

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PRONG, INC.,
Petitioner,

v.

YEOSHUA SORIAS,
Patent Owner.

Case IPR2015-01317
Patent 8,712,486 B2

Before SALLY C. MEDLEY, GLENN J. PERRY, and
KIMBERLY McGRAW, Administrative Patent Judges.

McGRAW, *Administrative Patent Judge.*

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

Patent Owner filed a motion for additional discovery in the instant proceeding, and Petitioner filed an opposition. Papers 18 (“Mot.”), 19 (“Opp.”). For the reasons below, Patent Owner’s motion is denied.

Patent Owner seeks additional discovery pertaining to its assertion of commercial success of Petitioner’s products and efforts by the Petitioner to purchase the application that issued as the ’486 patent as objective indications of non-obviousness. Mot. 2–5. In particular, Patent Owner requests the Petitioner answer the following Document Requests and Request to Admit set forth in Exhibits 2013 and 2014:

Request No. 1:

For each Prong Charger Product model made or sold by or on behalf of Prong, documents sufficient to show on at least a quarterly basis from 2012 to the present (a) the number of units ordered, (b) the gross sales in units, and (c) the gross sales in U.S. Dollars.

Request No. 2:

For each Prong Charger Product model made or sold by or on behalf of Prong, documents sufficient to show for each sales outlet listed below from 2012 to the present (a) the total number of units ordered by that sales outlet from Prong directly or through an intermediary, (b) the gross sales in units to that outlet, and (c) the gross sales in U.S. dollars.

- Amazon.com (direct sales only)
- Best Buy
- Walmart

- Staples
- AT&T
- SharperImage.com
- Hammacher.com
- Brookstone
- Adorama
- GoWireless
- Tessco Technologies.

Request No 3:

Copies of final prospectus prepared by or for Prong in connection with Georgia Oak Partners investments in Prong in 2014 and 2015.

Request for Admission No. 1:

Admit that the Forefront Law Group was acting on behalf of Prong (whether directly or indirectly) when it approached Mr. Max Moskowitz in February, 2012 on behalf of an anonymous client interested in purchasing U.S. Patent Application Serial No. 13/348,066.

Analysis

Pursuant to the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), certain discovery is available in *inter partes* review proceedings. 35 U.S.C. § 316(a)(5); *see* 37 C.F.R. §§ 42.51–53. Discovery in an *inter partes* review proceeding, however, is more limited than what is normally available in district court patent litigation, as Congress intended *inter partes* review to be a quick and cost effective

alternative to litigation. *See* H. Rep. No. 112-98 at 45-48 (2011). The legislative history of the AIA makes clear that additional discovery should be confined to “particular limited situations, such as minor discovery that PTO finds to be routinely useful, or to discovery that is justified by the special circumstances of the case.” 154 Cong. Rec. S9988-89 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl). In light of this, and given the statutory deadlines required by Congress for *inter partes* review proceedings, the Board will be conservative in authorizing additional discovery. In an *inter partes* review proceeding, a party seeking discovery beyond what is expressly permitted by rule must do so by motion, and must show that such additional discovery is “necessary in the interest of justice.” 35 U.S.C. § 316(a)(5); *see* 37 C.F.R. § 42.51(b)(2)(i).

Patent Owner, as the movant, bears the burden of demonstrating that it is entitled to the additional discovery sought. 37 C.F.R. § 42.20(c). Thus, to meet its burden, Patent Owner must explain with specificity the discovery requested and why the discovery is necessary in the interest of justice. The Board considers various factors in determining whether additional discovery in an *inter partes* review proceeding is necessary in the interest of justice, including:

More Than A Possibility And Mere Allegation — The mere possibility of finding something useful, and mere allegation that something useful will be found, are insufficient to demonstrate that the requested discovery is necessary in the interest of justice. The party requesting discovery should already be in possession of evidence tending to show beyond speculation that in fact something useful will be uncovered.

Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC, IPR2012-00001, Paper 26, at 6–7 (PTAB Mar. 5, 2013).

“[U]seful” in the context of the first factor above means “favorable in substantive value to a contention of the party moving for discovery,” not just “relevant” or “admissible.” *Id.* at 7.

Patent Owner’s Document Requests

Patent Owner argues that its document requests Nos. 1, 2, and 3 will uncover useful information relating to commercial success. Mot. 4. On this record, we conclude Patent Owner has not met its burden to demonstrate that discovery of the requested documents are necessary in the interest of justice as Patent Owner has not provided a threshold amount of reasoning or evidence to show sales allegedly amounting to commercial success. While a conclusive showing is not necessary at this stage, some evidence or reasoning is needed to establish that there is more than a mere possibility that Patent Owner’s request would uncover something useful.

Commercial success typically is shown with evidence of “significant sales in a relevant market.” *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1312 (Fed. Cir. 2006) (citation omitted). Patent Owner argues that “Prong’s products have achieved commercial success.” Mot. 2. As support, Patent Owner cites to documents as showing Prong’s products are available at major retail and online outlets, that Prong has manufactured “a lot” of products, and that Prong has sold over 2600 units. *Id.* (citing Ex. 2019–2022, 2029–2036). However, Patent Owner does not clearly articulate what

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