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

Paper 31
Entered: May 21, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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INNOLUX CORPORATION
Petitioner

v.

SEMICONDUCTOR ENERGY LABORATORY CO., LTD.
Patent Owner

———————

Case IPR2013-00028 (SCM)
Patent 6,404,480 B2

———————

Before SALLY C. MEDLEY, KARL D. EASTHOM, and
KEVIN F. TURNER, *Administrative Patent Judges.*

MEDLEY, *Administrative Patent Judge*.

# DECISION
Motion for Additional Discovery
*37 C.F.R. § 42.51*

## INTRODUCTION

Semiconductor Energy Laboratory Co., Ltd. ("SEL") filed a motion for additional discovery. Paper 28 ("Motion"). Innolux Corporation ("Innolux") filed an opposition. Paper 30 ("Opposition"). The motion is

EXHIBIT 1014

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*denied*.

## BACKGROUND

SEL seeks additional discovery relating to whether Innolux identified all of the real parties-in-interest in connection with the filing of the petition. Motion 1. SEL seeks from Innolux certain production requests (Ex. 2021), interrogatories (Ex. 2022), and requests for admissions (Ex. 2023).

## ANALYSIS

Under the Leahy-Smith America Invents Act, discovery is available for the deposition of witnesses submitting affidavits or declarations and for "what is otherwise necessary in the interest of justice." 35 U.S.C. § 316(a)(5); *see also* 37 C.F.R. § 42.51(b)(2)("The moving party must show that such additional discovery is in the interests of justice ...."). Clear from the legislative history is that discovery should be limited; and that the PTO should be conservative in its grant of additional discovery in order to meet time imposed deadlines. 154 Cong. Rec. S9988-89 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl).

As explained in the order authorizing SEL's motion for additional discovery,

> [T]he factors set forth in the "Decision - On Motion For Additional Discovery" entered in IPR2012-00001 (Paper 26 at 6-7) are important factors in determining whether a discovery request meets the statutory and regulatory necessary "in the interest of justice" standard. Accordingly, SEL's motion should explain with specificity the discovery requested and why such discovery is necessary "in the interest of justice" using those factors. In that regard, SEL should not expect the Board to attempt to sort through a list of items to ascertain which items may meet the necessary in the interest of justice standard.



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> SEL bears the burden to demonstrate that the additional discovery (*e.g.*, each requested item) should be granted. *See* 37 C.F.R. § 42.20(c).

Paper 25 ("Order").

In its motion, SEL addresses the factors set forth in the "Decision – On Motion For Additional Discovery" entered in IPR2012-00001 (Paper 26 at 6-7). As previously explained, those factors are important in determining whether a discovery request meets the statutory and regulatory necessary in the interest of justice standard. Order 4. We have considered every item of the discovery request along with SEL's arguments for why the requested discovery is necessary in the interest of justice. However, based on the record before us, SEL has not met its burden to show that the additional discovery is necessary in the interest of justice.

In this proceeding, SEL has consistently argued, directing us to certain evidence, that Innolux is not the sole real party-in-interest representing the petitioner. Prelim. Resp. 11; Rehearing Req. 20. The Board considered the arguments and evidence, but was not persuaded by such arguments. Dec. Institution 7-9; Dec. Rehearing 7-9. In its motion for additional discovery, SEL relies on the same already-considered arguments and evidence to demonstrate that there exists more than a mere possibility or mere allegation that something useful will be found if it is granted leave to seek certain items from Innolux. Motion 2-3. Specifically, SEL argues that the evidence already submitted into record in this proceeding supports its contention that parties, in addition to Innolux, participated in the filing of the petition. Motion 3. However, we have previously addressed why the arguments and evidence are not persuasive. Dec. Institution 7-9; Dec. Rehearing 7-9. Merely making the same arguments and directing us to the same evidence is



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not enough to show that, if the motion is granted, SEL will uncover something useful.[1] SEL has not explained how the same evidence or reasoning does tend to show that something useful will be uncovered.

For instance, SEL argues that because Innolux's backup counsel in this proceeding, Mr. Cordrey, also represents some of the co-defendants in a related litigation[2] the co-defendants have had an opportunity to exercise control of the instant Petition. Motion 3. Yet, SEL has not shown that just because Innolux' s backup counsel, Mr. Cordrey, represents some of the co-defendants in the related litigation that that means the co-defendants *have* exercised control of this proceeding in any manner. As Innolux points out in its opposition, the record includes representations from its registered practitioners, including Mr. Cordrey, that the real party-in-interest information is correct and has not changed, and that those same practitioners, again including Mr. Cordrey, understand that they are under a continuing duty of candor to update any changes in the representations that they have made. Opposition 2. In contrast, SEL has not directed us to evidence or provided sufficient reasoning to show that Mr. Cordrey has sought or accepted advice, input, money or anything else from any of the co-defendants in support of Innolux' s participation in this proceeding. SEL's reasoning is based on mere speculation and each item SEL seeks in its motion for additional discovery is adversely affected by such speculation.

We have also considered SEL's arguments that certain statements and admissions support SEL's contention "that parties in addition to CMI

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[1] Useful means favorable in substantive value to a contention of the party moving for discovery. IPR2012-00001 (Paper 26 at 7-8).
[2] *Semiconductor Energy Laboratory Co., Ltd v. Chimei Innolux Corp., et al.*, SAVC12-0021-JST (C.D. Cal.) (filed Jan 5, 2012).



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participated in the filing of the instant Petition." Motion 3. Those "statements and admissions" have been considered by the Board on at least two occasions. Dec. Institution 7-9; Dec. Rehearing 7-9. SEL has not demonstrated that the same already-considered "statements and admissions" tend to show that SEL will uncover something useful that supports their theory that Innolux is not the sole real party-in-interest. The statements and admissions are ambiguous, and as we previously explained, those statements and admissions do not establish that others exercised control and/or funding of this proceeding. Dec. Institution 8; Dec. Rehearing 8. We have considered SEL's argument that since the Board has determined that the statements are ambiguous SEL should be allowed to probe behind the statements. Motion 4. That argument is misplaced. In a motion for additional discovery, the moving party must first present some showing that it will uncover something useful before the Board can determine whether to authorize the moving party to seek additional discovery. Such a showing is needed to meet the necessary in the interest of justice statutory and regulatory requirement. That showing must be based on something more than a mere possibility or mere allegation. Here, SEL has not demonstrated that something useful will be uncovered if it is allowed to seek additional discovery (the items listed in Exs. 2021, 2022, and 2023) from Innolux. Moreover, Innolux's representations before the Board that Innolux is the sole real party-in-interest in this proceeding (Opposition 2) weighs in favor of denying SEL's motion for additional discovery.

SEL addresses the other factors set forth in the IPR2012-00001 Decision to show that the additional discovery should be granted. Motion 5. Even considering those factors in SEL's favor, for reasons provided above,



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