Paper No. _____
Filed: May 24, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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**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.
Petitioner,

v.

MARKETS-ALERT PTY LTD.
Patent Owner.

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Case CBM2013-00005 (JYC)
Patent No. 7,941,357

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**PETITIONER'S OPPOSITION TO PATENT OWNER'S MOTION FOR AND TO COMPEL DISCOVERY**

## I. STATEMENT OF PRECISE RELIEF REQUESTED

Petitioners Bloomberg et al. ("Petitioners") hereby request Markets-Alert's motion for additional discovery be *denied*.

## II. MARKETS-ALERT'S REQUESTED RELIEF SHOULD BE DENIED

37 C.F.R. §42.224 requires "a showing of good cause" and directs discovery be "limited to evidence directly related to factual assertions advanced by either party in the proceeding." Markets-Alert bears the burden of proof to establish that it is entitled to the relief requested. 37 C.F.R. §42.20(c). Markets-Alert's motion fails to meet this burden for at least two reasons.

First, the Board has ***not*** authorized Markets-Alert to file a motion compelling testimony and production under 37 C.F.R. §§42.52. The Board Order authorizing a motion for additional discovery (Paper 27) provided, *inter alia*, "Markets-Alert is authorized to file a motion *for additional discovery under 37 C.F.R. § 42.51(b)(2)*." (Emphasis added.) But contrary to the Board's authorization, Markets-Alert has filed a motion "for and to compel discovery" (see, e.g., title of motion) and seeks seeks relief under both 37 C.F.R. §§42.51 ***and 42.52*** (see page 1). Petitioner respectfully requests that the entire motion be dismissed as unauthorized, as neither the Board nor the Petitioner should bear the burden of sorting authorized from unauthorized request for relief. If Markets-Alert wanted

leave to file a motion compelling testimony and production of documents under 37 C.F.R. §§42.52, then Markets-Alert should have sought authorization for this.

Second, despite the Board providing direction as to the permissible scope of "additional discovery" per Rule 42.51(b)(2), Markets-Alert's motion improperly seeks the equivalent of district court litigation discovery. In the above cited Order (Paper 27), the Board directed that requests in the motion be ***specific***, ***tailored narrowly*** and ***not unduly broad***. *Id*. at p. 5. The Board emphasized that "Markets-Alert should not expect the Board to sort through a broad request to find items that meet the statutory and regulatory standard." *Id*.

For further guidance, the Board cited its decisions on additional discovery. Particularly, in Cuozzo, IPR2012-00001 (Paper 26), the Board identified five factors as indicating that requested additional discovery is not warranted: (i) a request is no more than a possibility or mere allegation of finding something useful; (ii) asking for the other party's litigation positions and underlying basis for those positions under the pretext of discovery; (iii) the requestor's ability to generate equivalent information without the need of discovery; (iv) lack of understandable instructions; (v) the request is overly burdensome to answer.

A. The Motion to Compel Fails to Establish Good Cause For Discovery Request No. 1

At page 2, of its Motion, Markets-Alert requests "[p]rior 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 Covered Business Method Under 25 U.S.C. § 321 and §18 filed by Petitioners ("Petition")." ("Request No. 1").

Petitioners oppose Request No. 1 for several reasons. First, the request is unduly broad rather than "tailored narrowly" as required by the Board's Order authorizing the motion. Paper 27, p. 5. Rather than particularly identifying ***any*** specific prior art document, the request is broadly directed to any "prior art" known to Petitioner s. Request No. 1 is improperly directed to a category of documents, with no limitation of technology or privilege. See e.g., CBM2012-00001 (Paper 24); see also, Cuozzo Factor (1), IPR2012-00001 (Paper 26).

Second, Request No. 1 seeks "any prior art" ***that is not at issue in these proceedings***. Markets-Alert's seeking of documents irrelevant to the instituted grounds of review runs contrary to the Board's instructions. See Paper 27, p. 5.

Third, Request No. 1 fails to provide any evidence or bona fide reasoning beyond mere speculation that something useful may be uncovered. Markets-Alert presents diffuse arguments regarding additional prior art as *potentially* probative in claim construction, or *possibly* relevant in rebutting a comment that the literature is

"blanketed with" anticipatory prior art. A mere allegation that something useful will be found is insufficient to demonstrate that the requested discovery is necessary. See, e.g., Cuozzo Factor (1), IPR2012-00001 (Paper 26).

Regarding the argument that discovery might relate to construction of the identified claim terms or the state of the relevant art, if Markets-Alert disagrees with positions taken by Petitioners and/or the Board, Markets-Alert may present its own argument and evidence in rebuttal. Given that a patentee defines the scope of its claims, evidence relevant to claim construction would seem equally, if not more, accessible to Markets-Alert as the owner (and drafter) of the '357 patent.

Regarding the rationale that discovery may address the volume of prior art identified in the petition, multiple grounds of anticipation of every '357 patent claim are currently outstanding, with a number of references even indicated by the Board as duplicative to the invalidity grounds on which trial was ordered. Markets-Alert has hardly explained how adding more invalidating prior art would be useful at this stage of the proceeding. Also, Markets-Alert can identify prior art to its own patent absent the requested discovery. For example, Markets-Alert can conduct its own prior art search, or rely on the services of a professional search firm. See, e.g., Cuozzo Factor (3), IPR2012-00001 (Paper 26).

Fourth, Markets-Alert improperly seeks privileged attorney work product, thinly veiled under the pretext of "additional discovery." Cf. Sawgrass Sys. Inc. v.

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