

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

MIAMI INTERNATIONAL HOLDINGS, INC.; MIAMI  
INTERNATIONAL SECURITIES EXCHANGE, LLC; MIA X PEARL,  
LLC; AND MIAMI INTERNATIONAL TECHNOLOGIES, LLC,  
Petitioner,

v.

NASDAQ ISE, LLC,  
Patent Owner.

---

Cases CBM2018-00020 (Patent 8,386,371 B2);  
CBM2018-00021 (Patent 6,618,707 B1); CBM2018-00029 (Patent  
7,747,506 B2); CBM2018-00030 (Patent 7,921,051 B2); CBM2018-00031  
(Patent 7,246,093 B1); and CBM2018-00032 (Patent 7,933,827 B2)

---

Before TONI R. SCHEINER, MEREDITH C. PETRAVICK, MICHAEL  
W. KIM, FRANCES L. IPPOLITO, KEVIN C. TROCK, and KRISTI L. R.  
SAWERT, *Administrative Patent Judges*.<sup>1</sup>

SAWERT, *Administrative Patent Judge*.

DECISION

Granting-In-Part Patent Owner's Request for Rehearing  
*37 C.F.R. § 42.71(d)*

---

<sup>1</sup> This is not an expanded panel. The panel for CBM2018-00020, CBM2018-00029, CBM2018-00030, and CBM2018-00032 includes Judges Scheiner, Petravick, and Sawert. The panel for the other proceedings include Judges Kim, Ippolito, and Trock.

CBM2018-00020 (Patent 8,386,371 B2)  
CBM2018-00021 (Patent 6,618,707 B1)  
CBM2018-00029 (Patent 7,747,506 B2)  
CBM2018-00030 (Patent 7,921,051 B2)  
CBM2018-00031 (Patent 7,246,093 B1)  
CBM2018-00032 (Patent 7,933,827 B2)

## I. INTRODUCTION

On October 11, 2018, Patent Owner filed a Motion for Additional Discovery. Paper 15 (“Motion” or “Mot.”).<sup>2</sup> On October 18, 2018, Petitioner filed a Response. Paper 20 (“Response” or “Resp.”). Patent Owner filed a Reply on November 14, 2018. Paper 23 (“Reply”). And, on November 21, 2018, Petitioner filed a Sur-Reply. Paper 25 (“Sur-Reply”). The Board granted-in-part Patent Owner’s Motion in an Order dated January 17, 2019. Paper 41 (“Order” or “Ord.”). Patent Owner filed a Request for Rehearing. Paper 45 (“Rehearing Request” or “Reh’g Req.”). For the following reasons, we grant-in-part and deny-in-part Patent Owner’s Rehearing Request.

## II. STANDARD OF REVIEW

A party requesting rehearing bears the burden of showing that a decision should be modified. 37 C.F.R. § 42.71(d). The party must identify all matters it believes the Board misapprehended or overlooked, and the place where each matter was addressed previously in a motion, an opposition, or a reply. *Id.* When rehearing a decision, we review the

---

<sup>2</sup> The parties filed identical papers in CBM2018-00020, CBM2018-00021, and CBM2018-00031. Patent Owner requested to file motions for additional discovery in CBM2018-00029, CBM2018-00030, and CBM2018-00032 on the same basis. *See* Ex. 2016. We held that request in abeyance. *See* Paper 21. The requested additional discovery would be substantially the same in all of these proceedings, and, thus, we include CBM2018-00029, CBM2018-00030, and CBM2018-00032 in this order as well. *See* Ex. 2016. For efficiency, we only refer to the papers filed in CBM2018-00021.

CBM2018-00020 (Patent 8,386,371 B2)  
CBM2018-00021 (Patent 6,618,707 B1)  
CBM2018-00029 (Patent 7,747,506 B2)  
CBM2018-00030 (Patent 7,921,051 B2)  
CBM2018-00031 (Patent 7,246,093 B1)  
CBM2018-00032 (Patent 7,933,827 B2)

decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion occurs when a “decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *PPG Indus. Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) (citations omitted).

### III. DISCUSSION

Patent Owner requests that the Board reconsider its Order granting-in-part Patent Owner’s Motion for additional discovery. Reh’g Req. 1. Patent Owner argues that in granting less than all of its discovery requests, the Board misapprehended or overlooked the following matters:

(1) it is undisputed that Fish participated in at least one joint teleconference with Reed Smith in connection with retaining Dr. Hendershott, demonstrating that Fish & Richardson (“Fish”) has, in fact, been involved in the Reed Smith proceedings; (2) independent of the obvious risk of exchanging confidential information, Fish’s prior representation of Nasdaq involved the same patents at issue in the Reed Smith CBMRs, violating the “the same or a substantially related matter” prong of Rule 11.109(a); (3) Dr. Hendershott did not affirmatively testify that the identical portions of his declaration were prepared prior to engaging in more than pre-retention discussions with Fish: he repeatedly testified that he does not remember, which necessitates further discovery; and (4) the assumption that Dr. Hendershott prepared the identical portions of his declaration prior to engaging in more than pre-retention discussions with Fish is inconsistent with his testimony that Fish was “primarily” responsible for his understanding of the law of 35 U.S.C. § 101. Much of Dr. Hendershott’s declaration depends upon that understanding.

CBM2018-00020 (Patent 8,386,371 B2)  
CBM2018-00021 (Patent 6,618,707 B1)  
CBM2018-00029 (Patent 7,747,506 B2)  
CBM2018-00030 (Patent 7,921,051 B2)  
CBM2018-00031 (Patent 7,246,093 B1)  
CBM2018-00032 (Patent 7,933,827 B2)

*Id.* Patent Owner argues that each of these matters warrant full discovery as set forth in Patent Owner’s discovery requests. *Id.* at 1–2; *see also* Ex. 2015.

#### A. *The Order*

In its Order, the Board analyzed whether Patent Owner had met the good-cause standard for its additional discovery requests in accordance with the *Bloomberg* factors. Ord. 5 (citing 37 C.F.R. § 42.224(a); *Bloomberg Inc. v. Markets-Alert Pty Ltd.*, CBM2013-00005, slip op. at 5 (May 29, 2013) (Paper 32) (precedential)). The Board authorized Interrogatory 1<sup>3</sup> and Discovery Request 1,<sup>4</sup> as “relevant information only in the position of Fish and Reed Smith (*Bloomberg* Factor 3).” *Id.* at 10. In particular, the Board was persuaded that a pre-retention telephone discussion between Fish, Reed Smith, and Dr. Hendershott about Dr. Hendershott’s qualifications and knowledge “carries some risk that confidential factual information could have found its way from Fish to the proceedings concerning the Nasdaq

---

<sup>3</sup> Interrogatory 1 relates to “a list of any meetings . . . that occurred involving both Reed Smith and Fish and Richardson relating to the MIAX CBMs.” Ex. 2015, 3.

<sup>4</sup> Discovery Request 1 reads: “All documents and things in MIAX’s possession, custody, and/or control that were communicated from Fish and Richardson to which Reed Smith is a recipient, or vice versa, and that are related to the MIAX CBMs.” Ex. 2015, 5.

CBM2018-00020 (Patent 8,386,371 B2)  
CBM2018-00021 (Patent 6,618,707 B1)  
CBM2018-00029 (Patent 7,747,506 B2)  
CBM2018-00030 (Patent 7,921,051 B2)  
CBM2018-00031 (Patent 7,246,093 B1)  
CBM2018-00032 (Patent 7,933,827 B2)

patents.” *Id.* at 9. The Board denied related Interrogatories 2,<sup>5</sup> 3,<sup>6</sup> and 4,<sup>7</sup> also related to the risk of confidential factual information flowing from Fish to Reed Smith, because those interrogatories pertained to questions where “an answer has either been, or could have been, obtained during Dr. Hendershott’s deposition (*Bloomberg* Factor 3).” *Id.* at 10 (citing Ex. 2020, 54:14–55:15, 47:11–48:6; Ex. 1059 ¶ 6).

The Board also denied Patent Owner’s discovery requests related to the writing and editing of certain common paragraphs found in Dr. Hendershott’s Declarations. *Id.* at 10–11. The Board was unpersuaded that a substantial risk that confidential factual information could have found its way from Fish to the proceedings concerning the Nasdaq patents because the evidence of record showed that the common paragraphs “were prepared by Dr. Hendershott, in conjunction with Reed Smith, *prior to* Dr. Hendershott engaging in more than general pre-retention discussions with Fish.” *Id.* at 9 (citing Ex. 1062, 47:20–48:6, 54:14–56:14; Ex. 1063, 110:6–111:4, 133:3–9). For this reason, the Board denied Interrogatory 5<sup>8</sup> and Document

---

<sup>5</sup> Interrogatory 2 relates to “a list of any meetings . . . that occurred involving both Reed Smith and Dr. Hendershott relating to the MIAX CBMs.” Ex. 2015, 4.

<sup>6</sup> Interrogatory 3 relates to “a list of any meetings . . . that occurred involving both Fish and Richardson and Dr. Hendershott relating to the MIAX CBMs.” Ex. 2015, 4.

<sup>7</sup> Interrogatory 4 asks “who originally drafted paragraphs 18–36 of the declaration by Dr. Hendershott.” Ex. 2015, 4.

<sup>8</sup> Interrogatory 5 asks for “a list of any individuals who edited paragraphs 18–36 of the declaration by Dr. Hendershott.” Ex. 2015, 4.

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.