

## Emsley, Rachel

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**From:** Lori Gordon <LGORDON@skgf.com>  
**Sent:** Thursday, May 5, 2016 4:28 PM  
**To:** 'Steve Borsand (TT)'; John Phillips; CBM41919-0004CP1@fr.com; CBM41919-0005CP1@fr.com; CBM41919-0002CP1@fr.com; PTABInbound@fr.com; Rob Sokohl; Rob Sokohl; Richard M. Bemben; mrosato@wsgr.com; margenti@wsgr.com  
**Cc:** tt-patent-cbm@tradingtechnologies.com; Arner, Erika; joshua.golderg@finnegan.com; Emsley, Rachel; Rodkey, Kevin; Bell, Cory; Trading-Tech-CBM; PTAB Account  
**Subject:** RE: compromise proposal re: discovery and evidence

Steve –

Petitioners are also interested in the cost-effective management of these proceedings. But, as you can appreciate, Petitioners also must be permitted to adequately defend our interests. We have fully considered the various proposals and demands set forth in your e-mail of May 2<sup>nd</sup>. Our response to each is provided below.

1) **Request that "Petitioners will not object to TT directly citing and relying on testimony"**: Petitioners are aware of no rule that prohibits TT from directly citing to deposition testimony. However, at this time, Petitioners will not waive any objections to that evidence or waive requests to depose witnesses offering that testimony. Petitioners will re-evaluate the need to depose these witnesses when we see how TT has used their testimony in its responses. Any objections to the evidence will be provided within the time frame set forth in the rules.

2) **Authenticity**: At this time, Petitioners will not waive any objections to authenticity of the documents. We will provide any objections to the authenticity of the documents within the time frame set forth in the rules.

3) **Demand for discovery regarding "history of how and why accused products were developed and put into products, as well as what trading GUI tools were in their products prior to the inclusion of accused products"**: Your implication that Petitioners are in some way obligated to provide you this discovery is baseless. We will address the merits of this request when TT requests authorization to file a motion for additional discovery with the Board. In the interest of streamlining the process, Petitioners will oppose any motion for additional discovery and you can consider this email exchange as satisfying the meet and confer requirements.

Regards-  
Lori Gordon

**From:** Steve Borsand (TT) [mailto:steve.borsand@tradingtechnologies.com]  
**Sent:** Monday, May 02, 2016 7:57 PM  
**To:** John Phillips; CBM41919-0004CP1@fr.com; CBM41919-0005CP1@fr.com; CBM41919-0002CP1@fr.com; PTABInbound@fr.com; Rob Sokohl; Rob Sokohl; Lori Gordon; Richard M. Bemben; mrosato@wsgr.com; margenti@wsgr.com  
**Cc:** tt-patent-cbm@tradingtechnologies.com; Arner, Erika; joshua.golderg@finnegan.com; Emsley, Rachel; Rodkey, Kevin; Cory Bell; Trading-Tech-CBM; PTAB Account  
**Subject:** compromise proposal re: discovery and evidence

Rob -

This email relates to the issue of the substantial amount of evidence from the over 10 year litigation history of patents that are subject to the current CBMs. As I have told you, the patents claim an invention that proved to be revolutionary - changing an industry. The commercial

products that embody the patent were first offered by TT in the fall of 2000 and became a massive commercial success. After TT started achieving success in the marketplace, there was a long period in which TT's competitors copied the invention (either directly or indirectly) and offered competing products. As you know, some of the patents have been subject to scorched earth litigation by multiple, well-funded companies. There was a coordinated worldwide hunt for prior art by joint defendants and many non-defendants. There have been well over 100 depositions and millions of documents produced by parties to the litigation and third parties. In this body of material, there is substantial evidence showing that the patents are valid. This includes evidence relating to the mindset of persons of ordinary skill in the art at the relevant time period and overwhelming objective indicia of non-obviousness. This body of evidence has been considered by previous forums that have confirmed the validity of the patents, including a jury, district court judges, and reexamination examiners.

Most of this evidence was known to petitioners at the time the CBM petitions were filed. We have been working to get any remaining components of the evidence to petitioners - working through third party confidentiality/protective order issues. It is clear that TT is entitled to provide this evidence to the Board. If denied the ability to do so, TT will certainly be deprived of due process.

I have explained to you that TT and its counsel have been working diligently to come up with a reasonable proposal for how this evidence can be used in these proceedings, keeping in mind the streamlined nature of the proceedings. We just completed a substantial portion of this process, which has been very time consuming and expensive. The second sheet of the attached spreadsheet identifies 65 third party witnesses who have provided testimony (by declaration, deposition and/or trial) that is relevant. There may even be more than this. These are witnesses who do not work

for TT and over which TT has no control.

Based on this, we have come up with the following compromise proposal, which the parties will jointly communicate to the Board:

(1) Petitioners will not object to TT directly citing to and relying on the testimony of the 8 fact witnesses and Dr. Mellor identified on sheet 1 of the attached spreadsheet as affirmative evidence (as opposed to having an expert cite to and rely on this testimony, for which we need no agreement). This is only 9 of at least 65 total witnesses. We have identified the specific portions of the testimony to which we intend to cite and a brief explanation, as best we can now, of the relevance. To help streamline matters, we have chosen only witnesses who have previously been deposed. The depositions have either been produced or will be produced. Based on this, petitioners can determine whether they desire further cross-examination of the fact witnesses. If so, TT agrees that petitioners should have the opportunity for further questioning of those witnesses. This should be unnecessary for Dr. Mellor because petitioners have already agreed that TT could affirmatively cite to portions of his declaration that are similar to the cited portions of his deposition testimony. As part of this compromise, the parties will seek agreement from the Board in advance that subpoenas shall issue if necessary. If we reach such a deal, TT will agree to limit any additional non-expert declarants to no more than a handful.

(2) TT also proposes that petitioners do not object to the authenticity of the 36 documents listed on sheet one of the attached. This is an incredibly small subset of the millions of documents produced in the litigation. The list identifies the documents and, as best we can now, the relevance. Many of the documents were emails produced by eSpeed that eSpeed never challenged

TSE document (we will not drop our position that the document does not qualify as prior art or our objections to the testimony of Mr. Kawashima).

The attached spreadsheet is meant to be a guide for discussions of a compromise. Nothing in this document or our proposal should be treated as an admission or a waiver with respect to any issue. Accordingly, this email and the attached documents should be treated similarly to a communication pursuant to FRE 408.

This is a significant concession on TT's part - as again, TT is entitled to affirmatively use at least all of the evidence cited on sheet two and many more documents. Under this proposal, TT is also limited by the content of the questions, which were taken in a different proceeding without all of the issues here in mind. That brings me to a third point of our proposal - TT cannot be significantly prejudiced by such a deal. Since TT is willing to agree to only affirmatively use a fraction of evidence that is known to exist, TT will rely heavily on expert(s) to present other evidence. TT needs assurances that it will not be prejudiced because of this.

If we cannot reach an agreement, the only way for TT to get a fair opportunity to defend against these CBMs would be to obtain new subpoenas and recreate the same discovery that has already occurred. Based on the sheer volume of information (which was obtained over years of litigation and great expense), the expense and time necessary to achieve this will be enormous. Indeed, we believe it would be impossible within the confines of the CBM proceedings.

As I have discussed with you, these proceedings are not typical because of the revolutionary nature of the invention and the volume of evidence supporting validity - the lionshare of which was known by petitioners before filing the CBMs. TT believes that, as a result, these types of patents should not be subject to these proceedings. Without waiving that position, TT makes the above proposal, which seeks a more than reasonable balance - one that favors petitioners and is an extreme compromise by TT.

In addition to the above proposal, TT needs discovery from the petitioners relating to the history of how and why the accused products were developed and put into their products, as well as what trading GUI tools were in their products prior to the inclusion of the accused products. This evidence is in the form of documents and testimony. In the district court litigation, 30(b)(6) depositions are scheduled in mid-May and we are still waiting on the production of development documents from both petitioners. This discovery is highly relevant. We have litigated now against

many providers of such GUIs. In each case, there were documents and other evidence relating to the decision and reasons why such screens were developed. Inevitably, such evidence shows that the screens were developed in direct or indirect response to TT. The fact that both IB and TS had no GUI tool anything like the patented invention in their products until many years after TT and after the priority dates of the patents and the reasons why are directly contrary to petitioners' claims that it would have been obvious to do so. So, we need to know when that discovery is going to be produced and have a discussion regarding changing the schedule to accomodate such discovery.

Most of the testimony/documents in the spreadsheet were included in Josh's April 8, 2016, email. As a courtesy, Finnegan will reproduce everything shortly. Some of the documents will need to be produced under a protective order. Can we agree to use the default protective order at 77 Fed.

Reg. 48771 for all currently pending CBMs between TT, TradeStation, and/or IBG, as we have done in the past? If so, please send us the signed acknowledgements for your team.

Thanks,

Steve

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