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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
SAMSUNG ELECTRONICS AMERICA, INC., and
SAMSUNG TELECOMMUNICATIONS AMERICA, LLC,

Petitioners,

v.

BLACK HILLS MEDIA, LLC,

Patent Owner.

Case IPR2014-00735
Patent 6,618,593 B1
Case IPR2014-00717
Patent 6,108,686

Before BRIAN J. McNAMARA, DAVID C. McKONE,
PETER P. CHEN, and FRANCES L. IPPOLITO, *Administrative Patent Judges*.

McNAMARA, *Administrative Patent Judge*.

ORDER GRANTING-IN-PART MOTION FOR ADDITIONAL DISCOVERY

37C.F.R. § 42.51(b)(2)

In Paper 10 in IPR2014-00735, which concerns U.S. Patent No. 6,618,593 B1 ("the '593 Patent") and Paper 8 in IPR2014-00717, which concerns U.S. Patent No. 6,101,686 ("the '686 Patent"), we authorized Black Hills Media LLC ("Patent Owner") to move for additional discovery concerning whether Google, Inc. ("Google") is a real party-in-interest in these proceedings. In each proceeding, Patent Owner filed its Motion for Additional Discovery on August 22, 2014. IPR2014-00735, Paper 12; IPR2014-00717 Paper 15[1] ("Mot."). Samsung Electronics Co., Ltd. ("Petitioner") opposed Patent Owner's Motion for Additional Discovery on September 5, 2014. Paper 16 in each proceeding ("Opp."). Although not listed on the cover page of the oppositions, Samsung Electronics America, Inc. and Samsung Telecommunications America, LLC, also appear to oppose Patent Owner's Motion for Additional Discovery. Opp. 1. Therefore, in this order, we refer to the Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Telecommunications America, LLC collectively as Petitioner.

We grant the motion in part.

Patent Owner seeks additional discovery to determine whether Petitioner complied with the requirement to identify each real party-in-interest. *See* 37 C.F.R. § 42.8(b)(1). A party that funds, directs, or controls an IPR petition or proceeding constitutes a real party-in-interest. *See* Office Trial Practice Guide, 77 Fed. Reg. 48,756, 48,760 (Aug. 12, 2014). Thus, the requested discovery must be directed to this issue. Patent Owner must demonstrate that the additional discovery sought is in the interests of justice. *See* 37 C.F.R. § 42.51(b)(2). In deciding whether granting Patent Owner's motion for additional discovery is in the

[1] Paper 15 in IPR2014-00717 is Patent Owner's Corrected Motion for Additional Discovery

interests of justice, we consider whether Patent Owner is already in possession of evidence tending to show beyond speculation that something useful will be discovered in determining whether Google is a real party-in-interest or privy, i.e., whether Google funds, directs, or controls the Petitions. *See, Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 26, pp. 6–7 (PTAB March 5, 2013) (Informative).

Patent Owner has become aware of an expired Mobile Application Distribution Agreement (MADA) between Petitioner and Google. Mot. 2. Paragraph 2.1 of the MADA grants petitioner entity Samsung Electronics Co. Ltd. and its affiliates a license to distribute Google Applications, defined in para. 1.12, when the Google Applications are pre-loaded onto a Device, as defined in para. 1.9 of the MADA. IPR2014-00735, Ex. 2003; IPR2014-00717, Ex. 2002. The MADA also includes an indemnification provision under which Google, if properly notified, has full control and authority over the defense of an infringement claim against Petitioner. *Id*. at ¶ 11, Mot. 2.

With its Opposition to Patent Owner's Motion, Petitioner submitted the declaration of Mr. Sunghil Cho. Ex. 1009 in both proceedings. ("Cho Decl."). Mr. Cho's declaration states that he is employed as a director of Samsung Electronics, Ltd., that he is responsible for coordinating and supervising the filing of petitions for *inter partes* review of third party patents, and that he coordinated the review of petitions challenging patents asserted by Patent Owner in these proceedings. Cho Decl. ¶1–2. Mr. Cho also states that the Petitioner entities (referred in Mr. Cho's declaration as "Samsung") did not engage, coordinate with, or communicate with outside counsel or representatives other than Covington & Burling LLP ("Covington") in connection with the preparation, review and filing of the Petitions, did not send any drafts of the Petitions to Google, did not

authorize Covington to send any drafts to Google, did not receive any input from Google or its counsel and that the Samsung has paid and is paying all legal fees with respect to these proceedings without funding or contributions from Google or any counsel or representatives of Google. *Id.* at ¶¶ 3–8. Petitioner further argues that Samsung and Google are represented by different counsel in an ITC investigation of the '593 Patent and that any inference of Google's involvement in an Eastern District of Texas litigation concerning the '686 Patent is speculation. Opp. 4–7.

Patent Owner notes that, in another lawsuit ("the Apple suit"), in response to an interrogatory, Petitioner denied it was seeking indemnification under the same MADA, but Google later revealed during a deposition that it had been indemnifying Petitioner. Mot. 3–4, citing IPR2014-00717, Exs. 2005 and 2006; IPR2014-00735, Exs. 2009 and 2010. Petitioner responds that Patent Owner fails to recognize that the present circumstances are different from those in the Apple suit, where Patent Owner was not a party. Opp. 3–6. However, Petitioner does not elaborate on these differences, other than to say that Samsung maintains full control and authority of its defenses in the ITC, where Google has intervened, and the Eastern District of Texas, where Google is not a party. *Id*.

Although Patent Owner was not a party to the Apple suit, the circumstances in that case suggest that Patent Owner is entitled to inquire about whether Google has any involvement in the present proceeding and whether any of Petitioner's entities are acting on behalf of Google in any way. Patent Owner is also entitled to corroboration of the assertions in Mr. Cho's declaration and to cross-examine Mr. Cho. However, Mr. Cho's declaration does not state whether he is located in

the United States and it is not possible for us to determine if Mr. Cho is available for cross-examination.[2]

Patent Owner argues that, pursuant to the terms of the MADA, Google has intervened and taken an active role in proceedings before the United States District Court for the Eastern District of Texas and the United States International Trade Commission (ITC) where Patent Owner asserted that Petitioner infringes the patent that is the subject of IPR2014-00735 ("the '593 Patent"). Mot. 2–3. *See also* Ex. 2004, 17–19; Ex. 2005.[3] In the case of the '593 Patent, Patent Owner specifically cites to arguments advanced by Google before the ITC that Google believes Patent Owner's case against Petitioner's products centers on Google's apps. IPR2014-00735, Mot. 3–4. *See also* IPR2014-00735, Ex. 2007, 6.

Petitioner contends that the MADA invoked by Patent Owner was not in effect at the time the disputes arose between Petitioner and Patent Owner. Opp. 1–2. The first page of the MADA states that its term began on the Effective Date (January 1, 2011) and continued through December 31, 2012. Consistent with this information, the MADA states that it was in effect for a non-renewing term of two years after its January 1, 2011, Effective Date, Ex. 2003 ¶ 6. Thus, the MADA expired on December 31, 2012. The district court suit alleging Petitioner infringes the '593 Patent was filed on May 6, 2013. Ex. 2004, 17–19. Court records indicate that a summons issued on May 7, 2013, and that Petitioners were served shortly thereafter. The ITC complaint is dated May 13, 2013. The Petition in this proceeding was accorded a filing date of May 7, 2014. Thus, the filing dates of the lawsuits and the instant petition all occurred after the MADA expired. Petitioner

[2] The Cho declaration also appears not to be in compliance with 28 U.S.C. § 1746.
[3] IPR2013-00717 concerns U.S. Patent No. 6,108,686 (the '686 Patent), which has been asserted against Petitioner in the U.S. District Court for the Eastern District of Texas, but not in the ITC.

does not indicate whether the lawsuits accuse products that were being sold under the MADA. Patent Owner states that its lawsuits assert infringement with respect to devices sold during the effective period of the MADA. Mot. 2. As discussed below, Google's actions in the ITC indicate that Petitioner's accused products were sold under the MADA and that Google may have an interest in the outcome of these *inter partes* reviews, which challenge the patentablity of claims of the '593 and '686 Patents.

Petitioner also argues that Patent Owner has not demonstrated why the MADA would apply to the present *inter partes* reviews brought by Petitioner because the indemnification provision of the MADA concerns cases brought against Petitioners, such as Patent Owner's infringement lawsuits, rather than proceedings brought by Petitioner against Patent Owner, such as this proceeding. Opp. 2. Although the MADA allows Petitioner to "join in the defense with its own counsel at its own expense," the MADA provides Google "full control and authority over the defense" of "any third party lawsuit or proceeding brought against" Petitioner. Google has the authority to defend, or at its option settle, any third party lawsuit or proceeding, and reserves the right to terminate Petitioner's continued distribution of or access to the licensed subject matter. IPR2013-00717, Ex. 2002 ¶ 11.1; IPR2014-00735, Ex. 2001, ¶ 11.1. The MADA is silent about whether, in circumstances where Google might indemnify, Petitioner can challenge the patentability of patent claims asserted against it by a third party in an *inter partes* review without ceding full authority and control of such a proceeding to Google. Thus, we do not base our decision on the MADA alone.

In granting Google's motion to intervene in the ITC proceeding, the ITC determined that Google has a "[c]ompelling interest in the investigation because its software is accused with respect to all six accused patents," which includes the

'593 Patent, and that "Google's interests are not adequately represented by the existing parties" to that proceeding. IPR2014-00735, Ex. 1012, 5; IPR2014-00717, Ex. 1011, 5. In a footnote, the administrative law judge further stated that he "[s]ees no reason to limit Google's participation to only the issue of infringement. It is therefore determined that Google may participate fully as to all issues litigated in this investigation." *Id.* n. 11. Thus, notwithstanding the literal language of the MADA, it appears that Google has an interest in a potential determination in this proceeding that the '593 Patent claims are unpatentable. We therefore find that Petitioner has demonstrated possession of evidence tending to show beyond mere speculation that something useful will be discovered in determining whether Google is a real party-in-interest or privy, i.e., whether Google funds, directs, or controls the Petition.

We next consider whether Patent Owner's discovery requests are directed to whether Google is a real party-in-interest or seek litigation positions, whether Patent Owner can generate the requested information by other means, whether Patent Owner's requests are clear, and whether Patent Owner's requests are burdensome on Petitioner's financial and human resources. *See Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 26, pp. 6–7 (PTAB March 5, 2013).

Patent Owner proposes three similar interrogatories in each proceeding. IPR2013-00735, Ex. 2002; IPR2014-00717 Ex. 2001. It is apparent that the information sought in the interrogatories cannot be generated independently by Patent Owner, because the interrogatories concern information known only to Petitioner, and perhaps, Google.

Interrogatory No. 1 requests the identities of all individuals who were provided a copy of any drafts of the Petition before it was filed. Interrogatory

No. 1 is overly broad and burdensome because it encompasses clerical and other staff with no substantive role in the preparation of the Petition. In addition, the only issue before us is whether Google is a real party-in-interest or privy. Interrogatory No. 1 is not limited to persons associated with Google. Rather than deny the discovery, we limit Interrogatory No. 1 to the identification of persons or entities that Google or its counsel directed Petitioner or Petitioner's counsel to provide with a copy of one or more drafts of the Petition. We deny all other discovery requested in Interrogatory No. 1 as beyond the proper scope of inquiry and overly burdensome.

The second interrogatory asks Petitioner to identify each individual not employed by Petitioner or Petitioner's counsel who was involved with preparing the Petition, and the degree of involvement of each such individual in the filing of the Petition. Because the second interrogatory is limited to the scope of § I(D)(1) of the Office Trial Practice Guide, we agree that the discovery is appropriate.

Interrogatory No. 3 asks Petitioner to describe all financial transactions (payments, transfers, refunds, etc.) made or agreed upon in relation to the indemnification provisions of the MADA, or a MADA that may have become effective after December 31, 2012, and relates to a claim of infringement of the relevant patents. Interrogatory No. 3 is overly broad because it is not limited to claims concerning Patent Owner. Interrogatory No. 3 also does not distinguish between transactions related to indemnifications for infringement and those related to the current proceedings. Therefore, we limit the discovery requested in Interrogatory No. 3 to transactions related to these proceedings.

Patent Owner also has presented three document production requests. Request No. 1 is for a copy of each MADA between Petitioner and Google having an effective date after Dec. 31, 2012. Request No. 1 is overly broad. The only

concern in this proceeding is whether Google actually is a real party-in-interest or privy. Our decision to allow additional discovery by way of interrogatory is not based solely on the MADA, but also on representations made by Google in the ITC.[4] Although the MADA provides evidence supporting limited additional discovery, the exact terms of the MADA are not dispositive of the issue before us. If the responses to the discovery we authorize provide evidence that Google has acted in a manner that establishes it is a real party-in-interest, it may be immaterial whether Google's role was the result of an indemnification pursuant to the MADA discussed above, another MADA, or some other agreement. In addition, should Google's real party-in-interest status change, Petitioner is required to update its Mandatory Notices. 37 C.F.R. § 42.8(a). We further note that Google's motion to intervene in the ITC proceeding concerning the '593 Patent, which is the subject of IPR2013-00735, is not based on obligations under the MADA. *See*, IPR2014-00735, Ex. 2007. In view of the interrogatories we have authorized above (i.e., requiring Petitioner to identify persons Google directed Petitioner to provide drafts of the petitions and any person not employed by Petitioner or its counsel who participated in preparing the petitions), as well as the other document Requests we authorize, a copy of a more recent MADA is not required at this time.

Request No. 2 seeks documents related to notification by Petitioner to Google of a claim for indemnification under the MADA (or a more recent MADA) pertaining to a claim of patent infringement. Request No. 3 seeks documents related to Google's response to any such notifications. Requests Nos. 2 and 3 are overly broad because they concern all notifications, including for claims not made by Patent Owner, and responses to all such notifications. Request Nos. 2 and 3

[4] While Google's arguments before the ITC concern the '593 Patent, we extend that reasoning to the '686 Patent that is the subject of IPR2014-00717.

also are not limited to IPR2014-00735 and IPR2014-00717. Therefore, we limit Requests Nos. 2 and 3 to documents constituting or concerning notifications and responses to notifications under any agreement between Petitioner and Google, relating to the challenges to patentability asserted in IPR2014-00735 and IPR2014-00717.

In consideration of the above, it is

ORDERED that Patent Owner's Motion for Additional Discovery is GRANTED-IN-PART and DENIED-IN-PART;

FURTHER ORDERED the discovery sought in Patent Owner's Interrogatory No. 1 in IPR2014-00735 and IPR2014-00717 is GRANTED, but limited to identification of persons or entities that Google or its counsel directed Petitioner or Petitioner's counsel to provide with a copy of one or more drafts of the Petition, and that all other discovery sought in Interrogatory No. 1 is DENIED;

FURTHER ORDERED that the discovery sought in Patent Owner's Interrogatory No. 2 in IPR2014-00735 and IPR2014-00717 is GRANTED;

FURTHER ORDERED that the discovery sought in Patent Owner's Interrogatory 3 in IPR2014-00735 and IPR2014-00717 is GRANTED, but limited to transactions related to IPR2014-00735 and IPR2014-00717, and that all other discovery sought in Interrogatory No. 3 is DENIED;

FURTHER ORDERED, that Patent Owner's document Request No. 1 is DENIED;

FURTHER ORDERED that Patent Owner's document Request No. 2 and document Request No. 3 in IPR2014-00735 and IPR2014-00717 are GRANTED, but limited to documents constituting or concerning notifications under any agreement between Petitioner and Google (Request No. 2) and responses to such notifications (Request No. 3), relating to the challenges to patentability in

IPR2014-00735 and IPR2014-00717. Requests for production of all other documents under Request No. 2 and Request No. 3 are DENIED.

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