

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORPORATION,
Petitioner

v.

BLITZSAFE TEXAS, LLC,
Patent Owner

Case IPR2016-00418
Patent 8,155,342 B2

Before JAMESON LEE, THOMAS L. GIANNETTI, and HUNG H. BUI,
Administrative Patent Judges.

BUI, *Administrative Patent Judge.*

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

On July 29, 2016, the Board held an initial conference call with the parties at approximately 2:00 P.M., Eastern Time. The participants were respective counsel for the parties and Judges Lee, Giannetti, and Bui. The principal purpose of the conference call was to discuss the parties' list of proposed motions and the status of the proceedings, including settlement discussions and related lawsuits.

The parties indicated that (1) the parties have not engaged in any settlement discussion, and (2) trial has been scheduled in the Eastern District of Texas on February 6, 2016. Patent Owner proposed a list of motions and requested authorization for the following motions:

- (1) Motion for Modification of Scheduling Order;
- (2) Motion for Additional Discovery;
- (3) Motion to Amend Claims under 37 C.F.R. § 42.121; and
- (4) Motion to Substitute Lead and/or Backup Counsel within the same law firm.

(1) Proposed Motion for Modification of Scheduling Order

Patent Owner proposed different dates for DUE DATES 1–4 in the Scheduling Order dated July 8, 2016 (Paper 14). Petitioner agreed with Patent Owner's proposal. We advised that the parties do not need our authorization to stipulate to different DUE DATES 1–5 as long as those dates do not go beyond DUE DATE 6, and that a Joint Stipulated Motion to Revise the Schedule must be promptly filed prior to the first DUE DATE changed. The parties agreed to file a Joint Stipulated Motion to Revise the Schedule in connection with DUE DATES 1–4 in due course.

Oral hearing is currently scheduled for February 9, 2017. Paper 14. Patent Owner indicated that the timing of the oral argument (DUE DATE 7) will overlap with the parties' currently scheduled trial in the Eastern District of Texas on February 6, 2016. However, Patent Owner has not proposed any alternative date for oral argument. We explained that (1) Board's proceedings in these IPRs are independent from trial proceedings in the Eastern District of Texas; (2) unlike the district court, the Board is obligated to complete its Final Decision within one year from the date of the decision instituting the trial; and (3) because of our compressed schedule and because Patent Owner has not proposed an alternative date, DUE DATES 6 and 7 remain unchanged. Patent Owner may renew its request for an alternative date within 30 days of this communication. After that time, we will not consider a request to change in the oral hearing date due to a conflict with district court trial.

(2) Proposed Motion for Additional Discovery

Patent Owner indicated that because the parties failed to agree to the mandatory initial disclosures set forth in the Office Patent Trial Practice Guide, Patent Owner would move to seek discovery of such information. In particular, Patent Owner would move for additional discovery relating to secondary considerations of non-obviousness, including commercial success.

Discovery before the Board is limited to (1) routine discovery and (2) additional discovery. Under 37 C.F.R. § 42.51(b)(1), routine discovery

includes: (i) production of any exhibit cited in a paper or testimony; (ii) the cross-examination of the other sides declarants; and (iii) relevant information that is inconsistent with a position advanced during the proceeding. Board authorization is not required to conduct routine discovery, although the Board will set the times for conducting this discovery in its Scheduling Order.

Under 37 C.F.R. § 42.51(b)(2), the parties may agree to additional discovery amongst themselves. However, “[w]here the parties fail to agree, a party may move for additional discovery” (37 C.F.R. § 42.51(b)(2)) and must show that such additional discovery is “necessary in the interest of justice” (35 U.S.C. § 316(a)(5)(B)). Patent Owner, as the movant, bears the burden of demonstrating that it is entitled to the additional discovery sought. 37 C.F.R. § 42.20(c). Thus, to meet its burden, Patent Owner must explain with specificity the discovery requested and why the discovery is necessary in the interest of justice.

Factors used for determining whether additional discovery in an IPR proceeding is necessary in the interest of justice are explained in *Garmin Int’l, Inc. v. Cuozzo Speed Techs. LLC*, Case IPR2012-00001, slip op. at 6–7 (PTAB Mar. 5, 2013) (Paper 26) (precedential). These *Garmin* factors include: (1) more than a possibility and mere allegation that something useful will be discovered; (2) requests that do not seek other party’s litigation positions and the underlying basis for those positions; (3) ability to generate equivalent information by other means; (4) easily understandable instructions; and (5) requests that are not overly burdensome to answer. *Id.*

During the conference call, Patent Owner explained, however, that evidence of secondary considerations is already available in related district court litigations. Based on that representation, we advised Patent Owner that such a motion for additional discovery may not be necessary in this proceeding. Evidence of secondary considerations, as discussed, may be relied on by Patent Owner when filing its response. If appropriate, Petitioner may object and challenge the admissibility of such evidence in the context of a Motion to Exclude under 37 C.F.R. § 42.64, but would need to do so under the Federal Rules of Evidence. However, a Motion to Exclude should not be used to raise anything other than admissibility issues under the Federal Rules of Evidence. If an issue arises with regard to whether a reply contains arguments or evidence in excess of the proper scope of a reply, the parties should arrange a conference call with the Board. Patent Owner has agreed to withdraw its request for filing a motion for additional discovery.

(3) Proposed Motion to Amend Claims

Patent Owner also proposed filing a Motion to Amend Claims. Under 37 C.F.R. § 42.121, Patent Owner may cancel claims and propose a reasonable number of substitute claims. There is a rebuttable presumption that only one proposed substitute claim will generally be needed to replace each challenged claim. 37 C.F.R. § 42.121(a)(3). The Board rules were amended on May 19, 2015, to change the page limits for certain papers associated with a motion to amend. *See* Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board, 80 Fed. Reg.

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