

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMERICAN NATIONAL MANUFACTURING INC,
Petitioner,

v.

SLEEP NUMBER CORPORATION
f/k/a SELECT COMFORT CORPORATION,
Patent Owner.

IPR2019-00497 (Patent 8,769,747 B2)
IPR2019-00500 (Patent 9,737,154 B2)¹

Before SCOTT A. DANIELS, FRANCES L. IPPOLITO, and
ALYSSA A. FINAMORE, *Administrative Patent Judges*.

DANIELS, *Administrative Patent Judge*.

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

¹ We issue one Order and enter it in each proceeding.

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By emails of August 16, and August 20, 2019, the parties requested a conference call with the Board to discuss Sleep Number's request for authorization to file motions for additional discovery and to extend the word count for the Patent Owner Response and ANM's opposition to the same in each of the above-captioned cases. The Board scheduled a conference call with the parties for September 5, 2019, and instructed Sleep Number to forward, via email to the Board and ANM, the draft discovery requests prior to the conference call. Sleep Number emailed its proposed discovery requests to the Board and ANM on September 3, 2019. Ex. 3002. Also, ANM retained a court reporter, and was instructed by the Board during the call to file the transcript as an exhibit when completed.

Sleep Number indicated that its proposed motion would request discovery regarding ANM's sales and financial information regarding various products, including for example, ANM's "Instant Comfort" brand inflatable air bed systems, that Sleep Number alleges in the related district court proceeding, infringes its patents.² Sleep Number argued that obtaining ANM's financial and sales information, including ANM's profits on its allegedly infringing products, was important for Sleep Number to adequately evaluate commercial success in these IPR proceedings. Sleep Number argued, specifically, that ANM's financial data, for example profits, were important to show the success of the allegedly infringing products relative to other of ANM's non-infringing products. Sleep Number explained that they

² Sleep Number has filed case No. 5:18-cv-0356-AB (SPx), and case No. 5:18-cv-0357-AB (SPx) against ANM in the United States District Court for the Central District of California. These district court cases are currently stayed.

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have obtained certain ANM sales data in the district court litigation, but cannot use that information in these IPR proceedings due to the protective order in the district court.

ANM opposed the motion, arguing that obtaining the financial data would be extremely burdensome and that financial data such as profit was no more relevant to commercial success than sales of allegedly infringing products relative to sales of non-infringing products.

The Board explained that Sleep Number's proposed discovery requests appeared overly broad, particularly, the demands for highly specific financial data, especially profits, and urged Sleep Number to consider narrowing its discovery requests. The Board instructed that where Sleep Number was already in possession of certain sales information in the district court litigation, it should request a modification of the protective order from the district court in order to use that information in these proceedings.

Despite the Board's concern as to the breadth of Sleep Number's discovery requests, we noted that it is reasonable to permit Sleep Number a chance to persuade us that the proposed additional discovery is necessary to develop arguments and evidence with respect to objective indicia of non-obviousness. Accordingly, we authorized Sleep Number to file a motion for additional discovery, limited to ten pages, no later than September 12, 2019. We authorized ANM to file a ten page opposition no later than September 19, 2019. No reply or sur-reply was authorized. We will address the parties' requests to extend word counts and for a protective order in the event the motion for additional discovery is granted.

For the reasons given, it is

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ORDERED that Sleep Number is authorized to file a motion for additional discovery, not to exceed ten (10) pages and no later than September 12, 2019; and

FURTHER ORDERED that ANM is authorized to file an opposition to the motion for additional discovery, not to exceed ten (10) pages and no later than September 19, 2019.

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