

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMX, LLC and DELL INC.,
Petitioner

v.

CHRIMAR SYSTEMS, INC.,
Patent Owner.

Case IPR2016-00569 (Patent 8,942,107 B2)
Case IPR2016-00574 (Patent 8,902,760 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

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

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I. INTRODUCTION

Pursuant to authorization from the Board (Paper 8), Chrimar Systems, Inc. (“Patent Owner”) filed a Motion for Additional Discovery (Paper 11, “Mot.”),² to which AMX, LLC (“AMX”) and Dell Inc. (“Dell”) (collectively “Petitioner”) filed an Opposition (Paper 13, “Opp.”). Substantially similar motions were filed by Patent Owner seeking additional discovery in each of IPR2016-00572 and IPR2016-00573.

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 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,” or “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 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. §

² Citations are to papers filed in IPR2016-00569, unless otherwise noted.

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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 893–95. “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

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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 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. 3–4); 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, 3–7. Petitioner contends Patent Owner has already taken discovery, specifically from AMX, which confirms that the requested discovery is available through other means. *Id.* at 1, 7–9.

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

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

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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. 3–5 (citing Ex. 2005, 5; Ex. 2006, 72; Ex. 2010, 41). Patent Owner, however, does not identify any evidence suggesting that those indemnification agreements would be useful in demonstrating that the third parties direct, control, or fund these proceedings. Mot. 3–5. Patent Owner also does not identify any evidence suggesting that Petitioner has requested indemnification under those agreements. *Id.* In other words, Patent Owner does not identify evidence tending to show that those indemnification agreements would be useful in

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