

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

WAVEMARKET, INC. D/B/A LOCATION LABS
Petitioner

v.

LOCATIONNET SYSTEMS, LTD.
Patent Owner

Case IPR2014-00199
Patent 6,771,970

Before KRISTEN L. DROESCH, GLENN J. PERRY and
SHERIDEN K. SNEDDEN, *Administrative Patent Judges*.

PERRY, *Administrative Patent Judge*.

ORDER
Conduct of Proceeding
37 C.F.R. § 42.5

An initial conference call in the above proceeding was held on June 13, 2014, among respective counsel for Petitioner and Patent Owner, and Judges Droesch, Perry and Snedden. The purpose of the call was to discuss the Scheduling Order (Paper 19) and the proposed motions of the parties (Papers 25 and 27). The following is a summary of the call.

Scheduling Order

Petitioner notes a typographical error in our Scheduling Order (Paper 19), indicating that Due Date 4 should have been written as December 30, 2014. We agree and appreciate Petitioner’s observation.

Potential Joinder

Petitioner filed a petition for *inter partes* review, IPR2014-00920 (“’920 IPR”), on June 9, 2014, which has not yet been fully docketed. Petitioner filed in the ’920 IPR a motion to join (Paper 4) with this *inter partes* review. Petitioner seeks authorization in this *inter partes* review to file a motion for joinder with the ’920 IPR and to modify the scheduling order (Paper 19) in this *inter partes* review as follows and to place the ’920 IPR on the modified schedule of this *inter partes* review:

Due Date	Current Date	Proposed Date
1	August 11, 2014	October 13, 2014
2	November 10, 2014	December 13, 2014
3	December 9, 2014	January 13, 2015
4	December 30, 2014	February 3, 2015
5	January 13, 2015	February 17, 2015
6	January 20, 2015	February 24, 2015
7	February 3, 2015	March 10, 2015

Petitioner also seeks authorization to file a motion seeking acceleration of Patent Owner's Response Due Date in the '920 IPR to July 22, 2014 to facilitate joinder.

Patent Owner opposes joinder, indicating that the issues in the two IPRs are different and that no efficiencies will be gained by joining them. Further, Patent Owner would be prejudiced by having time taken away from thoughtful consideration of the issues raised in the '920 Petition. The '920 IPR is now in its initial stages of formalities review. Unless taken out of turn, it is likely that a Patent Owner Preliminary Response would be due in September, 2014.

The Parties report that related litigation against T-Mobile USA Inc.¹ ("T-Mobile") and Sprint Nextel Corp.² ("Sprint") has not been stayed and that no motion to stay is pending. Discovery in the related litigation is due to close in August and a Markman Hearing is scheduled for October, 2014.

At this time, we do not authorize any motions regarding joinder. We will take up the issue further upon our consideration of the '920 IPR Petition.

Additional Discovery Regarding Real Party in Interest

Patent Owner seeks authorization to file a motion requesting additional discovery related to potential real parties in interest. According to Patent Owner, Petitioner Location Labs is an indemnitor of T-Mobile and Sprint. Petitioner's Counsel indicates that it is also representing T-Mobile

¹ CallWave Communications, LLC, v. T-Mobile USA Inc. and Google, Inc., Civil Action No. 1:12-cv-01703-RGA (D. Del.).

² CallWave Communications, LLC, v. Sprint Nextel Corp. and Google, Inc., Civil Action No. 1:12-cv-01702-RGA (D. Del.).

and Sprint. Patent Owner alleges a “plausible connection” between Location Labs and these entities and seeks discovery regarding that relationship, particularly with regard to any indemnification agreement by Location Labs that might include terms related to control and funding of these IPR proceedings by T-Mobile and Sprint.

Petitioner indicates that the same discovery issue is being contested in District Court and that a hearing is scheduled for June 26, 2014 before a Magistrate Judge. Petitioner objects to being subject to multiple discovery requests in different forums and that the appropriate forum for determining this issue is the District Court.

In view of the facts disclosed during the conference call, and the potential significance of a real party in interest not yet identified, Patent Owner is authorized to file a motion for additional discovery related to this relationship. However, this authorization does not mean that any such a motion will be granted. Patent Owner is cautioned that such motions are only granted if they are targeted and specific (e.g., a particular agreement). The Board considers various factors in determining whether requested additional discovery meets the standard of “necessary in the interest of justice” under 35 U.S.C. § 316(a)(5), including the following factors set forth in *Garmin Int’l, Inc. v. Patent of Cuozzo Speed Techs. LLC*, Case IPR2012-00001 (PTAB Mar. 5, 2013) (Paper No. 26) slip. op. at 6-7: (1) the request is based on more than a mere possibility of finding something useful; (2) the request does not seek the litigation positions of the other party; (3) the information is not reasonably available through other means; (4) the request is easily understandable; and (5) the request is not overly

burdensome to answer. Wide-ranging discovery requests are not likely to be granted.

Motion to Amend

Patent Owner indicates that it may file a Motion to Amend Claims. Patent Owner indicates that this potential motion is forward looking and that it is not prepared to file such a motion at this time. We provide the following guidance.

Authorization is not needed for filing a first motion to amend. Before such a motion is filed, however, Patent Owner is directed to seek a telephone conference with the panel two weeks in advance of any such proposed motion to discuss the motion. *See* 37 C.F.R § 42.121(a). The parties are further directed to the guidance provided in Case IPR2012-00027, Paper 26, dated June 11, 2013 (“Idle Free”), Case IPR2013-00423, Paper 27, dated March 7, 2014 (“Toyota Motor Corporation”); and Case IPR2013-00124, Paper 12, dated May 20, 2014 (“Int’l Flavors”). It is also suggested that Patent Owner become familiar with PTAB’s Trial Practice Guide Section G and with rule 42.121.

Observations on Cross-Examination Testimony

Patent Owner indicates that it may wish to file a motion for observations on cross-examination testimony of Petitioner’s reply witnesses. Patent Owner is invited, at the appropriate time, to seek such authorization after all predicate conditions have been met and such authorization would be timely.

Motion to Exclude Evidence

Patent Owner indicates that it may wish to file a motion to exclude evidence, but indicates that this is a forward looking motion. At present, Patent Owner does not seek to exclude evidence already of record. Therefore, no authorization at this time is required.

The parties are reminded that a motion to exclude is available to a party wishing to challenge the admissibility of evidence and to preserve an objection made previously. *See Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,767 (Aug. 14, 2012).* A party following these guidelines may file a motion to exclude without prior authorization from the Board. The rule specifies as much and explains that a motion to exclude must identify the objections in the record and must explain the objections. 37 C.F.R. § 42.64(c). Prior to filing a motion to exclude, a party objecting to evidence serves (but does not file with PTAB) such objection on the other party. This triggers an opportunity for the other party to cure whatever defect triggered the objection. In the event that an objection remains after this process, a party may seek authorization to file a motion to exclude.

The parties are invited, at the appropriate time, to seek such authorization after all predicate conditions, including those of 37 C.F.R. § 42.64(c), have been met.

Settlement

The parties report that the last settlement discussions were several months ago. There is no imminent settlement.

ORDER

It is hereby

ORDERED that Paper 19 is modified hereby to the extent that DUE DATE 4 is “December 30, 2014;”

FURTHER ORDERED that Patent Owner is authorized to file a Motion for Additional Discovery. Such motion shall be limited and targeted as set forth above;

FURTHER ORDERED that no further motions are authorized at this time.

PETITIONER

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