

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ARRIS GROUP, INC.  
Petitioner

v.

C-CATION TECHNOLOGIES, LLC  
Patent Owner

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CASE IPR2014-00746  
Patent 5,563,883

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**PATENT OWNER'S REPLY IN SUPPORT OF ITS MOTION FOR  
DISCOVERY FROM PETITIONER**

## **I. Introduction**

Petitioner does not contest that four of the five factors outlined in *Garmin Int'l, Inc. et al. v. Cuozzo Speed Technologies LLC*, 2012-00001, Paper 26 (PTAB Mar. 5, 2013) for determining whether additional discovery is “necessary in the interest of justice” weigh in favor of granting Patent Owner’s motion for targeted discovery. (See Paper No. 11 (“Opposition”). As to the remaining factor (more than a possibility and mere allegation), Petitioner admits that the documents that Patent Owner seeks exist. Petitioner nevertheless asserts that the discovery sought will not be “useful” because it will not be determinative of the issue in question—whether the petition is time-barred under 35 U.S.C. § 315(b). In doing so, Petitioner misapplies the standards for obtaining additional discovery and for evaluating privity.

## **II. The Agreements that Patent Owner Seeks Are “Useful” Under the Guidelines Set Forth in the Trial Practice Guide**

In *Garmin Int'l*, 2012-00001, Paper 26, the Board described the first factor in determining whether discovery is “necessary in the interest of justice” as follows:

More Than A Possibility And Mere Allegation – The mere possibility of finding something useful, and mere allegation that something useful will be found, are insufficient to demonstrate that the requested discovery is necessary in the interest of justice. The party requesting discovery should already be in possession of evidence tending to show beyond speculation that in fact something useful will be uncovered.

*Id.* at 6. The “essence” of this factor is “a threshold amount of evidence or reasoning” tending to show that something “useful” will be uncovered. *Id.* at 7. “In the context of Factor (1), ‘useful’ means favorable in substantive value to a contention of the party moving for discovery.” *Id.* Nothing in *Garmin* requires that the discovery “prove” an issue to be deemed “useful,” and Petitioner provides no legal support for reading such a requirement into the first *Garmin* factor. (*See* Opposition at 1-2.)

The PTO’s Trial Practice Guide identifies a number of considerations for determining whether a non-party in a prior litigation can be deemed a “privy.” *See* 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012) (“Trial Practice Guide”). A “common consideration is whether the non-party exercised or could have exercised control over a party’s participation in a proceeding.”<sup>1</sup> *Id.* As set forth in Patent Owner’s motion for discovery, the publicly available Corporate Terms and Conditions of Sale from Petitioner’s website require that Petitioner have “sole control of the defense and all negotiations for its settlement or compromise” as a condition for indemnification. *See* Paper No. 10 (“Motion”) at 5-6. If Petitioner’s agreements with Comcast contain this

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<sup>1</sup> Contrary to Petitioner’s assertion (*see* Opposition, n. 4), nothing in the Trial Practice Guide requires a party to have control over an entire litigation. That other products were accused in the prior litigation does not negate the fact that Petitioner had the contractual right, and at the very least the opportunity, to control Comcast’s participation in the litigation as it related to Petitioner’s products.

provision,<sup>2</sup> they fall squarely within the “common consideration” of whether Petitioner “could have exercised control” over Comcast’s participation in the earlier litigation, and would be favorable in substantive value to Patent Owner’s contention regarding the Petition being time-barred under 35 U.S.C. §135(b).<sup>3</sup>

Petitioner’s argument that the discovery sought must “prove” an issue to be considered “useful” has already been rejected by the Board. *See Atlanta Gas Light*

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<sup>2</sup> Petitioner concedes that indemnification agreements with Comcast exist and does not dispute that such agreements include the provision regarding “sole control” in the publicly available agreement from Petitioners website. *See Opposition*, n. 1.

<sup>3</sup> Petitioner attempts to equate the issue of privity with claim preclusion when it argues that the Second Texas Action could not have been brought if Petitioner were a privity to a party in the first litigation. *See Opposition*, n. 2. However, this assertion assumes that the tests for privity and claim preclusion are one and the same, which, in addition to being legally incorrect, is directed to the wrong forum. While the Board need not address that issue in deciding this motion, Patent Owner notes that the discrete issue of privity is part of only one element (whether the later action involves the same parties) of the test for determining whether the factors for claim preclusion (and any of its applicable exceptions) are satisfied. *Nilsen v. City of Moss Point*, 701 F.2d 556, 559 (5th Cir. 1983) (en banc) (listing the four factors of a claim preclusion analysis).

*Co. v. Bennett Regulator Guards, Inc.*, Case IPR2013-00453, Paper 40 (PTAB Apr. 23, 2014). In *Atlanta Gas Light*, the patent owner sought discovery from petitioner relating to an indemnification dispute between the petitioner and a third party. In granting the requested discovery, the Board rejected petitioner's argument that the discovery would not "show that one party *in fact controlled* the other's role in the Lawsuit" and found that the requested discovery would provide information relevant to the "highly fact-dependent question" of evaluating whether a party is a real party-in-interest. *See id.* at 7. As in *Atlanta Gas Light*, the Board here should reject Petitioner's unduly narrow view on what constitutes "useful" discovery.

### **III. Petitioner's Reliance on *Broadcom* Is Misplaced**

Petitioner cites the Board's decision in *Broadcom Corp. v. Telefonaktiebolaget LM Ericsson (PUBL)*, IPR2013-00601, Paper 23 (Jan. 24, 2014) as a reason to deny the request for additional discovery, but fails to recognize the key factual distinctions between *Broadcom* and the targeted discovery sought by Patent Owner in this proceeding. In *Broadcom*, the patent owner (Ericsson) sought extensive discovery including seven requests for production broadly written<sup>4</sup> to encompass agreements, invoices, payments, and communications between *Broadcom* and other litigation

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<sup>4</sup> For example, Ericsson's requests sought a large volume of discovery including "all agreements," "all invoices," "records of any payments made by *Broadcom*," and "all emails and written correspondence." *See id.* at 3-4.

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