

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.

Case No. IPR2019-00500
Patent No. 9,737,154 B2

PATENT OWNER'S MOTION FOR ADDITIONAL DISCOVERY AND TO
WAIVE THE WORD COUNT FOR THE PARTIES' RESPONSE, REPLY, AND
SUR-REPLY

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Introduction

On September 5, 2019, the Board determined that a motion for additional discovery under 37 C.F.R. § 42.51(b)(2) was warranted and that a motion to waive (enlarge) the word count under 37 C.F.R. § 42.24(a)(2) was also appropriate. Accordingly, Patent Owner Sleep Number Corporation f/k/a Select Comfort Corporation (“Sleep Number”) respectfully moves to require Petitioner American National Manufacturing Inc. (“Petitioner” or “ANM”) to answer the discovery requests in Ex. 2016 and to increase word counts for the parties’ upcoming briefing for Patent Owner’s Response, Petitioner’s Reply, and Patent Owner’s Sur-Reply.

Factual and Procedural Background

In these IPR proceedings, ANM and Real Party in Interest Sizewise Rentals, LLC (“Sizewise”) challenge the patentability of each claim in the ‘154 Patent. On September 5, 2019, the Parties attended a telephone conference during which the Board authorized the filing of this motion for additional discovery and to increase the word count. Also discussed on the call was seeking modification of the Protective Order (“DCPO”) in the underlying district court case (“District Court Case”) to allow the parties to utilize documents in these IPRs. (*See* Paper 14.)

The Parties met and conferred on September 9, 2019 regarding Sleep Number’s request to modify the DCPO. ANM took the position that wholesale modification was not appropriate but it would consider a narrower list of documents.

Sleep Number identified documents, including those referenced in ANM's and Sizewise's District Court Case interrogatory responses. ANM opposed the use of any of the documents. Therefore, Sleep Number is bringing an ex parte motion in the District Court Case asking for modification of the DCPO.¹

Argument

I. Secondary Considerations Are Probative to Questions of Patentability.

Sleep Number seeks additional discovery narrowly relating to secondary considerations. "Evidence of secondary considerations may often be the most probative and cogent evidence in the record. It may often establish that an invention appearing to have been obvious in light of the prior art was not." *Omron Oilfield & Marine, Inc. v. MD/TOTCO*, IPR2013-00265, Paper 11 at 13 (PTAB Oct. 31, 2013) (quotations omitted). Such considerations may include, among others, commercial success and copying. *See Apple Inc. v. Samsung Electronics Co. Ltd.*, 839 F.3d 1034, 1052 (Fed. Cir. 2016). "There is a presumption that the patented invention is commercially successful 'when a patentee can demonstrate commercial success, usually shown by significant sales in a relevant market, and that the successful

¹ The DCPO is attached as Exs. 2018-19, and counsel's email exchange is attached as Ex. 2020. ANM wrongly argues that referencing confidential documents in these IPRs is a violation of the DCPO. (*See* Ex. 2020 (citing case law).)

product is the invention disclosed and claimed in the patent.” *Omron*, IPR2013-00265, Paper 11 at 13 (quoting *Ecolochem, Inc. v. S. Cal. Edison Co.*, 227 F.3d 1361, 1377 (Fed. Cir. 2000)). There must be a “nexus” between the “merits of the claimed invention” and the “commercial success of the product.” *Id.* (citations omitted). “A *prima facie* case of nexus is established” when “the product that is commercially successful is the invention disclosed and claimed in the patent.” *Id.* at 14 (citing *In re GPAC Inc.*, 57 F.3d 1573, 1580 (Fed. Cir. 1995)). Commercial success can be found based on the number of units sold, market share, sales, profits, and product saturation in the market place. *Id.* at 15.

II. Discovery is Appropriate as to Secondary Considerations in This Case.

Sleep Number has drafted specific, narrow requests directed toward information in the sole custody of ANM demonstrating the commercial success and copying of Sleep Number’s patented technology. Sleep Number’s original proposed requests have been tailored per the Board’s guidance. Sleep Numbers’ revised requests, attached as Exhibit 2016, request only as follows:

- An identification of ANM’s and Sizewise’s products that embody an Accused Air Controller or Accused Source Code (as identified by Sleep Number in the District Court Case) and, for comparison, those that do not.
- Information regarding the number of units sold and revenues therefrom.
- Information regarding the distributors/retailers of such products.

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