

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ARRIS GROUP, INC.
Petitioner

v.

C-CATION TECHNOLOGIES, LLC
Patent Owner

Case: IPR2014-00746

**PETITIONER'S OPPOSITION TO PATENT OWNER'S MOTION FOR
ADDITIONAL DISCOVERY**

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Patent Trial and Appeal Board
United States Patent and Trademark Office
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Submitted Electronically via the Patent Review Processing System

I. PRELIMINARY STATEMENT

Patent Owner has not shown that the additional discovery it seeks—confidential contracts between Petitioner and its largest customer—is “necessary in the interest of justice” because it has failed to demonstrate that “something useful will be found.” *See* 35 U.S.C. § 316(a)(5); *Garmin Int’l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 26 at 6-8 (PTAB Mar. 5, 2013). Because Patent Owner has not—and indeed cannot—show that the sought-after agreements would prove Petitioner has already had its day in court (thus subjecting Petitioner to any exception to the prohibition on nonparty preclusion), Patent Owner’s motion for additional discovery should be denied.

I. ARGUMENT

A. Patent Owner Fails to Properly Address *Garmin* Factor 1

Patent Owner’s Motion fails to address fully *Garmin* Factor 1, which requires a showing that “in fact something useful will be uncovered.” *Garmin*, IPR2012-00001 at 6. The Board has explained that “useful” in the context of *Garmin* Factor 1 “*does not mean merely ‘relevant’* and/or ‘admissible.’” *Id.* at 7 (emphasis added). Instead, “‘useful’ means favorable in substantive value to a contention of the party moving for discovery.” *Id.*

While Patent Owner states that it intends to use the requested agreements to try to show Petitioner could have controlled the earlier litigation, Patent Owner does not explain how the agreements can establish Petitioner was in privity with

Comcast in the earlier litigation. Thus, how those agreements might be used to add substantive value to Patent Owner’s analysis of an alleged bar under 35 U.S.C. § 315(b) is speculative. *See Broadcom Corp. v. Telefonaktiebolaget LM Ericsson (PUBL)*, IPR2013-00601, Paper 23, at 7 (Jan. 24, 2014) (*Garmin* Factor 1 requires a showing that “something useful will be found” in establishing privity to warrant additional discovery). There is good reason for the lack of analysis in this regard: Even if all factual allegations included in Patent Owner’s Motion are true—and that an agreement similar to that on Petitioner’s website exists between Petitioner and Comcast¹—such an agreement alone cannot give rise to privity as discussed below. Thus, Patent Owner has not shown why the discovery is in the interest of justice. *See* 37 C.F.R. § 42.51(b)(2) (2012).

B. Even Assuming Patent Owner’s Factual Assumptions Are True, The Agreements Will Not Be “Useful” in Evaluating Privity

1. Patent Owner Does Not Address the Highly Material *Broadcom* Decision Mentioned in the Board’s Order Authorizing This Motion

In *Broadcom Corp. v. Telefonaktiebolaget LM Ericsson (PUBL)*, IPR2013-00601, Paper 23 (Jan. 24, 2014), the Board denied a motion for additional discovery into various information a Patent Owner contended were related to

¹ Petitioner does have agreements with Comcast and those agreements do include indemnification provisions.

privity. Despite a litany of evidence already in Patent Owner’s possession showing that Petitioner assisted its customers with the defense of the litigation, the Board denied the motion relying in part on *Garmin* Factor 1. *Id.* at 6-7. In reaching its conclusion, the Board explained that “[t]o show privity” a Patent Owner must make a “showing that [Petitioner] would be bound by the outcome of the” earlier litigation. *Id.* No such showing was made in Patent Owner’s Motion.

Here, not only does Patent Owner fail to present any evidence which would tend to show that Petitioner was involved in the defense of the earlier litigation (let alone “jump[ed] in and [gave] the case full and active defense as though [Petitioner] were the real named party,” *Bros, Inc. v. W.E. Grace Mfg. Co.*, 261 F.2d 428, 429 (5th Cir. 1958)), Patent Owner also does not show how Petitioner was allegedly so involved in the earlier litigation so as to have been effectively a party to that litigation.²

² There is likely good reason for this. The earlier action was dismissed with prejudice. *See* Ex. 1025 (dismissing “all claims . . . with prejudice”). Since preclusion is a two-way street for parties to litigation and their privies, *see, e.g., Postal Telegraph Cable Co. v. City of Newport*, 247 U.S. 464, 476 (1918), the dismissal with prejudice operates as a final judgment precluding re-litigation of issues that were—or should have been—raised in the earlier suit, *see Yesh Music v.*

2. Patent Owner Misinterprets the Opportunity to Control Aspects of Privity

The question of privity under 35 U.S.C. § 315(b) is at its foundation a question of nonparty preclusion. In United States law there is a “deep-rooted historic tradition that everyone should have his own day in court,” and “[a] person who was not a party to a suit generally has not had a ‘full and fair opportunity to litigate’ the claims and issues settled in that suit.” *Taylor v. Sturgell*, 553 U.S. 880, 892-93 (2008) (quoting *Richards v. Jefferson County*, 517 U.S. 793, 797 (1996)). In *Taylor*, the Supreme Court explained that there were “six categories” of exceptions to the rule against non-party preclusion, most of which are inapplicable here.³ A nonparty can be bound to a judgment when it “assume[d] control” over the litigation in which the judgment was rendered such that the nonparty had “the opportunity to present proofs and argument” and thus had its day in court. *Taylor*,

Lakewood Church, 727 F.3d 356, 364 n.1 (5th Cir. 2013) (“[A] dismissal *with* prejudice is an adjudication on the merits operating as a *final judgment*.” (emphasis in original)); *cf. Litchfield v. Crane*, 123 U.S. 549, 551-52 (1887) (finding party that was neither a party to a suit nor a privy of a party was not estopped and explaining that “estoppels to be good, must be mutual”).

³ Patent Owner makes no attempt to show which category or categories it will rely on to make its privity argument.

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