

Filed on behalf of: Telefonaktiebolaget L. M. Ericsson

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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BROADCOM CORPORATION

Petitioner

v.

TELEFONAKTIEBOLAGET L.M. ERICSSON

Patent Owner

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Case IPR2013-00601  
U.S. Patent Nos. 6,772,215

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**PATENT OWNER'S REQUEST FOR REHEARING**

## I. Introduction

Pursuant to 37 C.F.R. § 42.71, Patent Owner Telefonaktiebolaget LM Ericsson (“Ericsson”) respectfully requests that the Board reconsider its denial of Ericsson’s Motion for Additional Discovery (“Decision”) because Ericsson submits that the Board overlooked certain critical legal authorities bearing on the Motion.

## II. Argument

### A. Standard of Review

The Board will review requests for rehearing for an abuse of discretion. 37 C.F.R. 42.71(d). The Board will grant requests for rehearing where a decision rests on an erroneous application of the law. *Schrader-Bridgeport Int’l, Inc. et al. v. Cont’l Automotive Sys. US, Inc.*, IPR2013-00014 Paper No. 15 at 3; *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005). Ericsson respectfully submits that the Board erred (a) in its holding that limitation of discovery holds a higher statutory priority than limitation of duplicative proceedings; and (b) in its holding that “Broadcom must have had control over the Texas Litigation” before 35 U.S.C. § 315(b) bar may be invoked, *See Decision* at 7.

B. The Board Overlooked that the Principal Purpose of the America Invents Act (AIA) is to Limit Multiple Proceedings, and that Limiting Discovery is a Subsidiary Purpose, and Erred by Elevating the Latter Over the Former.

A major goal of the AIA was “to limit unnecessary and counterproductive litigation costs.” H. Rep. No. 112-98 at 40 (2011). The AIA limited litigation costs in two ways: (1) by enacting provisions intended to eliminate duplicative, wasteful and harassing proceedings; and (2) by limiting discovery costs.

The first goal of AIA, limiting and constraining repetitive litigation, was plainly a primary goal. Congress expressly condemned “repeated litigation and administrative attacks on the validity of a patent.” H. Rep. No. 112-98 at 48. Toward that end, Congress enacted several measures so that AIA could not “be used as [a] tool[ ] for harassment” of patent owners. *Id.*

First, Congress expressly provided that the Board could *not take jurisdiction* of any *inter partes* review unless all real parties in interest were identified. *See* 35 U.S.C. § 312 (“A petition filed under section 311 may be considered *only if* . . . the petition identifies all real parties in interest”) (emphasis added). The obvious purpose of this provision was to curtail the ability of related parties to use others as a shield for them while preserving the ability to repeat litigation in other fora. “Real parties in interest” is not a defined term, but Congress did not refer to a “privity”, or to “control” anywhere in in Section 312.

Congress further provided in 35 U.S.C. § 315(a)(1) that “*inter partes* review may not be instituted if . . . the petitioner or any real party in interest filed a civil action challenging the validity of a claim of the patent.” In addition, it provided for an *automatic* stay of the civil action in the event that the petitioner or real party in interest files a civil action challenging the validity of a claim of the patent. *Id.* at 315(a)(2). These clauses clearly preclude repetitive litigation.

Congress then barred institution of *inter partes* review for any “petitioner, real party in interest, or privy of the petitioner” if any are served with a complaint alleging infringement of the patent by the patent owner if the defendants were served more than one year before filing. *Id.* at 315(b). This clause furthers the statutory imperative to prevent multiple actions. Congress also provided that multiple proceedings before the Board involving the same action may be consolidated. *Id.* at 315(d). Finally, Congress directed that any final written decision from the PTO shall bind the petitioner, real party in interest, and the privy of the petitioner and estop them from any subsequent attacks before the Office, any district court, or the International Trade Commission. *Id.* at 315(e). Thus, Congress enumerated *multiple* provisions to curb excessive litigation and repetitive attacks on patent owners.

The goal of limiting discovery was clearly a subsidiary method to control costs. Congress authorized discovery in one section, 35 U.S.C. § 316(5). Nevertheless, Congress permitted discovery as “necessary in the interest of justice.” *Id.* Moreover,

the PTO specifically stated that discovery can be utilized to resolve the primary goal of reducing repetitive litigation. *See* Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 48680, 48689 (Aug. 14, 2012) (“additional discovery may be authorized where patent owner raises sufficient concerns regarding the petitioner’s certification of standing.”).

Ericsson respectfully submits that the Decision, which promoted the subsidiary goal – limitation of discovery costs – at the expense of the primary goal – elimination of repetitive and harassing proceedings – was erroneous as a matter of law, and as a matter of discretion because it was not “in the interests of justice.” Limited discovery is necessary to determine the facts bearing on whether Broadcom was a real party in interest or privy of the defendants in *Ericsson Inc., et al. v. D-LINK Corp., et al.*, Civil Action No. 6:10-CV-473 (LED/KGF).

C. The Board Erred as a Matter of Law in its Holding that “Broadcom must have had control over the Texas Litigation.”

Congress did not define “real party in interest” or “privy,” but the text and structure of the AIA militate in favor of a broad and liberal construction to achieve the AIA’s intended result of limiting repetitive litigation. Both Congress and the PTO stated that the term “privy” has acquired an “expanded meaning” and that it will give effect to judgments by extending the term “beyond its classical description.”

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