

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HUGHES NETWORK SYSTEMS, LLC and
HUGHES COMMUNICATIONS, INC.,

Petitioners,

v.

CALIFORNIA INSTITUTE OF TECHNOLOGY,

Patent Owner.

IPR2015-00059 (Patent 7,916,781)

**PETITIONERS' RESPONSE IN OPPOSITION TO PATENT OWNER'S
MOTION FOR ROUTINE AND ADDITIONAL DISCOVERY**

I. INTRODUCTION

Patent Owner's assertion that non-parties DISH Network Corporation, DISH Network L.L.C., and dishNET Satellite Broadband L.L.C. (collectively, "DISH") are unnamed real parties-in-interest ("RPII") is based on speculation, application of an incorrect legal test, and improper reliance on factors that the Board has previously held are insufficient to create RPII status. As a result, Caltech's motion for additional discovery fundamentally fails because it does not, and cannot, demonstrate beyond speculation how any of its requests would be substantively useful to its allegations that DISH is a RPII. Caltech admits that it does not know what it will find, and even admits that it does not know if requested documents exist. Such speculative discovery is not allowed in an IPR proceeding and should be denied.

Caltech's additional discovery requests are also improperly invasive of the attorney-client privilege. Many of the requests seek privileged information, such as communications between members of a joint defense group, or billing records.

Caltech also improperly uses its motion as an unauthorized reply to Hughes's additional briefing on RPII issues. Seeking to reargue the issues again, Caltech mischaracterizes the statements of Hughes and Timothy Jezek concerning the RPII issue. Petitioners' brief on the RPII issue is clear. DISH did not fund, direct, or control these IPRs, nor did it have the ability to do so. To the extent

Caltech argues or responds to Petitioners' brief on this issue, Hughes respectfully requests the Board disregard Caltech's unauthorized arguments.

II. CALTECH FAILS TO SHOW HOW THE REQUESTS FOR ADDITIONAL DISCOVERY ARE NECESSARY IN THE INTERESTS OF JUSTICE

The moving party seeking discovery has the burden of demonstrating that the additional discovery is necessary "in the interest of justice." 37 C.F.R. § 42.51(b)(2); TPG, at 48,761; *Garmin Int'l, Inc. v. Cuozzo Speed Tech., LLC*, Case IPR2012-00001, Paper 26, at 6 (PTAB Mar. 5, 2013). The Board in *Garmin* has identified five factors important in determining whether a discovery request meets this "interest of justice" requirement. *Id.*, at 6–7.

An important factor when evaluating a request for additional discovery is whether the party seeking additional discovery has shown that there is more than a "mere possibility of finding something useful, and mere allegation that something useful will be found." *Apple Inc. v. Achates Reference Publishing, Inc.*, IPR2013-00080, Paper 17, at 5 (PTAB Apr. 3, 2013). Instead, "the requester of information should already be in possession of a threshold amount of evidence or reasoning tending to show beyond speculation that something useful will be uncovered." *Garmin*, at 7. In this context, the concept of "'useful' means favorable in substantive value to a contention of the party moving for discovery." *Id.* Therefore, the party moving for discovery must show more than mere relevance,

but must show beyond speculation, that in fact something useful to a contention of the moving party will be uncovered. *See Garmin*, at 6–7.

Caltech argues that additional discovery is required into whether DISH is an unnamed RPII. In an IPR proceeding, “the ‘real party-in-interest’ may be the petitioner itself, and/or it may be the party or parties *at whose behest* the petition has been filed.” TPG, at 48,759 (emphasis added). The question is whether an unnamed party “funds and directs and controls an IPR” petition or whether that other party is “litigating through a proxy.” TPG at 48,760; *Aruze Gaming Macau, Ltd. v. MGT Gaming, Inc.*, IPR2014-01288, Paper 13, at 12 (PTAB Feb. 20, 2015).

Therefore, to satisfy its burden, Caltech must demonstrate beyond speculation that something substantively useful will be uncovered regarding its contention that the IPR petitions were filed “at the behest of” DISH. Caltech fails to satisfy this heavy burden.

A. Caltech’s Requests Rely on the Wrong Legal Test

Caltech ignores the discovery standard in IPR proceedings and instead attempts to seek discovery under the more liberal relevance standard available in district court. In support of each discovery request, Caltech merely argues that the requested information is “relevant.” But, the requesting party’s burden to show the information will be “useful” in the context of an additional discovery request “does not mean merely ‘relevant’ and/or ‘admissible.’” *Garmin*, at 7.

Specifically, Caltech alleges that RFP No. 1 and Interrogatory No. 3 seek “relevant documents” and that production of no documents in response “would be highly relevant.” Paper 17, at 7. Caltech also argues that RFP No. 2 seeks “documents [that] are *relevant* to specific positions advanced by Hughes. . . .” Paper 17, at 8 (emphasis added). In support of RFP Nos. 3–5 Caltech states that the requests are “in the interest of justice, as they are directed to information that is *highly relevant*.” Paper 17, at 9, 11 (emphasis added). Interrogatory Nos. 1–2 also merely argue that the information sought is “relevant” to the RPII issue. Paper 17, at 12, 15.

Patent Owner cites a previous CBM decision as granting additional discovery before cross-examination. Paper 17, at 7. However, CBM proceedings have a “more liberal ‘good cause’ standard” as compared to the “interests of justice” standard for discovery in an IPR. TPG, at 48,761; *Bloomberg Inc. v. Markets-Alert Pty. Ltd.*, CBM2013-00005, Paper No. 32, at 2 (PTAB May 29, 2013) (“While an interests of justice standard is employed in granting additional discovery in *inter partes* reviews, a good cause standard is applied in post-grant reviews and covered business method patent reviews.”). Therefore, Caltech’s requests should be denied as relying on the incorrect legal standard.

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