Filed on behalf of:

Patent Owner SightSound Technologies, LLC **Paper No. _____**

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.

Petitioner

v.

SIGHTSOUND TECHNOLOGIES, LLC,

Patent Owner

Case CBM2013-00020
Patent 5,191,573

PATENT OWNER SIGHTSOUND TECHNOLOGIES LLC'S MOTION FOR ADDITIONAL DISCOVERY UNDER 37 C.F.R. §§42.224(a)

Pursuant to 37 C.F.R. §§42.224(a), Patent Owner SightSound Technologies, LLC ("SightSound") hereby moves for limited discovery of Petitioner Apple, Inc. ("Apple") concerning secondary indicia of non-obviousness.

I. INTRODUCTION

In this proceeding, Apple contends that SightSound's invention is obvious in light of a recording device created by CompuSonics Corp. To show non-obviousness, among other things, SightSound will present evidence regarding secondary indicia of non-obviousness, including that the patented invention was commercially successful and was copied by others. Consistent with this showing, SightSound should be permitted discovery into two discrete categories of non-public documents that are uniquely within Apple's possession.

First, SightSound seeks materials sufficient to show the sequence by which the iTunes Music Store ("the iTMS") accesses and transfers digital content to the memory of consumers and consummates an electronic sale. Such information will establish that the iTMS practices the patent and in fact embodies the patented invention, a showing which is necessary for the commercial success of the iTMS to be properly and fully considered here and to show copying. This can be accomplished with Apple producing a single document and its exhibits—the April 22, 2013 expert report and exhibits of J. Douglas Tygar concerning infringement, generated in the district court litigation before Apple initiated CBM review. This

report is targeted directly to the operation of the iTMS as mapped to the claims of the U.S. Patent No. 5,191,573 ("the '573 Patent"), and provides the most relevant and narrowly tailored information available. SightSound alternatively requests the production of non-public specifications or technical documentation sufficient to show the workings of the content transfer to the consumer's memory and payment steps used by the iTMS. Dr. Tygar's report and the alternative materials would presumably show that the iTMS practices the patent and is co-extensive with the patented invention and thus establish the presumption of a nexus, and also show copying. For example, SightSound requests information sufficient to show that iTMS practices "the steps of: transferring money electronically via a telecommunication line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party, said second party controlling use and in possession of the second memory; . . . [and] transmitting the desired digital audio signal from the first memory . . . ." (claim 1).

Second, SightSound seeks consumer surveys conducted by Apple around the time it launched the iTMS and shortly thereafter to show consumers' preference to electronically purchase digital signals as described by the patent[1] instead of

[1] For example, "transferring money electronically via a telecommunication line to the first party at a location remote from the second memory and controlling use of

purchasing content on CD's, tapes, or phonograph records. SightSound expects that this type of consumer information, which SightSound believes Apple tracks in detail, will demonstrate that Apple cannot rebut the presumption of a nexus with a showing that non-patented features are responsible for the success of the iTMS.

In sum, SightSound seeks narrow categories of non-public information so that it can fairly present its case on secondary considerations. SightSound does not object to a protective order to protect any Apple confidential information. Apple's objections to providing the limited discovery requested have no merit, and are an effort to frustrate SightSound's ability to demonstrate non-obviousness.

II. LEGAL STANDARD

In a CBM proceeding, discovery should be permitted upon a showing of "good cause" by the propounding party. *See* 37 C.F.R. § 42.224(a). In trial proceedings before the Board, "good cause" is established where the moving party shows that the requested relief promotes a fair, orderly, and efficient proceeding.[2] SightSound seeks to propound narrow requests for specific relevant information in

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the first memory from the second party financially distinct from the first party, said second party controlling use and in possession of the second memory" (claim 1).

[2] *See, e.g.*, 37 C.F.R. § 42.10(c) (allowing counsel to appear *pro hac vice* upon a showing of "good cause"); 37 C.F.R. § 42.5(c) (providing that extensions of time may be allowed where "good cause" is shown); *see also Gustafson v. Alloyd Co.*, 513 U.S. 561, 570 (1995) (applying the "normal rule of statutory construction" that "identical words used in different parts of the same act are intended to have the same meaning") (citation omitted).

Apple's possession, namely, SightSound seeks items 1 and 4 below, or alternatively, items 2, 3 and 4 below:

1. The expert report and accompanying exhibits of J. Douglas Tygar concerning infringement, dated April 22, 2013.
2. Non-public specifications, schematics, or other documentation sufficient to show how Apple accessed digital audio or video signals from memory and transferred them over telecommunications lines for sale to consumers via the iTMS at the time of the launch of the iTMS.
3. Non-public specifications, schematics, or other documentation sufficient to show how customers purchased digital audio or video signals and stored such signals in memory via the iTMS at the time of the launch of the iTMS.
4. Surveys conducted by or for Apple from 2003 to 2007 reflecting consumers' desire to purchase digital audio or video signals via telecommunications lines, including through the iTMS.

Ex. 2107. The Board has articulated a five-factor inquiry to weigh whether there is good cause to allow discovery. *See Bloomberg Inc. v. Markets-Alert Pty Ltd.*, CBM2013-00005, Paper 32, at 5-6 (P.T.A.B. May 29, 2013). Here, all of those factors weigh in favor of permitting the requested discovery.

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