 *Fed. Reg*. 48756, 48761. Therefore, Markets-Alert's additional discovery requests are warranted under the *Garmin* factors.

II. GOOD CAUSE EXISTS FOR THE REQUESTED DISCOVERY

A. Prior Art Known To But Not Submitted By Petitioners.

Request 1 is clear and easily understandable. It merely seeks the prior art evidence already known to and in the hands of Petitioners, which were withheld from their Petition. This request does not require Petitioners to search for new prior art or disclose its litigation positions. Further, the undisclosed prior art is only known to Petitioners. Although Markets-Alert could conduct a comprehensive search of the entire prior art world, it could not reasonably

determine what prior art Petitioners found and considered. In contrast, simply handing over what is likely already sitting in a computer file of Petitioners' counsel would pose no burden to Petitioners. Thus, this request easily satisfies factors (ii) to (v).

This request also satisfies factors (i) and (v) since prior art known to, but not submitted by, Petitioners is highly relevant to this proceeding as they inform the level of ordinary skill and the state of the relevant art at the time of filing, key factual inquiries in this proceeding. In their Petition, Petitioners made numerous assertions as to how features of the invention, such as "technical analysis," "real-time," and "network of computers," would be understood by contemporaneous practitioners in the field, in order to support both their claim constructions and invalidity arguments, much of which was adopted by the Board based on the as yet unchallenged testimony of Kursh. Since Markets-Alert disagrees that the state of the art supports Petitioners' assertions, the undisclosed prior art would be highly probative and favorable in substantive value to Markets-Alert. Indeed, this evidence is crucial for adequately cross-examining Kursh to test the substantive merit and credibility of his testimony.

This undisclosed prior art is also highly relevant because it circumscribes the realistic range of arguments and amendments available to Markets-Alert. It is utterly incongruous for Petitioners to insist that Markets-Alert limit its Response

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