

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CISCO SYSTEMS, INC.
Petitioner,

v.

C-CATION TECHNOLOGIES, LLC
Patent Owner.

Case IPR2014-00454
Patent 5,563,883

Before KRISTEN L. DROESCH, KALYAN K. DESHPANDE, and
MIRIAM L. QUINN, *Administrative Patent Judges*.

QUINN, Administrative Patent Judge.

ORDER
Conduct of the Proceedings
37 C.F.R. § 42.5

On April 10, 2014, the Board conducted a conference call at the request of Patent Owner, C-Cation Technologies, which sought authorization to file a motion for additional discovery. Judges Quinn, Deshpande, and Droesch, as well as counsel for Petitioner, Cisco Systems, Inc., (“Cisco”) and counsel for Patent Owner, were present. During the call, counsel for Patent Owner explained that it seeks to prove that Cisco was in privity with a defendant in a previous lawsuit such that additional discovery would be proper based on the following arguments:

- 1) Patent Owner filed a lawsuit in January 2011 against at least one of Petitioner’s customers (“the 2011 litigation”), but Petitioner, Cisco, was not a party to the 2011 litigation.
- 2) Cisco was subpoenaed and deposed in the 2011 litigation.
- 3) Terms and conditions obtained from Cisco’s website apparently specify that it undertakes an indemnification obligation subject to certain conditions and that such obligation includes an agreement to defend a lawsuit.
- 4) The terms and conditions also specify that Cisco will exercise “full and exclusive control and settlement” of the lawsuit.
- 5) Defendants in the 2011 litigation sought indemnification from Cisco and, at some point after the filing of that lawsuit, the conditions for indemnification must have been satisfied.
- 6) Cisco’s 10-Q, filed with SEC and dated 2013, reveals that Cisco indemnified a defendant in the 2011 litigation.
- 7) Patent Owner believes that the indemnification obligation of defending the lawsuit must be there.
- 8) Therefore, Patent Owner should be allowed to seek discovery of Cisco’s indemnification in the 2011 litigation.

Patent Owner served document requests and interrogatories seeking evidence of indemnification. Petitioner objected to Patent Owner's discovery requests. During the call, Petitioner provided the following arguments supporting its objections:

- 1) Patent Owner's discovery requests broadly seek evidence of indemnification, and are not narrowly tailored to whether Cisco controlled the 2011 litigation.
- 2) Evidence that Cisco may have issued indemnification payments in the 2011 litigation is not evidence of control of that litigation, as required in these proceedings.
- 3) The subpoena in the 2011 litigation issued in 2013, and knowledge by Cisco of the ongoing lawsuit is not evidence of control.
- 4) The 2011 litigation was dismissed with prejudice after settlement, and, therefore, the fact that Patent Owner sued Cisco in a subsequent lawsuit contradicts Patent Owner's contention that Cisco controlled the 2011 litigation.
- 5) The terms and conditions provided on Cisco's website may not apply to the defendants involved in the 2011 litigation.
- 6) Therefore, because Patent Owner's evidence does not show more than a possibility that useful information will be discovered, the first *Garmin*¹ factor is not met and additional discovery is improper.

The Board inquired whether the parties would be amenable to resolving an agreeable scope of discovery on the "control" issues presented during the call, such that some agreement may be reached. The parties indicated that they could work

¹ Referring to *Garmin v. Cuozzo*, IPR2012-00001, Paper 26.

to narrow the scope of discovery because Petitioner had not been given a meaningful opportunity to meet and confer.

Furthermore, the Board denied Patent Owner's request for authorization to file a motion for additional discovery under 37 C.F.R. 42.51(b)(2). The following guidance was provided. First, the parties were urged to conduct a meaningful meeting and confer on the scope of the discovery disputes discussed during the call and all discovery disputes going forward. Second, the Board stated that the evidence presented by Patent Owner during the call was insufficient to show more than a possibility of finding something useful concerning evidence of privity stemming from Cisco's alleged control of the 2011 litigation. The parties were directed to the decision in *Broadcom Corp. v. Telefonaktiebolaget LM Ericsson*, IPR2013-00601, Paper 23, at 7-11, which discusses the issue of control for purposes of proving privity in the context of indemnification agreements. The parties are also directed to the decision in *Synopsys, Inc. v. Mentor Graphics Corp.*, IPR2012-00042, paper 60, at 12-14 (discussing giving consideration to the nature of the relationship between the parties at the time that the statutorily-referenced complaint was served). Third, the Board gave Patent Owner the opportunity to renew its request if it acquires the pertinent evidence tending to show that Cisco controlled the 2011 litigation during the relevant time period.

It is

ORDERED that Patent Owner's request for authorization to file a motion for additional discovery under 37 C.F.R. 42.51(b)(2) is denied; and

FURTHER ORDERED that the parties must meet and confer meaningfully before approaching the Board with disagreements over discovery.

Cases IPR2014-00454
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