

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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IBG LLC, INTERACTIVE BROKERS LLC,  
TRADESTATION GROUP, INC., TRADESTATION SECURITIES, INC.,  
TRADESTATION TECHNOLOGIES, INC., and IBFX, INC.,  
Petitioner,

v.

TRADING TECHNOLOGIES INTERNATIONAL, INC.,  
Patent Owner.

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CBM2015-00161 (Patent No. 6,766,304 B2)<sup>1</sup>  
CBM2015-00172 (Patent No. 7,783,556 B1)  
CBM2015-00179 (Patent No. 7,533,056 B2)<sup>2</sup>  
CBM2015-00181 (Patent No. 7,676,411 B2)  
CBM2015-00182 (Patent No. 6,772,132 B1)  
CBM2016-00009 (Patent No. 7,685,055 B2)

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Before SALLY C. MEDLEY, MEREDITH C. PETRAVICK and  
JEREMY M. PLENZLER, *Administrative Patent Judges*.

PETRAVICK, *Administrative Patent Judge*.

ORDER

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<sup>1</sup> Case CBM2016-00035 has been joined with this proceeding.

<sup>2</sup> Case CBM2016-00040 has been joined with this proceeding.

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Conduct of the Proceeding  
*37 C.F.R. § 42.5*

On May 11, 2016, a conference call was held between counsel for Petitioners, counsel for Patent Owner, and Judges Medley, Petravick, and Plenzler. Patent Owner requested the call to discuss several issues, which we address in turn below. *See* Ex. 3001, 1–2.<sup>3</sup> Patent Owner provided a court reporter and indicated that it would file in the record the transcript, when it becomes available. This Order summarizes the call and provides some additional explanation.

*i. Waiver of the Federal Rules of Evidence (“FRE”)*

Patent Owner requested:

[w]aiver of FRE 901 (authentication) in these proceedings such that either party in these proceedings can directly rely on (as opposed to only via an expert) documentary evidence without authenticating such evidence if the evidence was (i) produced by a party to a previous litigation (as opposed to a third party) from its own records in the previous litigation, (ii) admitted as a trial exhibit in the previous litigation, and (iii) not subject to any dispute concerning authenticity in the prior litigation

and

[w]aiver of FRE 802 (hearsay) in these proceedings such that either party can directly rely on (as opposed to only via an expert) sworn testimony from other proceedings so long as the opposing party has the opportunity to depose the testifying individual if it desires such a deposition.

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<sup>3</sup> For the purposes of this Order, CBM2015-00161 is representative and all citations are to papers in CBM2015-00161, unless otherwise noted.

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Ex. 3001, 1–2. Petitioners opposed Patent Owner’s request.

During the call, Patent Owner argued that it is prejudiced by having to comply with FRE 802 and FRE 901 because of the alleged large volume of documents produced in previous district court cases, upon some of which it might possibly rely in its Patent Owner’s Responses. According to Patent Owner, it would be prejudiced by having to obtain evidence and/or depositions to address any objections made by Petitioner’s under FRE 802 and FRE 901 for a large volume of documents.

Petitioners opposed Patent Owner’s request. Petitioners responded that it would be prejudiced if it was precluded from such objections, as provided for in 37 C.F.R. § 42.64(b)(1). According to Petitioners, they were not party to the previous district court proceedings and, thus, not part of or aware of any agreements the parties to the previous district court cases may have made regarding admissibility. Petitioners contend they have not had the opportunity to review any of the discussed documents and, thus, do not know if they will or will not object to such documents.

Except for certain exclusions not applicable to the issue here, Rule 42.62(a) provides that the Federal Rules of Evidence shall apply to a proceeding. 37 C.F.R. § 42.62(a). Based on the information presented during the call, we declined to waive Rule 42.62(a). *See* 37 C.F.R. § 42.5(a) (providing that the Board may waive the Rules). Patent Owner did not establish sufficiently that it would be prejudiced by having to comply with our Rule and FRE 802 and FRE 901. Patent Owner’s argument was based

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upon speculation as Petitioners have not yet objected to the admissibility of any such documents. Further, Patent Owner was not certain of the number of documents or which documents from the previous district court cases it intended to rely upon and had not yet established whether it would be difficult or costly to obtain evidence and/or depositions, if Petitioners made any objections. Additionally, waiving the FRE would be prejudicial to Petitioners because it would deprive them of an opportunity provided by our Rules to object to the documents. Petitioners were not party to the previous litigation. We, thus, declined to depart from our Rules and the FRE, and Patent Owner's requests to waive FRE 802 and FRE 901 was denied.

*ii. Additional Discovery*

Patent Owner requested additional discovery in the form of subpoenas to facilitate depositions. Ex. 3001, 2. Petitioners opposed the request.

We considered Patent Owner's request for authorization to file a motion for additional discovery. Patent Owner's request was premature. During the conference call, Patent Owner was uncertain about the amount of testimonial evidence or what testimonial evidence from the previous district court case it will rely upon in its Patent Owner's Responses. Patent Owner also was uncertain as to whether subpoenas were needed to obtain the desired testimony or whether the witnesses would be willing to provide the desired testimony. Further, Petitioners have not yet objected to the

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admissibility of any such testimonial evidence. The need for any subpoenas, thus, was speculative.

*iii. Question of Routine Discovery*

Patent Owner requested “guidance on Petitioners’ duty to produce evidence related to how the GUI tools in their products were developed, which contradicts their positions that the claims are obvious because such evidence, for example, will show the state of mind of a POSITA, failure of others, copying, and other secondary considerations.” Ex. 3001, 2. Patent Owner questioned whether Petitioner should have produced such evidence as routine discovery, because such evidence allegedly would be inconsistent with Petitioners’ positions regarding obviousness in the Petitions.

Alternatively, Patent Owner requested authorization to file a motion for additional discovery to obtain such evidence.

Petitioners disputed that they were required to provide such evidence as part of routine discovery and opposed Patent Owner’s alternative request for additional discovery.

Under 37 C.F.R. § 41.51(b)(1)(iii), “[u]nless previously served, a party must serve relevant information that is inconsistent with a position advanced by the party during the proceeding concurrent with the filing of the documents or things that contains the inconsistency” [privileged information excepted]. Routine discovery under Rule 41.51(b)(1)(iii) is narrowly directed to specific information known to the responding party to be

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