

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RIVERBED TECHNOLOGY, INC.,
Petitioner,

v.

SILVER PEAK SYSTEMS, INC.,
Patent Owner.

Case IPR2014-00245
Patent 8,392,684 B2

Before JUSTIN T. ARBES, HYUN J. JUNG, and MIRIAM L. QUINN,
Administrative Patent Judges.

JUNG, *Administrative Patent Judge.*

DECISION
Patent Owner's Motion for Additional Discovery
37 C.F.R. § 42.51(b)(2)

Introduction

Patent Owner filed a motion for additional discovery in the instant proceeding, and Petitioner filed an opposition. Papers 17 (“Mot.”), 18 (“Opp.”). For the reasons below, Patent Owner’s motion is *denied*.

Patent Owner seeks additional discovery pertaining to its assertion of objective indications of non-obviousness. Mot. 2. In particular, Patent Owner requests the following discovery from Petitioner:

Copies of [Petitioner’s] specifications and requirements for the Data Store encryption functionality in RiOS version 4.1 for [Petitioner’s] Steelhead appliance.

Copies of [Petitioner’s] documents attributing to a lack of disk encryption in [Petitioner’s] Steelhead appliance (in whole or in part) potential lost sales or customer dissatisfaction.

Copies of [Petitioner’s] documents lauding the Data Store encryption functionality in [Petitioner’s] Steelhead products or criticizing the lack of similar functionality in competitors’ [products].

Ex. 2007; Mot. 1 (citing Ex. 2007).

Analysis

Pursuant to the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), certain discovery is available in *inter partes* review proceedings. 35 U.S.C. § 316(a)(5); *see* 37 C.F.R. §§ 42.51-53. Discovery in an *inter partes* review proceeding, however, is less than what is normally available in district court patent litigation, as Congress intended *inter partes* review to be a quick and cost effective alternative to litigation. *See* H. Rep. No. 112-98 at 45-48 (2011). The

legislative history of the AIA makes clear that additional discovery should be confined to “particular limited situations, such as minor discovery that PTO finds to be routinely useful, or to discovery that is justified by the special circumstances of the case.” 154 Cong. Rec. S9988-89 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl). In light of this, and given the statutory deadlines required by Congress for *inter partes* review proceedings, the Board will be conservative in authorizing additional discovery. *See id.*

In an *inter partes* review proceeding, a party seeking discovery beyond what is expressly permitted by rule must do so by motion, and must show that such additional discovery is “necessary in the interest of justice.” 35 U.S.C. § 316(a)(5); *see* 37 C.F.R. § 42.51(b)(2)(i). Patent Owner, as the movant, bears the burden of demonstrating that it is entitled to the additional discovery sought. 37 C.F.R. § 42.20(c). Thus, to meet its burden, Patent Owner must explain with specificity the discovery requested and why the discovery is necessary in the interest of justice.

The Board considers various factors in determining whether additional discovery in an *inter partes* review proceeding is necessary in the interest of justice, including:

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.

...

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.

Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC, IPR2012-00001, Paper 26, slip op. at 6 (PTAB Mar. 5, 2013) “Decision—On Motion for Additional Discovery” (numbering omitted). “[U]seful” in the context of the first factor above means “favorable in substantive value to a contention of the party moving for discovery,” not just “relevant” or “admissible.” *Id.* at 7. The discovery-seeking party only needs to set forth a threshold amount of evidence tending to show that the discovery it seeks factually supports its contention. *See id.* at 8-9 (finding that, with respect to Cuozzo’s contention of commercial success, Cuozzo failed to present a threshold amount of evidence tending to show that the requested discovery of sales and pricing information involved units with a nexus to the claimed features).

In our Order authorizing the filing of a motion for additional discovery, we required that “any request by Patent Owner shall be limited to materials that would show secondary considerations of nonobviousness (e.g., for the remaining obviousness grounds applicable to claims 3-6, 10-13, and 17-20).” Paper 15, 5. Subsequent to that Order, Patent Owner filed a motion to amend (Paper 16) requesting that claims 1–24 be cancelled and that proposed substitute claims 25–48 be entered. Patent Owner did not file a response directed to the existing claims. Thus, we consider Patent Owner’s motion in the context of its proposed substitute claims. Patent Owner states that it “seeks discovery in three areas all relevant to objective indications of non-obviousness.” Mot. 2.

Patent Owner's First Discovery Request

Patent Owner argues that its first request for “Petitioner’s specifications and requirements documents for the Data Store encryption functionality in RiOS version 4.1 for the Steelhead appliance” “will be useful for [Patent Owner] in showing commercial success, a nexus between it and the claimed invention, and potentially copying.” *Id.* at 3.

Commercial success typically is shown with evidence of “significant sales in a relevant market.” *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1312 (Fed. Cir. 2006) (citation omitted). Furthermore, to establish a proper nexus between a claimed invention and the commercial success of a product, a patent owner must offer “proof that the sales [of the product] were a direct result of the unique characteristics of the claimed invention—as opposed to other economic and commercial factors unrelated to the quality of the patented subject matter.” *In re Huang*, 100 F.3d 135, 140 (Fed. Cir. 1996). In addition, “if the commercial success is due to an unclaimed feature of the device,” or “if the feature that creates the commercial success was known in the prior art, the success is not pertinent.” *Ormco*, 463 F.3d at 1312; *see also In re Kao*, 639 F.3d 1057, 1070 (Fed. Cir. 2011) (requiring a determination of “whether the commercial success of the embodying product resulted from the merits of the claimed invention as opposed to the prior art or other extrinsic factors”).

We are not persuaded that Patent Owner has shown, beyond mere speculation or possibility, that its requests would return something useful. First, Patent Owner provides bare assertions of an alleged commercial success without supporting those assertions with facts or other evidence. *See Mot. 1* (“Disk encryption has proven to be a factor in commercial

success of WAN optimization products.”). Some threshold evidence tending to show commercial success, typically with evidence of significant sales, must be shown for us to consider whether Patent Owner’s requests go beyond speculation or a mere possibility of discovering something useful. Here, Patent Owner has not met its burden, especially when it argues that the “documents requested . . . will show what the business and technical needs were for the disk encryption feature.” *Id.* at 3. That argument reveals that the contention of commercial success due to disk encryption is, at best, a theory untethered to product sales evidence. Disregarding attorney argument, which we give little to no weight, Patent Owner has failed to show facts tending to show that its discovery request will uncover information useful to proving its contention of commercial success due to disk encryption.

Second, Patent Owner failed to provide a threshold amount of evidence tending to show that there is a nexus between the alleged commercial success and the features of the proposed substitute claims. Patent Owner only argues, without support, that “[d]isk encryption has proven to be a factor in commercial success of WAN [wide area network] optimization products,” and that the proposed substitute claims “recite features that disk encryption embodies.” Mot. 1–2 (citing Ex. 2010). Patent Owner, however, does not point to any specific language in the proposed substitute claims or otherwise explain how Patent Owner might be able to show a nexus between the features of those claims and any commercial success.

As for copying, Patent Owner does not provide any evidence tending to show that any manufacturer may have copied the systems recited in the

proposed substitute claims. Copying as objective evidence of nonobviousness requires evidence of effort to replicate a specific product. *Wyers v. Master Lock Co.*, 616 F.3d 1231, 1246 (Fed. Cir. 2010); *Iron Grip Barbell Co. v. USA Sports, Inc.*, 392 F.3d 1317, 1325 (Fed. Cir. 2004). Patent Owner's first request merely speculates that copying may have occurred.

Patent Owner's Second Discovery Request

Patent Owner argues that its second request for "Petitioner's documents attributing to a lack of disk encryption in Petitioner's Steelhead appliance . . . potential lost sales or customer dissatisfaction" "goes directly to the ability of the feature to contribute to commercial success" and "will be useful to show disk encryption was an unobvious and ultimately important source of success at the time [Patent Owner] made the invention." *Id.* at 3-4.

Patent Owner, however, does not provide any evidence tending to show lost sales or customer dissatisfaction. The request, therefore, is based only on speculation that something useful would be found. Further, as explained above, Patent Owner does not provide the threshold evidence tending to show commercial success or explain sufficiently how any alleged success would be attributable to the features of the proposed substitute claims.

Patent Owner's Third Discovery Request

Patent Owner seeks "Petitioner's documents lauding the Data Store encryption functionality in its Steelhead products or criticizing the lack of similar functionality in competitors" products because "[I]audatory statements about an invention are a recognized objective indication of non-obviousness." *Id.* at 4. Patent Owner cites a posting from Petitioner's

website (Ex. 2010), and states that “while one example of the documents sought exists publicly, the nature of it suggests that it is a competitive message communicated elsewhere, in private, which [Patent Owner] has no other means to obtain.” *Id.* at 5.

Patent Owner’s third request fails to explain sufficiently how laudatory statements about Petitioner’s Data Store encryption functionality would show non-obviousness of the proposed substitute claims. Also, Patent Owner’s argument that a laudatory statement was “communicated elsewhere, in private” is mere speculation. *See id.* at 5. Finally, Patent Owner does not address why it cannot generate information equivalent to such a private laudatory document, particularly given Patent Owner’s citation to a publicly available website.

Conclusion

On this record, we conclude that Patent Owner has not met its burden to demonstrate that discovery of the requested information is necessary in the interest of justice. Patent Owner has not provided a threshold amount of evidence of (1) sales allegedly amounting to commercial success, (2) an alleged nexus between the claimed inventions and any commercial success of Petitioner’s products, (3) evidence of efforts to replicate the features of the proposed substitute claims, or (4) evidence that Petitioner has the requested laudatory documents. Although a conclusive showing of any of these facts is not necessary at this stage, *some* evidence is needed to establish that there is more than a mere possibility that Patent Owner’s requests would uncover something useful.

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In consideration of the foregoing, it is hereby:

ORDERED that Patent Owner's motion for additional discovery is
denied.

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