

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

ACHATES REFERENCE PUBLISHING, INC.
Patent Owner

Case IPR2013-00080 (Patent 6,173,403)
Case IPR2013-00081 (Patent 5,982,889)¹

Before THOMAS L. GIANNETTI, *Lead Administrative Patent Judge*,
HOWARD B. BLANKENSHIP, and JUSTIN T. ARBES,
Administrative Patent Judges.

ARBES, *Administrative Patent Judge*.

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

¹ This decision addresses an issue that is identical in both cases. We therefore exercise our discretion to issue one Order to be filed in each case. The parties, however, are not authorized to use this style heading for any subsequent papers.

Introduction

Patent Owner Achates Reference Publishing, Inc. (“Achates”) filed a motion for additional discovery in the instant proceedings and Petitioner Apple Inc. (“Apple”) filed an opposition.² For the reasons stated below, Achates’s motion is *denied*.

Achates’s motion seeks the following discovery from Apple:

1. Produce copies of any and all agreements related to rights, obligations or indemnification responsibilities for allegations of infringement of third party intellectual property rights among or between Petitioner and any Defendant in the Texas litigation relating to “apps” by these defendants that were made available on the Apple App Store between January 2010 and July 2011.

2. Produce copies of any and all joint defense agreements related to the Texas litigation among Petitioner and any Defendant in the Texas Litigation.

Mot., Attach. A. Achates contends that the requested information is relevant to determining whether Apple’s co-defendants in the related litigation, *Achates Reference Publishing, Inc. v. Symantec Corp., et al.*, E.D. Tex. Case No. 2:11-cv-00294-JRG-RSP, are real parties-in-interest or privies of Apple. Mot. at 2-4. According to Achates, while Apple was named as a defendant in the litigation less than one year before filing its petitions for *inter partes* review, Apple’s co-defendants were served more than one year prior. *Id.* at 1-2. Therefore, if any of the co-defendants are real parties-in-interest or privies of Apple, an *inter partes* review may not be instituted under the one-year bar provision of 35 U.S.C. § 315(b) (“An *inter partes* review may

² IPR2013-00080, Papers 10 (“Mot.”), 13 (“Opp.”); IPR2013-00081, Papers 11, 13. While the analysis herein applies to both proceedings, we refer to the papers filed in Case IPR2013-00080 for convenience.

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not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.”). Mot. at 1-2. Similarly, if any of the co-defendants are real parties-in-interest for purposes of the instant proceedings, Apple did not correctly identify all of the real parties-in-interest in its petitions as required by 35 U.S.C. § 312(a)(2). *See* Pet. 1 (identifying Apple as the only real party-in-interest).

Analysis

Pursuant to the America Invents Act (AIA), certain discovery is available in *inter partes* review proceedings. 35 U.S.C. § 316(a)(5); *see* 37 C.F.R. §§ 42.51-53. Discovery in an *inter partes* review proceeding, however, is less than what is normally available in district court patent litigation, as Congress intended *inter partes* review to be a quick and cost effective alternative to litigation. *See* H. Rep. No. 112-98 at 45-48 (2011). A party seeking discovery beyond what is expressly permitted by rule must do so by motion, and “must show that such additional discovery is in the interests of justice.” 37 C.F.R. § 42.51(b)(2)(i); *see* 35 U.S.C. § 316(a)(5). The legislative history of the 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 *inter partes* review proceedings, the Board will be conservative in authorizing additional

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discovery. *See id.*

An important factor in determining whether additional discovery is in the interests of justice is whether there exists more than a “mere possibility” or “mere allegation that something useful [to the proceeding] will be found.” *See Order – Authorizing Motion for Additional Discovery, IPR2012-00001, Paper 20 at 2-3* (explaining a number of important factors to be taken into account in determining whether additional discovery is warranted). This requires the party seeking discovery to come forward with some factual evidence or support for its request.

The only evidence cited by Achates in its motion is a publicly available software development kit (SDK) agreement that Apple allegedly enters into with iPhone application developers like the co-defendants in the related litigation. *See Mot. 4-5* (citing Ex. 2006). Achates points to the indemnification clause in section 6 of the agreement, which states that the developer agrees to indemnify Apple against “any claims that [the developer’s] Applications violate or infringe any third party intellectual property or proprietary rights.” Ex. 2006 § 6. Achates contends that under California law, an indemnification relationship is indicative of the indemnitor being a real party-in-interest or privy of the indemnitee. *Mot. 3-5.*

Whether a non-party is a “real party-in-interest” or “privy” for purposes of an *inter partes* review proceeding is a “highly fact-dependent question” that takes into account how courts generally have used the terms to “describe relationships and considerations sufficient to justify applying conventional principles of estoppel and preclusion.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48759 (Aug. 14, 2012) (“Trial Practice

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Guide”). Whether parties are in privity, for instance, depends on whether the relationship between a party and its alleged privy is “sufficiently close such that both should be bound by the trial outcome and related estoppels.” *Id.* Depending on the circumstances, a number of factors may be relevant to the analysis, including whether the non-party “exercised or could have exercised control over a party’s participation in a proceeding” or whether the non-party is responsible for funding and directing the proceeding. *Id.* at 48759-60. We also find guidance in the Supreme Court’s decision in *Taylor v. Sturgell*, 553 U.S. 880 (2008), which sets forth the general rule under federal common law that a person not a party to a lawsuit is not bound by a judgment in that suit, subject to certain exceptions, including the following:

[N]onparty preclusion may be justified based on a variety of pre-existing “substantive legal relationship[s]” between the person to be bound and a party to the judgment. Qualifying relationships include, but are not limited to, preceding and succeeding owners of property, bailee and bailor, and assignee and assignor. These exceptions originated “as much from the needs of property law as from the values of preclusion by judgment.”

553 U.S. at 894 (citations omitted); *see* Trial Practice Guide at 48759 (citing *Taylor*).

Achates provides no proof that any of Apple’s co-defendants in the related litigation have signed the SDK agreement. But even assuming that the indemnification provision of the SDK agreement applies to Apple’s co-defendants in the related litigation, we are not persuaded that the provision would be indicative of the co-defendants being real parties-in-interest or privies of Apple. The agreement does not give the developer the right to intervene or control Apple’s defense to any charge of patent infringement, nor has Achates argued that to be the case for the

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