

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTEL CORPORATION,
Petitioner,

v.

TELA INNOVATIONS, INC.,
Patent Owner.

IPR2019-01636 (Patent 10,141,334 B2)
IPR2019-01637 (Patent 10,141,335 B2)¹

Before JO-ANNE M. KOKOSKI, KRISTINA M. KALAN, AND
WESLEY B. DERRICK, *Administrative Patent Judges*.

KALAN, *Administrative Patent Judge*

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

¹ The parties are not authorized to use this style heading for any subsequent papers.

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Pursuant to our authorization, Tela Innovations, Inc. (“Patent Owner”) filed a Motion for Additional Discovery in the instant proceedings, and Intel Corporation (“Petitioner”) filed an Opposition.^{2,3} Patent Owner seeks additional discovery related to objective indicia of nonobviousness, i.e., commercial success and copying. Mot. 1. Specifically, Patent Owner requests:

1. The most current infringement contentions served by Patent Owner in the NDCA Action⁴ relating to the ’334 Patent and the documents cited therein.
2. Documents sufficient to show the sales of the Subject Products⁵ from first sale to the present, which information could be obtained from sales documents produced by Petitioner in the NDCA Action or by Petitioner’s provision of sales summary chart.

Id. at 2. After considering the arguments, evidence, and facts of the cases before us, we determine that it is in the interest of justice to grant Patent

² See IPR2019-01636, Papers 21 (authorizing filing of the Motion), 23 (“Mot.”), and 24 (“Opp.”); IPR2019-01637, Papers 21, 23, 24. Although the analysis herein applies to both proceedings, we refer to the papers and exhibits filed in IPR2019-01636 for convenience.

³ Petitioner submitted new exhibits with its Opposition. See IPR2019-01636, Exs. 1029–1036; IPR2019-001637, Exs. 1030–1037. In our Order authorizing Patent Owner’s Motion, we stated that “[n]o additional evidence is authorized with any of the filings.” Paper 21, 3. Accordingly, the exhibits filed by Petitioner in support of its Opposition will be expunged.

⁴ “NDCA Action” refers to *Intel Corp. v. Tela Innovations, Inc.*, Case No. 18-cv-02848-WHO (N.D.Ca.). Mot. App. A at 2.

⁵ “Subject Products” refers to “Petitioner’s microprocessor or printed circuit board product lines identified in Tela’s Disclosure of Asserted Claims and Infringement Contentions with Respect to Plaintiff Intel Corp. relating to the ’334 patent (“Infringement Contentions”), already produced or served in the” NDCA Action. Mot. App. A at 2.

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Owner's Motion. For the reasons that follow, Patent Owner's Motion is granted.

Analysis

In an *inter partes* review, 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). We consider the five factors set forth in *Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 26 (PTAB March 5, 2013) (precedential) in determining whether additional discovery is necessary in the interest of justice. The five *Garmin* 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. *Id.*

A. Garmin Factor 1: Useful Information

The first *Garmin* factor asks whether the party seeking additional discovery demonstrates more than "[t]he mere possibility of finding something useful, and mere allegation something useful will be found." *Garmin*, Paper 26 at 6. "The party requesting discovery should already be in possession of evidence tending to show beyond speculation that in fact something useful will be uncovered." *Id.* "Useful" in this context means

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“favorable in substantive value to a contention of the party moving for discovery,” not just “relevant” or “admissible.” *Id.* at 7. A good cause showing requires the moving party to provide a specific factual reason for reasonably expecting that the discovery will be “useful.”

Patent Owner argues that the requested discovery will show that the Subject Products are commercially successful. Mot. 3–6. To demonstrate nonobviousness based on commercial success, a patent owner must provide evidence of both commercial success and a nexus between that success and the merits of the claimed invention. *See Fox Factory Inc. v. SRAM, LLC*, 944 F.3d 1366, 1373 (Fed. Cir. 2019).

Patent Owner contends that “Petitioner has made public comments indicating general commercial success of” its Subject Products (e.g., Petitioner’s 14nm Processors and 10nm Processors), and that “Petitioner’s products have been recognized in the industry as successful and described as ‘game-chang[ing]’ technology.” Mot. 3. Patent Owner contends that “Petitioner’s PC Client Group operating segment, which includes the production, marketing, and sales of Petitioner’s 14nm Processors, has consistently represented the majority of revenue for Petitioner,” and notes that Petitioner’s net revenue in 2014 was \$55,870,000,000. *Id.* at 4. According to Patent Owner, because “public information indicates that the Subject Products are coextensive with the claims of the ’334 Patent, there is a presumed nexus between those products’ commercial success and the claimed invention.” *Id.* at 6.

Petitioner responds that “Patent Owner did not allege secondary considerations in its Preliminary Response,” that “Patent Owner has not alleged secondary considerations of non-obviousness in [the NDCA Action],

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where fact discovery is now closed,” and that “Patent Owner’s failure to do so undermines its assertion that the documents sought relate to ‘evidence of non-obviousness.’” Opp. 1–2. We disagree. A patent owner is not required to file a preliminary response, and, even if one is filed, the Board may decline to consider arguments made in the preliminary response unless they are raised in the patent owner response. *See* 37 C.F.R. § 42.107(b) (“A patent owner may expedite the proceeding by filing an election to waive the patent owner preliminary response.”); *In re Nuvasive, Inc.*, 842 F.3d 1376, 1381 (Fed. Cir. 2016) (explaining that a patent owner waives an issue presented in its preliminary response if it fails to renew the issue in its response after trial is instituted). Patent Owner’s arguments (or lack thereof) in its Preliminary Responses are not relevant to whether the requested discovery relates to evidence of non-obviousness.

Moreover, Petitioner does not explain why Patent Owner’s choice to not allege objective indicia of non-obviousness in the NDCA Action “undermines its assertion that the documents sought relate to ‘evidence of non-obviousness.’” Opp. 1. Based on the record before us, we are not convinced that arguments that Patent Owner is (or is not) pursuing in the NDCA Action should inform our decision as to whether the requested discovery would be useful in these proceedings.

Petitioner also argues that “Patent Owner has not made the requisite showing of nexus.” Opp. 3. Petitioner argues that although “Patent Owner describes its alleged invention as directed to a one-dimensional layout whereby ‘features in a given layer of the integrated circuit [] have rectangular shapes [] with their lengths oriented in the same direction,’” the documents to which Patent Owner cites to show commercial success of the

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