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Filed on behalf of:

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

RED.COM, LLC,
Patent Owner.

Case No. IPR2019-01065

Patent No. 9,245,314

**PATENT OWNER RED.COM, LLC'S
OPPOSITION TO MOTION FOR PRE-INSTITUTION DISCOVERY**

I. PETITIONER'S DISCOVERY IS UNPRECEDENTED, PREMATURE, UNNECESSARY, AND UNWARRANTED UNDER GARMIN

Petitioner seeks pre-institution discovery encompassing three unrestricted depositions, multiple categories of documents and data files from over 12 years ago, and two physical inspections. Petitioner states that this extensive pre-institution discovery is needed to assess “a more complete record” relating to Patent Owner’s evidence of a prior reduction to practice. Mot. 1. Even in the context of discovery pertaining to a prior reduction to practice, the breadth of Petitioner’s pre-institution discovery request appears to be unprecedented. And certainly, no decision has ever authorized such extensive pre-institution discovery, as attested by Petitioner’s lack of citation to any prior Board decision granting such discovery. This is unsurprising because, if granted, the pre-institution phase would essentially become a defacto trial phase, turning the entire decision on whether to institute a trial on its head.

Importantly, however, such extensive pre-institution discovery is particularly premature and unwarranted here because Patent Owner’s prior reduction to practice is not the sole basis upon which the Board should deny institution. Pre-institution discovery, like all “additional discovery,” is only warranted where it is “necessary in the interests of justice.” *Garmin Int’l Inc. v. Cuozzo Speed Techs., LLC*, IPR2012-00001, Paper 26, at 6-16 (precedential). Petitioner argues the requested discovery is in the “interests of justice” because Patent Owner is in possession of “evidence on

the **threshold** issue of actual reduction to practice.” Mot. 2 (emphasis added). However, as Patent Owner explained in its Preliminary Response, Petitioner failed to satisfy its *prima facie* showing on obviousness, a separate “threshold” issue which itself warrants denial of institution. POPR at 63-70. Thus, Petitioner’s discovery is not “necessary” because even if Petitioner obtained its requested discovery, it would not address all bases warranting denial of institution. Petitioner’s Motion should be denied for this reason alone. *See Choirock Contents Factor Co., Ltd. v. Spin Master Ltd.*, IPR2019-00897, Paper 13, at 6-7 (denying pre-institution discovery where the information sought was not necessary to decide institution).

Nevertheless, Petitioner’s Motion should be denied for the additional reason that it fails to satisfy the strict gatekeeping standards set forth in *Garmin*. “The test for a party seeking additional discovery in an *inter partes* review **is a strict one.**” *Symantec Corp. v. Finjan, Inc.*, IPR2015-01545, Paper 9, at 4 (emphasis added). “[R]equest[s] for pre-institution discovery . . . **must be closely scrutinized.** . . .” *Id.* at 5 (citation omitted); *Microsoft Corp. v. Proxyconn, Inc.*, IPR2012-00026, Paper 32, at 4 (the “legislative history makes it clear that the interest of justice should be limited to minor discovery and special circumstances.”) (citation omitted). Accordingly, a party may not use a motion for additional discovery as “an opportunity to enter into a ‘fishing expedition’ in the hopes that something will emerge that will aid a party’s case.” *ACCO Brands Corp. v. Fellowes, Inc.*,

IPR2013-00566, Paper 20, at 5. But that is precisely what Petitioner seeks here.

Petitioner asserts that it needs expansive discovery to “better enable the Board to assess if testimony by interested parties technically and credibly supports RED’s alleged actual reduction to practice.” Mot. 3. Petitioner explicitly calls into question the testimony of Patent Owner’s declarants who confirm the components used in RED’s “Boris” and “Natasha” video cameras.¹ Mot. 4. Petitioner’s supposed need for discovery is no more than its stated need to confirm the testimony that sensor, processor, and compression components existed in the cameras.² *Id.*

To obviate Petitioner’s extensive and burdensome discovery requests, Patent Owner offered (in the days leading up to this Opposition) to allow Petitioner to inspect Boris in exchange for Petitioner’s withdrawal of the present discovery

¹ Although Petitioner labels Patent Owner’s declarants as “interested,” at least one of the declarants who confirmed the image sensor in “Boris” is no longer an employee of RED. *See* Ex. 2022.

² Petitioner selectively points to Patent Owner’s patent filings in an attempt to “call[] into question” Patent Owner’s reduction to practice date. Mot. 2-4. But Petitioner ignores Patent Owner’s April 11, 2007 (pre-Pressler) provisional application, titled “Compression of Raw Sensor Data Using Bayer Pattern,” which discloses the Bayer-pattern image sensor that Petitioner says it needs to corroborate. Ex. 1010.

Motion. That inspection would have allowed Petitioner to confirm that Boris includes the technical components as Patent Owner's declarants testified. Given Petitioner's stated bases for the discovery it seeks, the inspection offered by Patent Owner would have "better enable[d] the Board to assess if testimony by interested parties technically and credibly support RED's alleged actual reduction to practice."

Mot. 3. However, Petitioner refused the offer. Thus, Petitioner could only be seeking this unprecedented breadth of pre-institution discovery in an attempt to uncover evidence that it hopes might help its case, an improper basis for additional discovery. *ACCO*, IPR2013-00566, Paper 20, at 5.

Moreover, for each of Petitioner's four discovery requests, Petitioner fails to meet its burden under the first *Garmin* factor ("More Than A Possibility And Mere Allegation"). Petitioner points to no specific evidence or reasoning tending to show beyond speculation what useful information would be uncovered. For example, Petitioner fails to show why discovery regarding the Bayer image sensor would be "useful" to Petitioner. *Id.* Indeed, Petitioner nowhere states that if the discovery it seeks confirmed the reduction to practice, Petitioner would withdraw its Petition. On the contrary, while Petitioner asserts that its requests are "necessary" to corroborate RED's reduction to practice claim, Mot. 4, Petitioner rejected Patent Owner's offer for an inspection of Boris that would have provided such corroboration. Thus, Petitioner does not seek "useful" discovery, but rather a broad

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