

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)
IPR2019-00514 (Patent 5,904,172)¹

Before SCOTT A. DANIELS, FRANCES L. IPPOLITO², and
ALYSSA A. FINAMORE, *Administrative Patent Judges*.

DANIELS, *Administrative Patent Judge*.

ORDER
Authorizing Motion for Additional Discovery
37 C.F.R. § 42.51(b)(2)

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

² Judge Ippolito was not present on the conference call; however, she joins the panel for this Order in granting the briefing regarding additional discovery.

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Patent Owner requested, by an email dated October 14, 2019, a conference call with the Board to discuss its request for authorization to file a motion for additional discovery. A conference call was conducted on October 16, 2019 including Judges Daniels and Finamore, as well as Petitioner's counsel Elizabeth Patton and Luke Toft, and Patent Owner's counsel Kyle Elliot, Kevin Tuttle, and Jaspal Hare.

At the conclusion of the call, we authorized Patent Owner to file its requested motion for additional discovery.

Patent Owner's email requested leave to file a motion for additional discovery relating to use of the "accused source code" in these proceedings. *See Paper 34* (granting Patent Owner's Motion for Additional Discovery including "*inter alia*, 'inflatable air beds sold with ANM's Accused Source Code)'). Patent Owner's counsel, Ms. Patton, explained during the call that the District Court's prior modification of the protective order in the underlying district court litigation prohibits use in these IPR proceedings of nine versions of third-party source code allegedly used by Petitioner, ANM's, accused products. Ms. Patton explained that she did not realize until recently that the modified protective order did not enable Patent Owner to use *any* of the nine versions of the third-party source code from the district court litigation necessary to show nexus of Petitioner's products to the claims, and also copying, both related to Patent Owner's objective evidence of non-obviousness in these IPR proceedings. Further, Ms. Patton argued that the source code was referenced throughout Patent Owner's infringement contentions in the underlying district court litigation and thus Patent Owner could not submit these infringement contentions, for purposes

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of showing nexus, without violating the District Court’s modified protective order.

According to the parties, certain of the nine source code variations are used in Sizewise’s products. In our previous Order granting Patent Owner’s Motion for Additional Discovery we explained, based on the lack of any explanation or evidence from Patent Owner as to any controlling, financial, or corporate relationship between Sizewise and ANM, that “[w]e are not persuaded based on the simple fact that Sizewise is named as a real party-in-interest, that Sizewise is somehow subject to additional discovery in these IPR proceedings.” Paper 34, 12.

Petitioner’s counsel, Mr. Elliot, argued that the accused source code versions used in Petitioner ANM’s products are subject to third-party agreements between Petitioner and the various third parties that developed and wrote the source code. Mr. Elliot explained that it had obtained permission, and the source code itself, from its third-party suppliers for use only in the underlying district court litigation, and under the requisite District Court’s protective order. Mr. Elliot indicated that to reproduce the accused source code information in these IPR proceedings would require obtaining permission from these third parties, and would take some time.

Under the Leahy-Smith America Invents Act, discovery is available for the deposition of witnesses submitting affidavits or declarations and for “what is otherwise necessary in the interest of justice.” 35 U.S.C. § 316(a)(5); *see also* 37 C.F.R. § 42.51(b)(2) (“The moving party must show that such additional discovery is in the interest of justice . . .”). That is significantly different from and limited compared to the scope of discovery generally available under the Federal Rules of Civil Procedure. Limited

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discovery lowers the cost, minimizes the complexity, and shortens the period required for dispute resolution. Given the one-year statutory deadline for completion of *Inter Partes* Review, generally the Board will be conservative in granting additional discovery.

The Board authorizes Patent Owner to file a five page motion for additional discovery, and for Petitioner to file a five page opposition to the same. The parties arguments should address the *Garmin* factors and explain how the granting of the motion will, or will not, impact the timeline of these IPR proceedings.³

For the reasons given, it is

ORDERED that Patent Owner is authorized to file a five page motion for additional discovery under 37 C.F.R. § 42.51(b)(2) relating to use of source code in these proceedings, no later than October 23, 2019;

FURTHER ORDERED that Petitioner is authorized to file a five page opposition no later than October 30, 2019;

FURTHER ORDERED that in particular Patent Owner should explain in its motion why with respect to objective evidence of non-obviousness for copying, and nexus with respect to Petitioner's products, Patent Owner did not request this information in its earlier motion for additional discovery;

³ *Garmin Int'l Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, slip op. at 6–7 (PTAB Mar. 5, 2013) (Paper 26) (precedential). The *Garmin* factors are: (1) more than a possibility and mere allegation that something useful will be discovered; (2) requests that do not seek other party's litigation positions and the underlying basis for those positions; (3) ability to generate equivalent information by other means; (4) easily understandable instructions; and (5) requests that are not overly burdensome to answer. *Id.*

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FURTHER ORDERED that in its motion Patent Owner should provide an explanation of why it has submitted this discovery request at this late date with just seven (7) days remaining until the due date for the Patent Owner's Response; and

FURTHER ORDERED that Petitioner in its opposition to the motion should indicate with particularity the burden the discovery request imposes on Petitioner, understanding that the parties are already in possession of this information, subject to a protective order, in the underlying district court litigation.

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