

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SNAP-ON INC.,  
Petitioner,

v.

MILWAUKEE ELECTRIC TOOL CORPORATION,  
Patent Owner.

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Case IPR2015-01242 (Patent 7,554,290 B2)  
Case IPR2015-01243 (Patent 7,944,173 B2)  
Case IPR2015-01244 (Patent 7,999,510 B2)<sup>1</sup>

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Before GRACE KARAFFA OBERMANN, PATRICK R. SCANLON, and  
CARL M. DEFRANCO, *Administrative Patent Judges*.

OBERMANN, *Administrative Patent Judge*.

ORDER  
Conduct of the Proceeding  
*37 C.F.R. §§ 42.5(a)*

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<sup>1</sup> This Decision addresses issues common to all cases; therefore, we issue a single order to be entered in each case. The parties are authorized to use this style heading when filing an identical paper in multiple proceedings, provided that such heading includes a footnote attesting that “the word-for-word identical paper is filed in each proceeding identified in the heading.”

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A consolidated conference call was held in these proceedings on May 11, 2016, before Judges Obermann, Scanlon, and DeFranco. Petitioner was represented by Mr. Amol A. Parikh. Patent Owner was represented by Mr. Dion M. Bregman. A court reporter was not present. The call was conducted in response to an email from Petitioner to the Board, dated May 10, 2016, which was marked “Subject to Protective Order – Contains Confidential Information.” Ex. 3001 (filed under seal). As an initial matter, we order the parties to jointly file, on or before May 16, 2016, a public version of Exhibit 3001, in which any confidential information is redacted.

Petitioner seeks permission to conduct additional discovery of certain numbered documents and categories of documents, which we refer to herein as Items 1–28. *See* Ex. 3001 (for numbered items). During the telephone conference, we requested the parties to address the factors, set forth in *Garmin International, Inc. v. Cuozzo Speed Technologies LLC*, Case IPR2012-00001 (PTAB Mar. 5, 2013) (Paper 26, 6–7) (precedential), which bear upon our determination whether additional discovery is warranted in the interests of justice.

*Item 1 (“Shampine Deposition Transcript”)*

In the email, Petitioner requests authorization to compel routine discovery or, in the alternative, to file a motion for additional discovery of the Shampine Deposition Transcript (Item 1), which was filed under seal as Exhibit 1090 in IPR2015-00596 (“IPR 596”). Ex. 3001, 1.

Patent Owner observed that a redacted, public version of Item 1 was filed as Exhibit 1250 in IPR 596. Petitioner advised the Board that it was unaware that of that public version and, therefore, was not prepared to

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discuss any further discovery needs related to the version filed under seal.

Accordingly, Petitioner withdrew its request for production of the non-public version of Item 1 (IPR 596, Ex. 1090).

*Items 2–13 (“Documents Pertaining to Secondary Considerations”)*

Petitioner seeks authorization to file a motion for additional discovery of documents allegedly bearing on Patent Owner’s assertions of secondary considerations. Ex. 3001, 1–2. Those documents were produced by Patent Owner under seal in related IPRs,<sup>2</sup> and allegedly reflect Patent Owner’s confidential information. Patent Owner confirmed that those documents were produced, without objection by Patent Owner, in the related IPRs, which involve the same patents.

According to Petitioner, Patent Owner has agreed to produce Items 2–13 in the instant proceedings, but only subject to a condition that Petitioner abandon its request for certain other documents (Items 14–25, discussed below). Ex. 3001, 2. During the telephone conference, Patent Owner confirmed that it agrees to produce Items 2–13 in the instant proceedings, but requested that we take into account Patent Owner’s view that Petitioner, overall, has taken unreasonable positions regarding discovery in this and other IPRs.

We are persuaded, based on the particular facts and circumstances discussed during the telephone conference, that the production of Items 2–13 should not be made conditional on Petitioner’s agreement to forgo a request for production of Items 14–25, or any other conditions unrelated to the

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<sup>2</sup> The related IPRs are IPR2015-00595, IPR2015-00596, IPR2015-00597, IPR2015-01164, IPR2015-01165, and IPR2015-01166.

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specific request at hand. Because no other persuasive objection to the requested discovery was advanced by Patent Owner, we order Patent Owner to produce Items 2–13 to Petitioner on or before May 16, 2016.

*Items 14–25 (“Conception and Reduction to Practice Documents”)*

Petitioner requests production of documents (Items 14–25) that allegedly relate to conception and reduction to practice of the invention by persons other than the named inventors. Ex. 3001, 2–3. Petitioner alleges that Items 14–25 include correspondence and documents that were produced, and designated confidential, in related district court litigation. In Petitioner’s view, those documents are necessary to respond to arguments advanced by Patent Owner in an attempt to antedate an applied prior art reference. *Id.* As to Item 19, Petitioner agreed to reduce the overall burden of the requested discovery, by accepting production of a one-page chart—a single page within Item 19—in lieu of the entire document. According to Petitioner, that would reduce the overall burden of production, in connection with Items 14–25, from about 450 pages to 300 pages or less.

A question remains whether the requested discovery is supported by more than a possibility or mere allegation that something useful will be found. We determine that briefing is necessary, specifically focused on whether Items 14–25 are relevant to an issue within the Board’s statutory authority to resolve; namely, the issue of inventorship as an ancillary to Patent Owner’s attempt to antedate a prior art reference. Ex. 3001, 3. Accordingly, Petitioner’s request for authorization to file a motion for additional discovery regarding Items 14–25 is *granted*. Regarding Item 19,

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the request shall be limited to the one-page chart identified during the telephone call. Briefing shall proceed on the schedule set forth below.

*Item 26 (“the Hitachi Koki License”)*

Petitioner requests production of documents relating to the Hitachi Koki License (Item 26), which allegedly bear upon Patent Owner’s contentions of secondary considerations of nonobviousness. Ex. 3001, 3. Petitioner stated during the conference call that Item 26 consists of about 20 pages that, according to Petitioner, reflect information that contradicts Patent Owner’s assertions regarding the value of the challenged patents. *Id.* Patent Owner disagrees with Petitioner’s characterization of the content of the documents, but stated a willingness to produce the documents. Patent Owner asserts, however, that it does not have permission from its licensee to produce Item 26 upon request from Petitioner. Upon further inquiry, Patent Owner acknowledged that a clause in the license authorizes Patent Owner to produce Item 26 upon order of a court or administrative tribunal.

Based on the particular facts and circumstances presented during the telephone conference, we determine that production of Item 26 is warranted in the interests of justice. Patent Owner shall produce Item 26 to Petitioner on or before May 16, 2016.

*Items 27–28 (Black & Decker License Documents)*

Petitioner requests discovery of categories of documents, which allegedly relate to the negotiation of license agreements between Patent Owner and Black & Decker. Ex. 3001, 3. During the telephone call, the Board expressed concerns that the stated request is overly broad and

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speculative. In response, Petitioner represented that the documents are in the possession of a non-party (Black & Decker). Petitioner further represented that it has contacted Black & Decker, and that the non-party is willing to produce the requested categories of documents, but shall do so only in response to a subpoena. Upon further inquiry, Petitioner stated that Black & Decker has indicated that compliance with the requested discovery is “not burdensome” to Black & Decker and, further, that Black & Decker has indicated its ability to comply with the requested discovery expeditiously, without impeding the schedule set in these proceedings.

The applicable rule for compelled testimony and production of documents is 37 C.F.R. § 42.52(a), which provides:

(a) *Authorization required.* A party seeking to compel testimony or production of documents or things must file a motion for authorization. The motion must describe the general relevance of the testimony, document, or thing, and must:

(1) In the case of testimony, identify the witness by name or title; and

(2) In the case of a document or thing, the general nature of the document or thing.

*See* Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions; Final Rule, 77 Fed. Reg. 48,612, 48,622 (Aug. 14, 2012) (“A party in a contested case may apply for a subpoena to compel testimony in the United States, but only for testimony to be used in the contested case. *See* 35 U.S.C. § 24. Section 42.52(a) requires the party seeking a subpoena to first obtain authorization from the Board; otherwise, the compelled evidence would not be admitted in the proceeding.”).

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Based on representations made by Petitioner during the telephone conference—and, in particular, those regarding the lack of burden to non-party Black & Decker and the ability of that non-party to comply with the requested discovery within the schedule set in these proceedings—we determine that the requested discovery is warranted in the interests of justice, and will not impose any undue burden on Patent Owner. Accordingly, Petitioner is authorized under 35 U.S.C. § 24 to apply for a subpoena from a district court limited to securing from Black & Decker the documents identified as Items 27–28. Ex. 3001, 3–4.

*Scheduling Order Modifications*

In response to further discussion, the Board authorized the parties to stipulate to an extension of DUE DATE 6 in the Scheduling Order (Paper 11)<sup>3</sup> up to and including September 2, 2016. Both parties indicated that the extension would suit their needs for additional time in the instant proceedings. The Board reminded the parties that the date for oral argument, if requested, is firm and shall not be extended beyond September 13, 2016 (DUE DATE 7).

It is

ORDERED that the parties shall file jointly, on or before May 16, 2016, a public version of Exhibit 3001 in which any confidential information is redacted;

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<sup>3</sup> For convenience, we refer to the Scheduling Order entered in IPR2015-01242. Substantially identical orders were entered in IPR2015-01243 and IPR2015-01244.

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FURTHER ORDERED that Patent Owner shall produce Items 2–13 (Ex. 3001) to Petitioner on or before May 16, 2016;

FURTHER ORDERED that Petitioner’s request for authorization to file a motion for additional discovery as to Items 14–25 is *granted*; however, as to Item 19, the request shall be limited to the one-page chart identified during the telephone conference;

FURTHER ORDERED that Petitioner is authorized to file a motion for additional discovery, limited to seven (7) pages, on the issues set forth above as to Items 14–25, on or before Tuesday, May 16, 2016;

FURTHER ORDERED that Patent Owner is authorized to file an opposition to Petitioner’s motion for additional discovery, limited to seven (7) pages, on or before Friday, May 20, 2016;

FURTHER ORDERED that no further briefing is authorized at this time;

FURTHER ORDERED that Patent Owner shall produce Item 26 to Petitioner on or before May 16, 2016;

FURTHER ORDERED that Petitioner is authorized under 35 U.S.C. § 24 to apply for a subpoena from a district court limited to securing from Black & Decker the documents identified as Items 27–28;

FURTHER ORDERED that the parties are authorized to stipulate to an extension of DUE DATE 6, up to and including September 2, 2016; and

FURTHER ORDERED that the date for oral argument, if requested, is firm and shall not be extended beyond September 13, 2016 (DUE DATE 7).

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