

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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MICROSOFT CORPORATION AND MICROSOFT MOBILE INC.,

Petitioners,

v.

KONINKLIJKE PHILIPS N.V.,

Patent Owner.

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PTAB Case No.: IPR2017-01766

Patent No. RE44,913

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**PETITIONERS' OPPOSITION TO MOTION FOR ADDITIONAL  
DISCOVERY UNDER 37 C.F.R § 42.51(b)(2)**

## I. INTRODUCTION

The Board's case law is clear that motions for additional discovery will be denied if based on speculation, rather than evidence showing that the discovery would lead to something useful. Here, Philips wants to argue that Microsoft is a real-party-in-interest ("RPI") with a third party. But Philips' requested discovery is based on nothing more than speculation.

## II. ARGUMENT

A party seeking discovery beyond what is expressly permitted by the Board's rules must establish that the additional discovery is "necessary in the interest of justice." 35 U.S.C. § 316(a)(5); *see also* 37 C.F.R. § 42.51(b)(2). "Discovery in an *inter partes* review proceeding is more limited than in district court patent litigation, as Congress intended our proceedings to provide a more efficient and cost-effective alternative to such litigation. Thus, we take a conservative approach to granting additional discovery." *Dr. Reddy's Labs., Ltd., v. Monosol Rx, LLC*, IPR2016-01111, slip op. at 3 (Sept. 1, 2016) (Paper 9).

The Board has identified five factors (the "*Garmin* factors") to be considered in determining whether additional discovery is in the interest of justice. *See Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, Case IPR2012-00001, Paper 26 at 6–7 (Mar. 5, 2013) ("*Garmin*"). The very first *Garmin* factor requires that "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,” where “‘useful’ means favorable in substantive value to a contention of the party moving for discovery.” *Garmin* at 7 (emphasis added).

The Patent Office has specifically rejected the idea that “the discovery rules should be expanded to permit the patent owner to investigate the petitioner’s compliance with the identification of the real party-in-interest.” Final Rule, 77 Fed. Reg. at 48,695 (Resp. to Cmt. 10). To show that its discovery requests are in the interests of justice, Philips must therefore “provide *evidence in its possession* tending to show beyond speculation that a non-party exercised or could have exercised control over a party’s participation in a proceeding”—a burden that “would not be met by requests that amount to investigating Petitioner’s compliance” with the RPI identification requirement. *CaptionCall, LLC, v. Ultratec, Inc.*, IPR2015-00636, slip op. at 5 (Feb. 23, 2015) (Paper 42) (emphasis added).

This is exactly what Philips is doing. By its own admission, Philips is *investigating whether* Microsoft has complied with the RPI requirement. *E.g.*, Paper 12 (“Motion”) at 1 (“evidence *may exist*”), 8 (“documents and other things *may exist*”) (emphases added). Philips has no evidence tending to show an RPI issue.

**A. Philips Has Not Shown that the Requested Discovery is In the Interest of Justice**

Philips makes four arguments in support of its requested discovery: first, that the lack of overlap among petitioners in the above-discussed actions suggests “co-

ordination”; second, that Acer and ASUS are Microsoft customers; third, that Microsoft has previously referred to its indemnification practices; and fourth, that HTC and Microsoft previously filed a joint petition on a different patent using common counsel. None of these approaches *Garmin*'s high requirements.

**1. The Lack of Overlap Among Petitioners Does Not Show Beyond Speculation That Useful Information Will be Uncovered By Philips' Requested Discovery.**

Philips argues that “the fact that Google/Acer/ASUS also pursued challenges against 9 of the asserted patents, with no overlap in patents being challenged ... suggests a level of coordination in which [the various parties] divided responsibilities.” Motion at 9; *see also id.* at 2-3. This is the very type of speculation prohibited by *Garmin*. There is nothing suspect or untoward about the parties to the IPR petitions involving Philips' asserted patents. Instead, the order in which parties filed IPRs follows logically from the chronology of the district court litigations.

In December 2015, Philips filed a series of patent infringement actions in district court, asserting some or all of 11 patents against seven defendant groups: HTC, Acer, ASUS, Southern Telecom, Visual Land, Double Power, and Yifang. Originally, the cases involved allegations relating to Google's Android operating system. In April 2016, however, Philips amended its complaints in five of the actions—those against Acer, ASUS, Visual Land, Double Power, and Yifang—to reference products that ran Microsoft's Windows operating system. On August 26,

2016, Philips served infringement contentions that specifically identified Windows as providing the allegedly infringing functionality for certain patents in those five actions. *See* Ex. 2005 at 3, ¶ 11, Ex. 2007 at 3, ¶ 11. Microsoft moved to intervene in the five actions on November 4, 2016, on the grounds that Philips' infringement allegations for 5 of the asserted patents (including the '913 patent) were "based at least in part upon the inclusion of Microsoft's Windows software" in certain accused products. Ex. 2004 at 4; Ex. 2006 at 4. On December 9, 2016, Philips filed counterclaims asserting that Microsoft infringed 9 of the asserted patents.

On December 5, 2016—just four weeks after Microsoft had intervened, and before Philips had filed any infringement claims against Microsoft—Google filed 8 IPR petitions against various patents asserted in the litigations. A few days later, Google filed petitions against another two asserted patents. *See* Motion at 2-3. After a two-month lapse, on February 10, 2017, Microsoft and HTC filed a petition on another asserted patent. *Id.* HTC separately filed petitions challenging two other asserted patents (of which one is not asserted against Microsoft, and the other was asserted first in Philips' counterclaims, not in Microsoft's complaint-in-intervention). *Id.* In July 2017, after institution of two of Google's IPRs, Microsoft moved to join the earlier proceedings (including in this case).

Thus, the Android allegations had been in place for nearly a year before Microsoft became involved in the litigations involving Philips' patents. Google filed

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