

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMERICAN SIMMENTAL ASSOCIATION,
Petitioner,

v.

LEACHMAN CATTLE OF COLORADO, LLC,
Patent Owner.

Case PGR2015-00003 (Patent 8,660,888 B2)
Case PGR2015-00005 (Patent 8,725,557 B1)¹

Before PHILLIP J. KAUFFMAN, MICHAEL W. KIM, and WILLIAM M. FINK
Administrative Patent Judges.

FINK, *Administrative Patent Judge.*

DECISION

Granting-in-Part Patent Owner's Motion for Additional Discovery
37 C.F.R. § 42.51(b)(2)

I. INTRODUCTION

Pursuant to our Order, dated August 6, 2015 (Paper 27, "Order"), Patent Owner filed a Motion for Additional Discovery (Paper 28, "Motion"); Petitioner filed an Opposition (Paper 29, "Opp."); and Patent Owner filed a Reply (Paper 30,

¹ This Decision addresses the same issue in the above-identified post-grant reviews (the "Proceedings"). Therefore, we issue one Decision to be filed in all cases.

“Reply”). As discussed in our Order, Patent Owner seeks additional discovery from Petitioner regarding (a) third parties that may fund or have direction or control over the Proceedings; (b) Petitioner’s knowledge regarding certain secondary considerations of non-obviousness; and (c) the relationship between Petitioner and Petitioner’s proposed expert, Dr. Matt Spangler. Order 2. Along with its Motion, Patent Owner submitted 14 proposed Requests for Production (“RFPs”) and 7 proposed Interrogatories (Ex. 2007, “Requests”).

For the reasons stated below, Patent Owner’s Motion is *granted-in-part*.

II. DISCUSSION

In post-grant reviews, additional discovery may be ordered if the party moving for the discovery shows good cause as to why the additional discovery is needed. 37 C.F.R. § 42.51(b)(2) and 42.224. As the movant, Patent Owner bears the burden of establishing good cause. *Id.* We generally consider five factors (the “*Garmin* factors”) in determining whether good cause exists for granting additional discovery requests. *See Garmin Int’l, Inc. v. Cuozzo Speed Techs. LLC*, Case IPR2012-00001, slip op. at 6–7 (PTAB Mar. 5, 2013) (Paper 26) (informative), as modified by *Bloomberg, Inc. v. Market-Alerts Pty, Ltd.*, Case CBM2013-00005, slip op. at 4 (PTAB May 29, 2013) (Paper 32). As there is no substantial dispute as to *Garmin* factors 2 and 4, we address the remaining factors 1, 3, and 5 below, with regards to each category of requested additional discovery, as appropriate.

A. Factor 1: Whether Something Useful Will be Found

The first *Garmin* factor considers whether there exists more than “mere possibility” or “mere allegation that something useful [to the proceeding] will be found.” *Garmin*, slip op. at 6; *Bloomberg*, slip op. at 5. Under this factor, a party should provide a specific factual reason for reasonably expecting that discovery

will be useful. *Bloomberg*, slip op. at 5. In this context, “useful” means favorable in substantive value to the moving party’s contention. *Id.*

1. *Real Party-in-Interest Discovery Requests*

In its Motion, Patent Owner contends there are specific factual reasons for reasonably expecting that one or more third parties are financially supporting or providing direction or control to Petitioner in the Proceedings, in which case Petitioner should have named others as real parties-in-interest pursuant to 35 U.S.C § 322(a)(2). Motion 8. Specifically, Patent Owner contends Petitioner, American Simmental Association (“ASA”), is one of at least a dozen member breed associations of a collaboration called International Genetic Solutions (“IGS”), which, Patent Owner contends, launched the Feeder Profit Calculator—a copy of and competitor to Patent Owner’s product, the Reputation Feeder Cattle tool. Motion 4–7 (citing, e.g., Ex. 2009 (IGS Website)). In support of this contention, Patent Owner argues that Will Townsend, Director at Petitioner, American Simmental Association, is also a representative of IGS for the competing product. *Id.* at 7 (citing Ex. 2014 (directing cattle producers interested in the competing product “call IGS representatives Will Townsend . . . or Frank Padilla.”)). Patent Owner also directs us to Petitioner’s publication, *The Register*, in which Petitioner discusses receiving industry support for its position against Patent Owner in response to an email. *Id.* at 5 (citing Ex. 2011).

In its Opposition, Petitioner raises several arguments. Petitioner contends many of the documents cited by Patent Owner suggest mere verbal or moral support, but provide no evidence of financial support or control of the Proceedings. Opp. 3. Petitioner also contends that as a breed association, its “collaborations” with other entities are in the “nature of essentially any breed association,” which collects fees from members and customers and provides services in exchange. *Id.*

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at 4. Such relationships are insufficient, Petitioner contends, to result in a real party-in-interest issue. *Id.* at 4–5 (citing *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,760 (Aug. 14, 2012)). As to Patent Owner’s reliance on the relationship between IGS and Petitioner, Petitioner represents that IGS is merely a d/b/a (“doing-business-as”) of the Petitioner, as registered with the State of Montana. *Id.* at 6 (“IGS is Petitioner – and *only* Petitioner.”); Ex. 1019. Consequently, Petitioner concludes Patent Owner provides no evidence beyond a “mere possibility that any documents exist” to show “funding or control of the instant proceeding.” Opp. 6.

We are persuaded that Patent Owner’s argument for seeking information relating to the possible funding or control of the Proceedings by others is based on more than a mere possibility. Significantly, Petitioner’s representation that IGS alone is the Petitioner is somewhat undermined by the fact that IGS’s website advertises itself as an unprecedented collaboration of 12 breed associations of which Petitioner is only one. Ex. 2009. Moreover, evidence shows that cattle producers interested in IGS’s competing product are not only directed to Will Townsend of Petitioner, but also to “representative” Frank Padilla, who is alleged to be a director of the AGA—a different breed association. Ex. 2014; Ex. 2013. This evidence, which is not addressed by Petitioner, suggests the possibility that others, e.g., AGA, have more significant involvement than mere moral support in producing the competing product, which is implicated in the Proceedings. *See also* Ex. 2012 (directing AGA “staff to pursue collaborative effort with the American Simmental Association in the development of a commercial producer feeder calf economic index”). As we are persuaded that Patent Owner’s discovery Requests targeting funding and control of the Proceedings by others is based on more than a

mere possibility, the first *Garmin* factor weighs in favor of granting the Motion as to RFP Nos. 1–6 and Interrogatory Nos. 1–4.²

2. *Secondary Considerations Discovery Requests*

Patent Owner also alleges factual reasons for requesting evidence relating to secondary considerations of non-obviousness, including long-felt but unresolved need, failure of others, acclaim, and copying. Mot. 8–9. In particular, Patent Owner alleges Petitioner admitted to having sought to develop a technology similar to Patent Owner’s Reputation Feeder Cattle product but “‘shelved’ it” (*id.* at 9 (citing, e.g., Ex. 2002 ¶ 8); Petitioner “praised” Patent Owner’s technological advance stating it would “improve the lot in life of breeders . . .” (*id.* (citing Ex. 2008)); and Petitioner engaged in a concerted effort to copy Patent Owner’s product, leading to the launch of Petitioner’s competing product (*id.* (citing, e.g., Ex. 2002 ¶¶ 11–12); Reply 4–5 (citing Ex. 2020)).

Petitioner argues Patent Owner has shown no evidence to suggest a nexus between its proposed discovery regarding secondary considerations and its own invention, and, therefore, Patent Owner has failed to show the requested discovery would be expected to result in something “useful.” Opp. 7 (citing *Garmin*, slip op. at 8). Regarding copying, Petitioner argues that granting discovery would invite an infringement trial within the trial. *Id.* at 8–9. Regarding failure of others, Petitioner argues the proper standard is *widespread failure of others*, and not Petitioner’s failure. *Id.* at 9. As to acclaim, Petitioner contends Patent Owner’s mischaracterizes a single statement in an email that “any effort” along the lines of

² As will be detailed below, however, the fact that the first *Garmin* factor may weigh in favor of Patent Owner on a specific issue is not itself sufficient to grant the entirety of Patent Owner’s requested discovery on that specific issue.

Patent Owner's would improve herds and, consequently, has no nexus to the claimed invention. *Id.* at 9–10.

We are persuaded that Patent Owner's copying argument is based on more than mere possibility. Copying generally requires replication of a specific product. *Iron Grip Barbell Co., Inc. v. USA Sports, Inc.*, 392 F.3d 1317, 1325 (Fed. Cir. 2004). Here, Patent Owner's has provided evidence that its own product Reputation Feeder Cattle embodies the claimed invention (*see* Ex. 2002 ¶ 2; Ex. 1001, 32:44–48) as well as evidence that, after Petitioner received Patent Owner's confidential information and discontinued negotiations, Petitioner released its competing product (*see* Ex. 2002 ¶¶ 11–13; Ex. 2003 ¶¶ 11–12), which, Patent Owner contends, infringes its patents (*see* Ex. 2002). Regarding Patent Owner's other secondary consideration arguments, however, we agree for the reasons stated by Petitioner, that the evidence is too speculative to weigh in favor of granting additional discovery requests.³ *See also Garmin*, slip op. at 8–9 (finding long-felt but unresolved need and other secondary consideration arguments speculative). Consequently, to the extent RFP Nos. 7–12 and Interrogatory No. 5 are responsibly targeted at copying, the first *Garmin* factor weighs in favor of granting the Requests.

3. *Dr. Spangler Related Discovery Requests*

Patent Owner also contends there are factual reasons for requesting evidence relating to the potential bias of Petitioner's proposed expert witness, Dr. Matt Spangler. Motion 11. According to Patent Owner, Dr. Spangler “appears to be

³ The first *Garmin* factor is, practically speaking, the threshold factor, for if nothing useful would be found, the other factors are largely superfluous. Accordingly, no further *Garmin* factors need be evaluated for secondary consideration other than copying.

closely involved with Petitioner and associated organizations,” including “as a contributor to Petitioner’s publication” and as “a featured speaker at Petitioner’s Fall 2014 Board Meeting.” Motion 10 (citing Ex. 2015 (“*The Register*”); Ex. 2016). Patent Owner further contends Dr. Spangler has been featured in articles and symposia sponsored by the AGA and RAAA, organizations which, Patent Owner contends, are closely aligned with Petitioner in the Proceedings. *Id.* at 10–11 (citing Ex. 2017).

In its Opposition, Petitioner contends Patent Owner has provided no evidence that documents exist linking Petitioner to Dr. Spangler (other than submitting an expert declaration) and, therefore, Patent Owner is merely speculating as to what documents might be found. Opp. 11–12.

We are persuaded that Patent Owner’s arguments for seeking information regarding bias are based on more than mere speculation. Patent Owner has shown un rebutted evidence of Dr. Spangler’s relationship with Petitioner outside of his Declaration in these Proceedings, such as his participation in an ASA Board Meeting (*see* Ex. 2016) and writing articles for Petitioner’s publication (*see* Ex. 2015). Accordingly, to the extent RFP Nos. 13–14 and Interrogatories Nos. 6–7 are responsibly targeted at obtaining evidence of potential bias, the first *Garmin* factor weighs in favor of granting the Requests.

B. Factor 3: Ability to Generate Equivalent Information by Other Means

The third *Garmin* factor considers whether the moving party can reasonably assemble without a discovery request. *Garmin*, slip op. at 6; *Bloomberg*, slip op. at 5. Patent Owner contends it cannot generate “equivalent discovery by other means.” Motion. 12.

Petitioner contends the information requested by Patent Owner could be generated by other means, such as public documents showing that IGS is an

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assumed name for Petitioner. Opp. 12. Similarly, Petitioner contends evidence of long-felt but unresolved need could be generated without discovery requests. *Id.* (citing *Garmin* 14).

We agree with Petitioner that evidence of long-felt but unresolved need, acclaim, and failure of others could be obtained by other means. *See Garmin*, slip op. at 13–14; *see also In re Allen*, 324 F.3d 993, 997 (CCPA 1963) (requiring a showing of widespread failure of others). With respect to real party-in-interest, copying, and Petitioner’s relationship with Dr. Spangler, however, Petitioner does not explain how the sought after information could be generated by other means. For example, beyond directing Patent Owner to a public document (purporting to related IGS as an assumed name of Petitioner) (Opp. 12), Petitioner does not explain how Patent Owner would be able to obtain information of funding and control by others. Accordingly, other than RFPs and Interrogatories directed at long-felt but unresolved need, acclaim, and failure of others, the third *Garmin* factor weighs in favor of granting the Requests.

C. Factor 5: Requests Not Overly Burdensome to Answer

The fifth *Garmin* factor considers whether requests are “overly burdensome to answer given the expedited nature” of the proceedings. *Garmin*, slip op. at 7; *Bloomberg*, slip op. at 5. In evaluating the burden, we consider the financial and human resources burden in meeting procedural deadlines and whether requests are sensible and responsibly tailored to according to genuine need. *Bloomberg*, slip op. at 5.

1. *Real Party-in-Interest Discovery Requests*

Patent Owner contends the Requests directed at real party-in-interest issues “should be readily available to Petitioner without undue burden” and are modeled

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on Requests the Board has approved previously in IPR proceedings under the more stringent interest of justice standard. Motion 13–14 (citing *Farmwald v. Parkervision, Inc.*, Case IPR2014-00946, slip op. at 6 (PTAB Feb. 20, 2015) (Paper 25); *Metronic, Inc. v. Robert Bosch Healthcare Systems, Inc.*, Case IPR2014-00488, slip op. at 3 (PTAB Nov. 5, 2014) (Paper 25)).

Petitioner contends Patent Owner’s requests for documents showing, e.g., “funds, reimbursements, and other considerations in relation to the funding of the PGR Proceedings,” implicate the income from thousands of its members and customers that helps finance the Proceedings, and thus are overly burdensome. Opp. 12–13 (quoting RFP No. 1). As to RFP No. 3, requesting the email to the “ASA member and to the industry” and any responses from third parties, Petitioner contends this email and any accompanying responses are more than a year old and were potentially not saved as relevant to future litigation or related proceedings. *Id.* at 13.

We agree with Petitioner that RFP No. 1 is ambiguous, given that it seeks documents responsive “funds . . . *in relation* to the funding of the PGR Proceedings.” Interrogatory No. 1 contains similar ambiguous language. In *Parkervision*, by contrast, we granted requests directed at funds between specifically named parties “used to pay all fees and costs . . . with respect to the Related IPR proceedings.” *Parkervision*, Ex. 2006, 5. We note that RFP No. 4 is also unnecessarily broad given that it seeks “[d]ocuments relating to the deliberations leading to and reasons why Petitioner filed the petitions” and is not sufficiently tailored to the issue of funding and control *by others*. Moreover, we note that Patent Owner’s needs can be more reasonably achieved by more narrowly tailored RFPs (e.g., Nos. 2, 5, and 6) and Interrogatories (e.g., Nos. 2–4), for which Petitioner raises no specific argument. For example, RFP No. 2 seeks documents

“requesting payment . . . for the post-grant review filing” (Ex. 2007, 4), and, as such, is narrower than RFP No. 1 discussed above. We are not persuaded that RFP No. 3, which seeks the specific email and responses referred to in Exhibit 2011, is overly burdensome or not responsibly tailored to identifying potential third parties that fund or control the Proceedings.⁴ Accordingly, we determine that the fifth *Garmin* factor weighs against granting RFP Nos. 1 and 4, and Interrogatory No. 1, but weighs in favor of granting RFP Nos. 2, 3, 5, and 6 and Interrogatory Nos. 2–4.

2. *Secondary Considerations Discovery Requests*

Patent Owner does not address its secondary considerations Requests apart from its arguments above, except to note such evidence should be “readily available to Petitioner without undue burden.” Motion 13.

Petitioner specifically addresses RFP No. 7 as particularly burdensome, given the lack of a closed date range and request for documents relating to any feeder profit calculator or “similar system[s],” which could encompass systems Petitioner has long employed. Opp. 13–14. Petitioner notes RFP No. 8 is similarly burdensome given its reliance on the systems identified in RFP No. 7. *Id.* at 14.

We are persuaded by Petitioner’s arguments with respect to RFP Nos. 7–8 for the reasons stated by Petitioner. We agree the lack of a closed date range and expansive terminology (e.g., similar systems) would be particularly burdensome, especially given the deadlines in the Proceedings. We also determine that RFP Nos. 10 and 12 are not sufficiently tailored to a genuine need. Regarding RFP Nos. 9 and 11, and Interrogatory No. 5, we are persuaded these are sufficiently tailored to the issue of copying and not overly burdensome. Consequently, we

⁴ To the extent such emails are no longer available due to the passage of time, Petitioner is only expected to produce that which it is able to locate after a reasonably diligent and good faith search.

determine that the fifth *Garmin* factor weighs against granting RFP Nos. 7, 8, 10 and 12, but weighs in favor of granting RFP Nos. 9 and 11, and Interrogatory No. 5.

3. *Dr. Spangler Related Discovery Requests*

Patent Owner does not address its Dr. Spangler related Requests apart from its arguments above, except to note such evidence should be “readily available to Petitioner without undue burden.” Motion 13.

In opposition, Petitioner contends RFP No. 13 is overly burdensome given that both Dr. Spangler and Petitioner have worked in the field for close to 15 years, and would consequently require review of more than a decade’s worth of correspondence. Opp. 14.

We are persuaded by Petitioner’s argument with respect to RFP No. 13, but we are not persuaded with respect to RFP No. 14 or Interrogatories Nos. 6 and 7, which Petitioner does not separately address. We determine these narrower requests are sufficiently tailored to obtaining information regarding potential bias. Accordingly, we determine that the fifth *Garmin* factor weighs against RFP No. 13, but weighs in favor of granting RFP No. 14 and Interrogatories Nos. 6 and 7.

III. SUMMARY

On balance, considering the *Garmin* factors, Patent Owner has met its burden for showing good cause for granting RFP Nos. 2, 3, 5, and 6 and Interrogatory Nos. 2–4 relating to real party-in-interest; RFP Nos. 9 and 11 and Interrogatory No. 5 relating to copying; and RFP No. 14 and Interrogatory Nos. 6 and 7 relating to bias. The Patent Owner has not met its burden with respect to the other RFPs and Interrogatories, and thus those Requests are denied.

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IV. ORDER

It is:

ORDERED that Patent Owner's Motion for Additional Discovery is GRANTED as to RFP Nos. 2, 3, 5, 6, 9, 11, and 14 and Interrogatory Nos. 2-7; and

FURTHER ORDERED that Petitioner shall produce and serve responsive documents and responses by a date agreed upon by the parties, but no later than September 21, 2015 or;

FURTHER ORDERED that Patent Owner's Motion for Additional Discovery is DENIED as to all other Requests.

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