



# Additional discovery

Michael K. O'Neill at FITZPATRICK, CELLA, HARPER & SCINTO examines additional discovery in *inter partes* review proceedings. Part two looks at the *Garmin* factors two through five.

This is the second part of a two-part article exploring the US Patent Trial and Appeal Board's (PTAB) treatment of motions for additional discovery during *inter partes* review (IPR) proceedings. Part one explained that PTAB applies a five-factor test developed in *Garmin International, Inc. v Cuozzo Speed Technologies, LLC*, IPR 2012-00001, Paper number 26, March 5, 2013.<sup>1</sup> Those five factors are:

- 1) **“More than a possibility and mere allegation:** The mere possibility of finding something useful, and mere allegation that something useful will be found, are insufficient to demonstrate that the requested discovery is necessary in the interest of justice. The party requesting discovery should already be in possession of evidence tending to show beyond speculation that in fact something useful will be uncovered.
- 2) **“Litigation positions and underlying basis:** Asking for the other party's litigation positions and the underlying basis for those positions is not necessary in the interest of justice. The Board has established rules for the presentation of arguments and evidence. There is a proper time and place for each party to make its presentation. A party may not attempt to alter the Board's trial procedures under the pretext of discovery.
- 3) **“Ability to generate equivalent information by other means:** Information a party can reasonably figure out or assemble without a discovery request would not be in the interest of justice to have

produced by the other party. In that connection, the Board would want to know the ability of the requesting party to generate the requested information without need of discovery.

- 4) **“Easily understandable instructions:** The questions should be easily understandable. For example, ten pages of complex instructions for answering questions is *prima facie* unclear. Such instructions are counter-productive and tend to undermine the responder's ability to answer efficiently, accurately, and confidently.
- 5) **“Requests not overly burdensome to answer:** The requests must not be overly burdensome to answer, given the expedited nature of *Inter Partes* Review. The burden includes financial burden, burden on human resources, and burden on meeting the time schedule of *Inter Partes* Review. Requests should be sensible and responsibly tailored according to a genuine need.”

One of the cases discussed was *Corning v DSM*, IPR 2013-0004, in which DSM as the patent owner had requested additional discovery for three different categories of information. PTAB granted discovery for one category but denied it for the other two, relying most heavily on factor one (in other words, more than a mere possibility that something useful will be found).

Cases such as the *Corning* case make it clear that PTAB focuses most strongly on factor one of the five *Garmin* factors, requiring specificity in both the evidence demonstrating beyond speculation that the requested evidence actually exists, and specificity in demonstrating that the requested items are, in fact, useful. Failure to prove factor one is most likely fatal to a request for additional discovery, even if there is a strong showing for the remaining four factors. See *Redline v Star EnviroTech*, IPR 2013-00106, Paper 31 (August 27, 2013) at 5: Factor 1 was not satisfied, such that “even assuming [all four remaining] factors weigh in patent owner's favor, for the reasons provided above, patent owner has not met its burden to show that the additional discovery ... is necessary in the interest of justice.”

Conversely, a successful motion must satisfy factor one and as many of the remaining four factors as possible. It is therefore worthwhile to study the remaining four factors.

## Alternative arguments

Before doing so, however, it is also worthwhile to discuss a common strategy when requesting additional discovery: to present an alternative theory, by which the additional discovery is framed as nothing more than routine discovery. According to this alternative theory, the requested items are, in a sense, “inconsistent with a position advanced by the party.”<sup>2</sup>

If presented, such an alternative theory must be advanced carefully, since otherwise PTAB might apply circular reasoning to deny additional discovery.

One example is *Corning v DSM*, IPR 2013-00047. In this case, Corning had petitioned for invalidity of DSM's patent, relying on test results of certain prior art oligomers. DSM suspected that Corning had turned over only favorable test results, and had not turned over test results that supported validity of DSM's patents. It therefore requested test results that were inconsistent with the purported inherency of certain characteristics in the tested oligomers. According to DSM, it was entitled to inconsistent test results on the theory that inconsistent test results were nothing more than routine discovery, or in the alternative under the theory that the inconsistent test results should be turned over pursuant to its motion for additional discovery.

In its decision denying DSM's motion, PTAB relied on Corning's representation that it had already produced all information covered by routine discovery. Based on this representation, the Board reasoned that in view of DSM's repeated characterization of the information as “routine discovery”, the request had already been fulfilled by Corning, such that there was nothing left to compel.

Alternative arguments are nothing new, but in view of the *Corning* decision, it behooves a moving party to frame the alternative arguments carefully, lest PTAB apply similar circular reasoning to deny the motion, based on the conclusion that all routine discovery has already been produced.

## Factor two

Turning to the remaining four of the five *Garmin* factors, factor two provides as follows:

- 2) **“Litigation positions and underlying basis:** Asking for the other party's litigation positions and the underlying basis for those positions is not necessary in the interest of justice. The Board has established rules for the presentation of arguments and evidence. There is a proper time and place for each party to make its presentation. A party may not attempt to alter the Board's trial procedures under the pretext of discovery.”
- “Litigation” in this context refers to the IPR proceedings, and not necessarily to related proceedings or litigations. Nevertheless, it should come as no surprise that IPR proceedings often occur as an adjunct to litigation over the patent, and it should further come as no surprise that discovery in one can often aid the conduct of proceedings in the other.

“Failure to prove factor one is most likely fatal to a request for additional discovery, even if there is a strong showing for the remaining four factors.”



Factor two thus emphasizes that IPR proceedings are regulated by specific timing requirements set out in the rules and in the initial scheduling order issued by PTAB. This is consistent with the statutory mandate to complete IPR proceedings within 12 months (or 18 months for complex cases). PTAB will not grant motions under the guise of additional discovery, where the result is to force one party to deviate from this timeline, and to reveal litigation positions before they are required to.

One example is the *Garmin* case itself. In *Garmin*, patentee Cuozzo had requested “documents [Garmin] intends to rely upon at trial or have provided or intend to provide to an expert witness or declarant”. PTAB denied this motion for additional discovery, reasoning that Cuozzo's request altered PTAB's trial procedures.

“If and when Garmin presents Affidavit or Declaration testimony to support any position it maintains, Cuozzo has an opportunity to cross-examine the affiant or declarant with regard to the basis of the testimony. Garmin is not obligated to keep Cuozzo informed of its positions on substantive issues before Garmin is ready to present them in this review.”<sup>3</sup>

## Factor three

Factor three relates to the ability to obtain the requested information independently, outside a motion for additional discovery, by other means:

- 3) **“Ability to generate equivalent information by other means:** Information a party can reasonably figure out or assemble without a discovery request would not be in the interest of justice to have produced by the other party. In that connection, the Board would want to know the ability of the requesting party to generate the requested information without need of discovery.”

Factor three thus requires the moving party to be industrious, and to explain how it has attempted to generate the requested information on its own, and how those attempts have failed or would be a failure, thus necessitating additional discovery. As with factor one, specifics are important.

One example is found in *Corning v DSM*, where patentee DSM had requested actual samples of oligomers fabricated by Corning in support of Corning's petition for invalidity. DSM stated that it needed actual samples fabricated by Corning, for the reason that fabrication was time-consuming and thus inconsistent with the short schedule of IPR proceedings.

## Résumé

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Michael is managing partner of the Orange County, California office, of Fitzpatrick, Cella, Harper & Scinto. He has extensive experience in preparation and prosecution of patent applications, complex prosecution, licensing transactions and portfolio management, and client counseling particularly in the implementation of corporate systems for invention management and strategic innovation. His technological areas focus on Internet, computer and software related inventions, networks and business methods, and also optics, semiconductors and electronic devices.



PTAB denied the motion, relying in part on factor three. According to PTAB, DSM had failed to explain which particular ones of the oligomers required lengthy fabrication times; had failed to explain which of the oligomers DSM would be able to fabricate on its own; and had failed to identify which of the oligomers required samples from Corning.

Another example is found in the many motions for additional discovery on the issues of secondary considerations, such as commercial success, long-felt need, copying and failure of others. According to PTAB, this type of information could be generated by the moving party itself, without the need to rely on additional discovery from the opposing party. Moreover, in PTAB's view, evidence of secondary considerations must reflect an industry-wide viewpoint, and not simply the perspective of one single party, such that ordering additional discovery on this issue would not be likely to turn up anything "useful" (factor one).

A party opposing additional discovery might therefore benefit from arguing that the information sought is available from other sources, and that the moving party should be required to obtain this information on its own. An example of this argument is found in *Synopsys v Mentor Graphics*, IPR 2012-00042. In this case, patent owner Mentor had requested additional discovery concerning communications from sources outside of Synopsys relating to a particular person's role at Synopsys, for the purpose of possibly establishing privity. PTAB denied the request, based at least in part on factor three. According to PTAB, because the requested communications were sourced externally to Synopsys, the communications were public, and Mentor could obtain such information through other means such as press releases and so forth.<sup>4</sup>

An example of a successful motion, complying with factor three, is found in *Corning v DSM*, where DSM had requested notebooks of a declarant, showing the protocols and underlying data for certain oligomers fabricated by Corning as part of Corning's petition for invalidity. PTAB found that factor three was satisfied, noting that these notebooks were uniquely in the possession of Corning, leaving DSM with no other means for obtaining the requested information.

Factor three thus requires industriousness on the part of the moving party, with the moving party persuasively arguing that the requested information is not available through other means.

#### Factor four

Factor four concerns the nature of the instructions for compliance with the discovery request:

4) "Easily understandable instructions: The questions should be easily understandable. For example, ten pages of complex instructions for answering questions is prima facie unclear. Such instructions are counter-productive and tend to undermine the responder's ability to answer efficiently, accurately, and confidently."

Motions that fail factor four tend to fail at both ends of the spectrum: that the request is so broad that the instructions, albeit short, are difficult to understand; or that the instructions are so specific that their length makes them difficult to understand. Instructively, PTAB has set an arbitrary limit of ten pages as *prima facie* unclear. This again signals PTAB's unwillingness to conduct additional discovery along the lines of discovery in a civil litigation, where the instructions for defining the nature of "parties" and "documents" and "communications", and so on, typically span page after page.

Few cases elaborate on factor four. The *Garmin* case itself includes but two sentences, and concludes that "two page instructions" are easily understandable. Thus, although Cuozzo's motion for additional discovery was denied, brevity of instructions was in favor of factor four.

At the other extreme, one example where brevity worked against the moving party is found in *Corning v DSM*, IPR 2013-00047. In this case, patent owner DSM had requested actual samples of oligomers fabricated by Corning in support of Corning's position that these oligomers inherently exhibited all of the characterizing features of DSM's claims. PTAB denied the motion, at least in part based on DSM's failure to specify the quantity required for each sample.

#### Factor five

Factor five relates to burden on the opposing party:

5) "Requests not overly burdensome to answer: The requests must not be overly burdensome to answer, given the expedited nature of *Inter Partes* Review. The burden includes financial burden, burden on human resources, and burden on meeting the time schedule of *Inter Partes* Review. Requests should be sensible and responsibly tailored according to a genuine need."

In explaining this factor, PTAB emphasizes that burden includes not only expenditures of time and the time constraints of the one-year limitation on IPR proceedings, but also includes burdens imposed by finances and limitations on human resources.

In *Garmin v Cuozzo*, IPR 2012-00001, additional discovery was denied based at least in part on burden. Garmin successfully argued that if discovery were granted, it would be required to search millions of pages of engineering documents in response to one request, and would be required to expend 20 to 30 hours of time to respond to another request pertaining to financial data. It also provided a total cost estimate for such work at ranging between \$50,000 to \$80,000. PTAB made no comments on these estimates, perhaps because Garmin failed to put these estimates into financial context. Stated another way, for parties relying on the financial burdens mentioned in factor five, it might be better to provide a comparison of discovery costs in a civil litigation context, to show that the financial burden is inappropriately high for an IPR proceeding.

On the other hand, PTAB commented on the timeliness of Cuozzo's motion for additional discovery. Note that factor five does not explicitly mention timeliness of the motion, but rather mentions only "the expedited nature of *Inter Partes* Review". But PTAB apparently will include timeliness of the motion in its consideration of the fifth factor.

In the *Garmin* case, PTAB commented that in a situation where there was a five week interval between institution of IPR proceedings and Cuozzo's motion for additional discovery, the five week interval was not "unduly delayed".

Evaluation of factor five also focuses on appropriate tailoring of the request to a "genuine need". Thus, motions for additional discovery will fail factor five when they are overly broad and thus not "sensibly and responsibly tailored according to a genuine need". The *Garmin* case itself provides an illustration, where PTAB denied a request for "all documents and things you considered in preparing your responses". According to PTAB, such a request includes documents and things that need not contain anything useful or even relevant, and thus are not appropriately tailored to a genuine need.

#### High standards

Overall, standards applied by PTAB in deciding motions for additional discovery are high and additional discovery is granted only sparingly: a successful motion will identify the information sought with great specificity and tailored to a genuine need, and will support the motion with detailed reasoning on both the existence of the information and its usefulness. Five factors are applied, with a failure in factor one often being determinative of a denied motion. Success in factor one requires a specific showing of evidence tending to prove the existence of the information sought, and a specific showing that the information sought is in fact useful.

Substantial compliance is also required for factors two through five. A successful motion will be concise, in terms of the information sought and the instructions for producing it (factor four), so as to ensure that the request is "sensible and responsibly tailored to a genuine need" (factor five). The moving party must demonstrate industriousness in its attempt to generate the information on its own, and must demonstrate that despite such attempts, the information sought is available almost exclusively in the hands of the opposing party (factor three).

The information requested cannot be unduly burdensome (factor five), in the sense of unduly interfering with the one-year timeline of IPR proceedings, and also in the sense of financial burden and burden on human resources.

Finally, the request must not be an end-around attempt to obtain litigation positions and the underlying basis of litigation before allowed by the PTAB's procedural rules (factor two).

These high standards reflect PTAB's adherence to what it perceives as a high threshold required by the "interest of justice" language enacted by AIA.

Perhaps resoundingly clear is PTAB's unwillingness to entertain motions that seek evidence of secondary considerations. In PTAB's view, the existence of such information in the Petitioner's files is largely speculative (thus failing factor one), pertains only to the Petitioner and thus is not evidence of industry-wide secondary considerations (and thus not useful and also failing factor one), is likely available through other means (thus failing factor three) and is likely overly burdensome (thus failing factor five). It therefore appears that absent unusual circumstances, PTAB is unlikely to grant such motions.

<sup>1</sup> All cases cited in this article can be found at the USPTO's Patent Review Processing System (PRPS), which is PTAB's e-filing (EF) and case management (CM) system for trial proceedings. The direct link for PRPS is <https://ptabtrials.uspto.gov/>

<sup>2</sup> See 37 C.F.R. § 42.51(b)(1), Routine Discovery.

<sup>3</sup> See *Garmin*, *id.* Paper number 26 (March 5, 2013) at 13.

<sup>4</sup> See *Synopsys id.*, paper 24 page 6.