

UNITED STATES PATENT AND TRADEMARK
OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMX, LLC,
Petitioner

v.

CHRIMAR SYSTEMS, INC.,
Patent Owner.

Case IPR2016-00572 (Patent 9,049,019 B2)
Case IPR2016-00573 (Patent 9,019,838 B2)¹

Before KARL D. EASTHOM, GREGG I. ANDERSON, and
ROBERT J. WEINSCHENK, *Administrative Patent Judges*.

ANDERSON, *Administrative Patent Judge*.

ORDER

Denying Patent Owner's Motion for Additional Discovery
37 C.F.R. § 42.51(b)(2) and
Granting Petitioner's Motion to Seal
37 C.F.R. §§ 42.1 and 42.54

I. INTRODUCTION

¹ We exercise our discretion and use this joint caption. Absent authorization, the parties are not permitted to use this joint caption.

IPR2016-00572 (Patent 9,049,019 B2)

IPR2016-00573 (Patent 9,019,838 B2)

Pursuant to authorization from the Board (Paper 7), Chrimar Systems, Inc. (“Patent Owner”) filed a Motion for Additional Discovery (Paper 10, “Mot.”),² to which AMX, LLC (“AMX”) and Dell Inc. (“Dell”)(collectively “Petitioner”) filed an Opposition (Paper 12, “Opp.”). Substantially similar motions were filed by Patent Owner seeking additional discovery in each of IPR2016-00569 and IPR2016-00574.

Patent Owner’s Motion requests additional discovery concerning whether Petitioner properly identified the real parties-in-interest in its Petition. Mot. 2; see 35 U.S.C. § 312(a)(2) (requiring a petition to identify all real parties-in-interest). Petitioner is alleged to be a proxy for unnamed third parties, including Hewlett-Packard Co. (“HP”) and/or Cisco Systems, Inc. (“Cisco”). Mot. 2. Patent Owner argues that identifying all real parties-in-interest have been listed is “critical in determining whether the IPR proceeding is timed-barred under § 315(b), or in determining the scope of the estoppel in litigation.” *Id.*

Petitioner’s Opposition includes citations to Exhibits 1039 and 1040. Petitioner filed a Motion to Seal those two exhibits (Paper 14, “Motion to Seal,” “Mot. Seal”). Petitioner also proposes entry of the default protective order. Mot. Seal 1. Patent Owner does not oppose the Motion to Seal and agrees to the entry of the default protective order. *Id.*

II. MOTION FOR ADDITIONAL DISCOVERY CONCERNING REAL

² Citations are to papers filed in IPR2016-00572, unless otherwise noted.

IPR2016-00572 (Patent 9,049,019 B2)

IPR2016-00573 (Patent 9,019,838 B2)

PARTIES-IN-INTEREST

A party seeking discovery beyond routine discovery that is expressly permitted by rule must do so by motion, and must show that such additional discovery is in the interests of justice. 35 U.S.C. § 316(a)(5); 37 C.F.R. § 42.51(b)(2)(i). As the movant, Patent Owner bears the burden of establishing it is entitled to additional discovery. 37 C.F.R. § 42.20(c).

Illustrative factors to be considered in determining whether a discovery request is in the interests of justice have been explained in *Garmin International, Inc. v. Cuozzo Speed Technologies, LLC*, Case IPR2012-00001, slip op. at 6–7 (PTAB Mar. 5, 2013) (Paper 26) (precedential). Garmin explains that: (1) there must be more than a mere possibility of finding something useful or a mere allegation that something useful will be found; (2) a party may not seek another party’s litigation positions or the underlying basis for those positions; (3) a party should not seek information that reasonably can be generated without a discovery request; (4) instructions and questions should be easily understandable; and (5) the discovery requests must not be overly burdensome to answer. *Id.*

Whether a party is a real party-in-interest to a proceeding is a highly fact-dependent question. Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012) (“Trial Practice Guide”) (citing *Taylor v. Sturgell*, 553 U.S. 880 (2008)). “Courts invoke the terms ‘real party-in-interest’ and ‘privy’ to describe relationships and considerations sufficient to justify applying conventional principles of estoppel and preclusion.” *Id.* *Taylor* lists six categories that create an exception to the common law rule that normally forbids non-party preclusion in litigation. *Taylor*, 553 U.S. at 893–

IPR2016-00572 (Patent 9,049,019 B2)

IPR2016-00573 (Patent 9,019,838 B2)

95. “A common consideration is whether the non-party exercised or could have exercised control over a party’s participation in a proceeding.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Taylor*, 553 U.S. at 895). Additional relevant factors include: the non-party’s relationship with the petitioner; the non-party’s relationship to the petition itself, including the nature and/or degree of involvement in the filing; and the nature of the entity filing the petition. Trial Practice Guide, 77 Fed. Reg. at 48,760. To prevail in its Motion for Additional Discovery concerning real parties-in-interests, Patent Owner has the burden to show its discovery requests are in the interests of justice.

A. Patent Owner’s Motion and Evidence

In the Motion, Patent Owner indicates it “expects” that parties other than Petitioner³ exercised or could have exercised control over these proceedings and, thus, should have been named a real party-in-interest. *See, e.g.*, Mot. 2, 4. Patent Owner argues that evidence in its possession tends to show that: (1) indemnification agreements exist between AMX and/or Dell and third-parties (Mot. 4); (2) AMX and HP both hired the same counsel in separate cases (Mot. 3); and (3) Dell is a customer of Aerohive Networks (Mot. 5); *see also* Opp. 4 (categorizing Patent Owner’s evidence).

B. Petitioner’s Opposition and Evidence

Petitioner contends that Patent Owner’s discovery requests are not in the interests of justice. Opp. 1–2. Petitioner also asserts the necessity for discovery is premised on speculation or a “mere possibility.” *Id.* at 1, 3–8. Next, Petitioner contends Patent Owner has already taken discovery,

³ Patent Owner emphasizes HP and Cisco but mentions other entities both named and unnamed. *See* Mot. 3–5.

IPR2016-00572 (Patent 9,049,019 B2)

IPR2016-00573 (Patent 9,019,838 B2)

specifically from AMX, which confirms that the requested discovery and is available through other means. *Id.* at 1, 8–9.

C. Patent Owner’s Proposed Discovery Requests

Patent Owner’s proposed discovery requests are submitted as Exhibit 2002. Interrogatory number 1 is exemplary in asking for “any request for indemnification” made by or directed to Petitioner. Ex. 2002, Int. No. 1. Similarly, the requests for production of documents seek, for example, “[a]ll indemnity agreements” that involve any of the patents being challenged in these proceedings. *Id.* at Req. No. 1.

D. Garmin Factors

We next turn to a discussion of Patent Owner’s arguments that its discovery requests are in the interests of justice as shown by the five Garmin factors. Mot. 3–9.

1. Whether Something Useful Will Be Found

The first Garmin factor considers whether there exists more than a mere possibility of finding something useful or a mere allegation that something useful will be found. *Garmin*, slip op. at 6. “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.*

Patent Owner contends that the evidence in its possession “tends to show that information favorable in substantive value to Chrimar on the issue of real parties-in-interest will be uncovered by the requested discovery.” Mot. 3. Specifically, Patent Owner identifies evidence indicating that Petitioner may have indemnification agreements with third parties. Mot. 3–4 (citing Ex. 2005, 5; Ex. 2006, 72; Ex. 2010, 41). Patent Owner, however, does not identify any evidence suggesting that those indemnification agreements would

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.