Trials@uspto.gov
571-272-7822

Paper No. 42
Entered: December 21, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTEX RECREATION CORP., BESTWAY (USA) INC., WALMART INC., WAL-MART STORES TEXAS, LLC, WAL-MART.COM USA LLC, and SAM'S WEST, INC. d/b/a SAM'S CLUB,
Petitioners,

v.

TEAM WORLDWIDE CORP.,
Patent Owner.

IPR2018-00859 (Patent 9,211,018 B2)
IPR2018-00870 (Patent 7,246,394 B2)
IPR2018-00871 (Patent 7,246,394 B2)
IPR2018-00872 (Patent 7,246,394 B2)
IPR2018-00873 (Patent 7,246,394 B2)
IPR2018-00874 (Patent 7,246,394 B2)
IPR2018-00875 (Patent 7,346,950 B2)

Before BEVERLY M. BUNTING, JAMES J. MAYBERRY, and ERIC C. JESCHKE, *Administrative Patent Judges*.

MAYBERRY, *Administrative Patent Judge*.

DECISION[1]
Patent Owner's Motion for Additional Discovery
37 C.F.R. § 42.51(b)(2)

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[1] This Order addresses issues that are the same in all listed cases. The parties, however, are not authorized to use this style heading for any subsequent papers.

BACKGROUND

On September 14, 2018, we instituted trial in four related *inter partes* review proceedings involving Bestway (USA) Inc., Intex Recreation Corp., Walmart Inc., Wal-Mart Stores Texas, LLC, Wal-Mart.com USA LLC, and Sam's West, Inc. d/b/a Sam's Club (collectively, "Petitioners")[2] and Team Worldwide Corp. ("Patent Owner"). (IPR2018-00870, IPR2018-00871, IPR2018-00872, and IPR2018-00875—the "September institutions"). On October 29, 2018, we instituted three additional proceedings involving Petitioners and Patent Owner. (IPR2018-00859, IPR2018-00873, and IPR2018-00874—the "October institutions").

On November 29, 2018, we authorized Patent Owner to file a motion for additional discovery and also authorized Petitioner to file an opposition to that motion in the seven proceedings constituting the September institutions and October institutions. Paper 26, 6.[3] Patent Owner filed its Motion for Additional Discovery and Motion for Authorization to Compel Discovery ("Motion") on December 6, 2018. Paper 28. Petitioners filed

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[2] The petitions in these proceedings indicated that, along with Petitioners, the following entities are real parties-in-interest in the proceedings: Intex Development Company Ltd., Intex Industries (Xiamen) Co., Ltd., Intex Marketing Ltd., Intex Trading Ltd., Bestway Global Holdings, Inc., Bestway (Hong Kong) International, Ltd., Bestway Inflatables & Materials Corp., Bestway (Hong Kong) Enterprise Co. Ltd., Bestway (Nantong) Recreation Corp., The Coleman Company, Inc., and Newell Brands Inc.

[3] We cite to the documents in IPR2018-00859 only. Similar papers are part of the record in the other six proceedings.

their opposition to the Motion on December 13, 2018 ("Opposition"). Paper 34. On December 17, 2018, Patent Owner contacted the Board by email requesting to file a reply to the Opposition ("Reply").

A related matter to these seven pending *inter partes* review proceedings is an infringement suit in the U.S. District Court for the Eastern District of Texas, in a case styled *Team Worldwide Corp. v. Walmart Inc. et al.*, No. 2-17-cv-00235-JRG ("Litigation"). The discovery of confidential information in the Litigation is governed by a protective order from the district court. *See* Ex. 2012.[4] Patent Owner indicates that the Litigation has been "recently settled." Mot. 1; *see also* Opp. 4 ("The Litigation was . . . dismissed.").[5]

[4] We take this opportunity to remind the parties that the Board is not a party to the district court's protective order. Although we respect the orders of that court, we cannot provide any relief from or otherwise enforce the protective order. To the extent that Patent Owner believes it needs relief from the district court's protective order, Patent Owner must seek that relief from the district court. Similarly, to the extent that Petitioners believe they are entitled to a remedy for any alleged violation of the district court's protective order, they must seek that remedy from the district court.

[5] The parties are reminded of their continuing obligation to update their mandatory notices within 21 days of any change of the information listed in 37 C.F.R. § 42.8(b) stated in an earlier paper, including changes in related matters. 37 C.F.R. §§ 42.8(a)(3), 42.8(b)(2).

MOTION FOR ADDITIONAL DISCOVERY

Discovery in *inter partes* review proceedings is more limited than in district court patent litigation. The America Invents Act (AIA) limits discovery to "(A) the deposition of witnesses submitting affidavits or declarations; and (B) what is otherwise necessary in the interest of justice." 35 U.S.C. § 316(a)(5). "Given the time deadlines imposed on [*inter partes* review] proceedings," Congress intended the Board to "be conservative in its grants of discovery." 154 Cong. Rec. S9988-89 (daily ed. Sept. 27, 2008) (remarks of Sen. Kyl). Our rules provide that the parties may agree to additional discovery between themselves. 37 C.F.R. § 42.51(b)(2). If the parties fail to agree, a party may move for additional discovery. *Id.* The moving party must show that such additional discovery is in the interests of justice. *Id.* If the motion is granted, the Board may specify conditions for such additional discovery. *Id.*

Our analysis of whether the requested additional discovery is in the interests of justice is informed by *Garmin International, Inc. v. Cuozzo Speed Technologies LLC*, Case IPR2012-00001 (Mar. 5, 2013) (Paper 26) (precedential). *Garmin* identifies five factors that are important to our analysis. *Id.*, slip. op. at 6–7. These factors are: (1) whether there exists more than a possibility and mere allegation that something useful will be discovered; (2) whether the requests seek the other party's litigation positions and the underlying basis for those positions; (3) whether the moving party has the ability to generate equivalent information by other

means; (4) whether the moving party has provided easily understandable instructions; and (5) whether the requests are overly burdensome to answer. *Id.* As discussed below, we determine that Patent Owner has not made the requisite showing that the additional discovery sought is in the interests of justice.

Patent Owner's Requests

Patent Owner moves for additional discovery of "approximately 55 documents" that were listed in a letter from Patent Owner to Petitioners' counsel. Mot. 1; *see* Ex. 2014 (listing 55 documents by Litigation Bates number). Patent Owner categorizes these documents generally as (1) technical drawings, (2) sales data; (3) survey data, (4) relevant deposition testimony; (5) internal perceptions and analysis; and (6) party admissions/argument. Mot. 3. Patent Owner does not provide any other specific information describing the content of the 55 documents for which discovery is sought.

Garmin *Factor 1 – More Than a Possibility and Mere Allegation*

"The party requesting discovery should already be in possession of evidence tending to show beyond speculation that in fact something useful will be uncovered." IPR2012-00001, Paper No. 26 at 6. We find that the first *Garmin* factor weighs heavily against Patent Owner's request.

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