Trials@uspto.gov
Tel: 571-272-7822

Paper 36
Entered: December 11, 2013

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)
Case CBM2013-00023 (Patent 5,966,440)[1]

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

ARBES, *Administrative Patent Judge.*

DECISION
SightSound's Motion for Additional Discovery
37 C.F.R. § 42.51(b)(2)

[1] This Decision addresses an issue pertaining to both cases. Therefore, we exercise our discretion to issue one Decision to be filed in each case. The parties are not authorized to use this style heading for any subsequent papers.

Introduction

Patent Owner SightSound Technologies, LLC ("SightSound") filed a motion for additional discovery in the instant proceedings and Petitioner Apple Inc. ("Apple") filed an opposition.[2] For the reasons stated below, SightSound's motion is *denied*.

SightSound seeks additional discovery pertaining to its potential assertion of commercial success and copying as secondary considerations of nonobviousness. Mot. 1-3. In particular, SightSound requests the following discovery:

> 1. The expert report and accompanying exhibits of J. Douglas Tygar concerning infringement, dated April 22, 2013 [in the related litigation between the parties, *SightSound Techs. LLC v. Apple Inc.*, W.D. Pa. Case No. 2:11-cv-01292-DWA].
>
> 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 [iTunes Music Store (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.

[2] CBM2013-00020, Papers 29 ("Mot."), 38 ("Opp."); CBM2013-00023, Papers 26, 33. While the analysis herein applies to both proceedings, we refer to the papers filed in Case CBM2013-00020 for convenience.

Id. at 4. SightSound seeks item 1 and 4 above, or, in the alternative, items 2, 3, and 4. *Id*.

Analysis

Discovery in a covered business method review is less than what is normally available in district court patent litigation, as Congress intended covered business method review to be a quick and cost effective alternative to litigation. *See* H. Rep. No. 112-98 at 45-48 (2011). The legislative history of the America Invents Act (AIA) makes clear 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." 154 Cong. Rec. S9988-89 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl). In light of this, and given the statutory deadlines required by Congress for covered business method review, the Board will be conservative in authorizing additional discovery. *See id*.

In a covered business method review, a party seeking discovery beyond what is permitted expressly by rule must show "good cause as to why the discovery is needed" and demonstrate that the evidence sought is "directly related to factual assertions advanced by either party in the proceeding." 37 C.F.R. §§ 42.51(b)(2)(i), 42.224. SightSound, as the movant, bears the burden of demonstrating that it is entitled to the additional discovery sought. 37 C.F.R. § 42.20(c). Thus, to meet its burden, SightSound must explain with specificity the discovery requested and why each item is necessary for good cause.

The Board considers various factors in determining whether additional discovery in a covered business method review is necessary for good cause, including the following:

> *More Than A Possibility And Mere Allegation*—The mere possibility of finding something useful, and mere allegation that something useful will be found, are insufficient to establish a good cause showing. "Useful" means favorable in substantive value to a contention of the party moving for discovery. A good cause showing requires the moving party to provide a specific factual reason for expecting reasonably that the discovery will be "useful."
>
> . . .
>
> *Easily Understandable Instructions*—Instructions and questions should be easily understandable. For example, ten pages of complex instructions for answering questions is prima facie unclear. Such instructions are counter-productive and tend to undermine the responder's ability to answer efficiently, accurately, and confidently.
>
> *Requests Not Overly Burdensome To Answer*—Requests must not be overly burdensome to answer, given the expedited nature of a covered-business method patent review. The burden includes financial burden, burden on human resources, and burden on meeting the time schedule of the trial. Requests should be sensible and responsibly tailored according to a genuine need.

CBM2013-00005, Paper 32, dated May 29, 2013, at 5 (numbering omitted); *see also* IPR2012-00001, Paper 26, dated March 5, 2013, at 6-7.

Technical Documentation (Items 1, 2, and 3)

SightSound requests the expert report of Dr. Tygar, and accompanying exhibits, from the related district court litigation between the parties. Mot. 4. According to SightSound, Dr. Tygar's report explains how

the iTMS allegedly infringes the challenged claims and describes, in particular, how the iTMS allegedly accesses and transfers digital content to consumers and completes electronic sales, as recited in the challenged claims.[3] *Id*. at 1-2, 7-8. Alternatively, if the Board does not find good cause for producing Dr. Tygar's report and exhibits, SightSound requests information "sufficient to show" how the iTMS performs the transfer and electronic sale functions. *Id*. at 4. According to SightSound, the technical documentation it seeks from Apple would be "useful in establishing that the commercial success of the iTMS is a relevant secondary consideration and showing copying." *Id*. at 7-8.

Apple responds that SightSound's requests would "lead to a trial within a trial on infringement, which would be burdensome and impractical given the one-year deadline for this trial, and would sweep in a huge volume of additional documents and related discovery." Opp. at 7-8. For example, according to Apple, Dr. Tygar's report and accompanying exhibits are a large volume of material that would require "negotiation and implementation of complex protections" for Apple's confidential information (e.g., source code). *Id*. Production of the materials also would compel Apple to present voluminous evidence in response to rebut SightSound's infringement arguments. *Id*. Finally, Apple contends that SightSound's requests for materials "sufficient to show" certain things are unclear and would be overly burdensome to answer. *Id*.

[3] SightSound's counsel in this proceeding states that it has not reviewed the report due to limitations imposed by a protective order in the litigation. Mot. 7 (citing Ex. 2108).

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.