

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.  
Petitioner

v.

SIGHTSOUND TECHNOLOGIES, LLC  
Patent Owner

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Case CBM2013-00020 (Patent 5,191,573)  
Case CBM2013-00023 (Patent 5,966,440)<sup>1</sup>

Before MICHAEL P. TIERNEY, JUSTIN T. ARBES, and  
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

ARBES, *Administrative Patent Judge*.

ORDER  
Conduct of the Proceedings  
*37 C.F.R. § 42.5*

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<sup>1</sup> This Order addresses issues pertaining to both cases. Therefore, we exercise our discretion to issue one Order to be filed in each case. Other than the motion and opposition expressly authorized herein, the parties are not authorized to use this style heading for any subsequent papers.

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A conference call in the above proceedings was held on November 8, 2013, among respective counsel for Petitioner and Patent Owner, and Judges Tierney, Arbes, and Braden.<sup>2</sup> The call was requested by Patent Owner to address two issues originally raised during the initial conference call.

*See* CBM2013-00020, Paper 22; CBM2013-00023, Paper 19.

First, Patent Owner stated that it is continuing discussions with Petitioner regarding Patent Owner's request for authorization for two of its litigation counsel to observe the instant proceedings, and is not requesting any action from the Board on the matter at this time.

Second, Patent Owner sought authorization to file a motion for additional discovery of materials pertaining to the alleged commercial success of Petitioner's iTunes Music Store ("ITMS") and an alleged nexus between the claimed inventions and such commercial success. Patent Owner stated that it is requesting three categories of information from Petitioner: (1) technical documentation (specifications, engineering manuals, etc.) describing the operation of the ITMS, (2) technical documentation showing how customers purchase music using the ITMS, and (3) customer surveys pertaining to use of the ITMS. As to the first two categories, Patent Owner acknowledged that some information on the operation of the ITMS is already publicly available, but stated that it lacks information on how and when payment allegedly occurs, and how and when the transfer of music to the second party memory component allegedly occurs.

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<sup>2</sup> A court reporter, retained by Patent Owner, was present on the call. Patent Owner shall file the transcript of the call as an exhibit in the instant proceedings.

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Petitioner opposed Patent Owner's request, arguing that Patent Owner has not made a threshold showing that a motion is appropriate under the circumstances and has only requested broad categories of information, not specific documents. Petitioner further argued that Patent Owner lacks any evidence of, and cannot prove, a nexus between the claimed inventions and the alleged commercial success of the ITMS.

After hearing from the parties, the Board determined that briefing on the matter is warranted. Therefore, Patent Owner is authorized to file a motion for additional discovery and Petitioner is permitted to file an opposition to the motion.

Patent Owner in its motion should identify *specifically* what discovery is being requested and include a showing of good cause as to why *each item* is needed. *See* 37 C.F.R. § 42.224. Patent Owner should not expect the Board to sort through broad requests for "categories" of information to find particular items that may meet the standard. Requests for discovery will not be granted if they are unduly broad and encompass numerous documents that are irrelevant to the instituted grounds of unpatentability.

The parties are directed to CBM2012-00001, Paper 24, dated November 15, 2012, and IPR2012-00001, Paper 26, dated March 5, 2013, for guidance on motions for additional discovery. In particular, the mere possibility of finding something useful, and mere allegation that something useful will be found, are insufficient. A party requesting discovery should already be in possession of some evidence (e.g., as to an alleged nexus) to show beyond mere speculation that something useful will be uncovered. Also, a request should not encompass publicly available information that the party has the ability to obtain without the need for discovery.

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Finally, Patent Owner requested an extension of time for filing its responses in the instant proceedings, currently due on December 9, 2013, to allow for motion briefing and discovery if Patent Owner's motion is granted. Patent Owner stated that it would not be filing a motion to amend in Case CBM2013-00023, and, therefore, the schedule for the instant proceedings may be compressed (without altering DUE DATE 7 for oral argument) because no papers would be due on DUE DATE 3. As discussed during the call, the parties shall confer regarding a proposed revised schedule for the instant proceedings and provide their proposal(s) in their motion and opposition. The Board advised the parties that DUE DATE 7 will not be changed and no further extensions of time are contemplated.

In consideration of the foregoing, it is hereby:

ORDERED that Patent Owner is authorized to file a motion for additional discovery under 37 C.F.R. § 42.51(b)(2) by November 15, 2013, limited to 10 pages; Petitioner is authorized to file an opposition by November 22, 2013, also limited to 10 pages; and no reply is authorized;

FURTHER ORDERED that the motion and opposition shall be filed in both Case CBM2013-00020 and Case CBM2013-00023 using the heading on the first page of this Order;

FURTHER ORDERED that Patent Owner shall include in its motion proposed revised dates for DUE DATES 1-6 in the instant proceedings and state whether Petitioner agrees to such revised dates;

FURTHER ORDERED that if the parties cannot reach an agreement on a proposed revised schedule, Petitioner shall include in its opposition its own proposal for revised dates for DUE DATES 1-6; and

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FURTHER ORDERED that in light of the parties' ongoing discussions, the parties need not file a joint statement stating whether an agreement was reached regarding Patent Owner's request to observe the proceedings (as ordered in CBM2013-00020, Paper 22, and CBM2013-00023, Paper 19).

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