

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ARRIS GROUP, INC.,
Petitioner,

v.

C-CATION TECHNOLOGIES, LLC,
Patent Owner.

Case IPR2015-00635
Patent 5,563,883

Before MIRIAM L. QUINN, *Vice Chief Administrative Patent Judge*,
BARBARA A. BENOIT, and LYNNE E. PETTIGREW, *Administrative
Patent Judges*.

PETTIGREW, *Administrative Patent Judge*.

ORDER

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

I. INTRODUCTION

Pursuant to authorization from the panel, C-Cation Technologies, LLC ("Patent Owner") filed a Motion for Discovery from Petitioner. Paper 7 ("Mot."). In its motion, Patent Owner seeks production of

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indemnification agreements between ARRIS Group, Inc. (“Petitioner”) and Comcast Corporation relating to a lawsuit filed in January 2011 by Patent Owner against Comcast, titled *C-Cation Technologies, LLC v. Comcast Corp.*, Case No. 2:11-cv-00030 (E.D. Tex.). *Id.* at 4 (citing Ex. 2001). According to Patent Owner, it “expects that the requested discovery, together with additional information recently obtained by Patent Owner, will make a compelling showing” of privity between Petitioner and Comcast, thus establishing that the Petition in this case, challenging claims 1, 3, and 4 of U.S. Patent No. 5,563,883 (“the ’883 patent”), is time-barred under 35 U.S.C. § 315(b). *Id.* at 4–5.

As Patent Owner indicates, it seeks the same discovery that was requested and ordered by the Board in *ARRIS Group, Inc. v. C-Cation Technologies, LLC*, Case IPR2014-00746 (PTAB July 24, 2014) (Paper 15), involving the same parties and the same patent as this case. Mot. 2. In IPR2014-00746, in a decision instituting *inter partes* review of claim 14 of the ’883 patent, the Board determined that, based on the evidence presented at that stage of the proceeding, § 315(b) did not bar institution of *inter partes* review. *ARRIS Group, Inc. v. C-Cation Techs., LLC*, Case IPR2014-00746, slip op. at 8–10 (PTAB Nov. 24, 2014) (Paper 22). Ultimately, Patent Owner filed a statutory disclaimer of claim 14 under 35 U.S.C. § 253 and 37 C.F.R. § 1.321(a), and the Board granted Patent Owner’s request for adverse judgment. *ARRIS Group, Inc. v. C-Cation Techs., LLC*, Case IPR2014-00746 (PTAB Feb. 18, 2015) (Paper 28).

Petitioner opposes the Motion, arguing that the requested discovery is not in the “interests of justice” because it relates to an issue that cannot be litigated in this case. Paper 8 (“Opp.”), 8 (citing 37 C.F.R. § 42.51(b)(2)).

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In terms of the factors outlined in *Garmin International, Inc. v. Cuozzo Speed Technologies LLC*, Case IPR2012-00001 (PTAB Mar. 5, 2013) (Paper 26), Petitioner contends that “something useful will not be found by the sought-after discovery because even if everything Patent Owner says about the discovery is true, Patent Owner cannot relitigate the privity issue in this proceeding.” Opp. 8. Specifically, Petitioner argues that both Board rules and principles of administrative res judicata preclude Patent Owner from raising the privity issue in this case. *Id.* at 4–8.

For the reasons discussed below, we are not persuaded by Petitioner’s preclusion arguments, and we *grant* Patent Owner’s limited discovery request.

II. DISCUSSION

A. *Petitioner’s Arguments*

First, Petitioner argues that Board rules prohibit Patent Owner from raising the privity issue. Opp. 4. Specifically, Petitioner relies on 37 C.F.R. § 42.73(a), which provides that “[a] judgment, except in the case of a termination, disposes of all issues that were, or by motion reasonably could have been, raised and decided.” Petitioner argues that whether Petitioner was in privity with Comcast in the *Comcast* district court litigation is an issue that reasonably could have been raised in the earlier instituted proceeding, and actually was raised during preliminary proceedings. Opp. 4.

We are not persuaded that 37 C.F.R. § 42.73(a) prohibits Patent Owner from arguing that the Petition in this case is time-barred under 35 U.S.C. § 315(b) based on a privity relationship between Petitioner and Comcast. Instead, we agree with Patent Owner that § 42.73(a) relates to the scope of a judgment, not its preclusive effect with regard to other

proceedings. *See* Paper 9 (“Reply”), 2. In other words, the rule provides that a judgment disposes of all issues in a particular proceeding that were, or reasonably could have been, raised and decided. Petitioner cites no authority for its contention that the adverse judgment entered in IPR2014-00746 with respect to claim 14 has preclusive effect beyond that proceeding.

Petitioner also argues that the common law doctrine of *res judicata*, or claim preclusion, bars Patent Owner from raising the privity issue in this case. Opp. 5–8. “Claim preclusion applies when ‘(1) the parties are identical or in privity; (2) the first suit proceeded to a final judgment on the merits; and (3) the second claim is based on the same set of transactional facts as the first.’” *Phillips/May Corp. v. United States*, 524 F.3d 1264, 1268 (Fed. Cir. 2008) (quoting *Ammex, Inc. v. United States*, 334 F.3d 1052, 1055 (Fed. Cir. 2003)). “The general concept of claim preclusion is that when a judgment is rendered in favor of a party to litigation, the plaintiff may not thereafter maintain another action on the same ‘claim,’ and defenses that were raised or could have been raised by the defendant in that action are extinguished.” *Foster v. Hallco Mfg. Co.*, 947 F.2d 469, 478 (Fed. Cir. 1991) (citing Restatement (Second) of Judgments, §§ 18, 19 & comments (1982)) (emphasis omitted). The doctrine has been applied to the final judgment of an administrative agency acting in a judicial capacity that has resolved disputed issues of fact that the parties have had an adequate opportunity to litigate. *Phillips/May*, 524 F.3d at 1268 (citing *United States v. Utah Constr. & Mining Co.*, 384 U.S. 394, 422 (1966)).

Petitioner argues that claim preclusion applies to defenses, including Patent Owner’s “defense” of privity. Opp. 5 (citing *Foster*, 947 F.2d at 476). Thus, Petitioner asserts that Patent Owner’s privity argument in this

case is identical to the one raised in IPR2014-00746, and therefore satisfies the third element for claim preclusion—that the second claim is based on the same set of transactional facts as the first. *Id.* at 6. When applying claim preclusion to a defense, however, *Foster* makes clear that the defense is not the “claim” for purposes of determining whether the second action is the same as the first, but instead “‘claim’ is used in the sense of the facts giving rise to the suit.” *Foster*, 947 F.2d at 478. In *Foster*, for example, a challenge to validity in a patent infringement suit was not a “claim” but a defense to the patentee’s “claim” of infringement. *Id.* at 479. Thus, after a consent judgment in a first infringement suit, claim preclusion barred the alleged infringer from challenging the validity of the patent as a defense in a second infringement suit only if the two suits presented the same claim, or cause of action, a question that turned on whether the allegedly infringing devices in the two suit were essentially the same. *Id.* at 479–480.

Applying those principles to this case, we determine that claim preclusion does not bar Patent Owner from raising the privity issue in this case. In IPR2014-00746, the Board instituted trial and entered judgment for only claim 14 of the ’883 patent. The Petition in this case challenges claims 1, 3, and 4, which were not part of the instituted proceeding in IPR2014-00746, and, moreover, challenges them based on different grounds from those asserted by Petitioner in IPR2014-00746. *See* Paper 2 (“Pet.”), 2–3 n.1. Thus, there is no question that the “claim,” or cause of action, in this case—Petitioner’s challenge to claims 1, 3, and 4—is not “based on the same set of transactional facts as the first” proceeding, IPR2014-00746. Accordingly, the doctrine of claim preclusion does not foreclose Patent

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Owner from raising privity between Petitioner and Comcast as an issue in this case.

B. Garmin Factors

As the Board did in IPR2014-00746, we find that Patent Owner has shown sufficient support for its limited discovery request. Of the five *Garmin* factors for determining whether additional discovery in “necessary in the interests of justice,” Petitioner argues only the first one weighs against granting the requested discovery. Specifically, Petitioner contends that “something useful” will not be found because Patent Owner is foreclosed from raising privity in this case. Opp. 8. As discussed above, we are unpersuaded by Petitioner’s preclusion argument.

For reasons similar to those provided in IPR2014-00746, we are persuaded that Patent Owner has set forth a threshold amount of evidence sufficient to deem the very limited request—indemnification agreements referencing or contingent on Petitioner’s ability to control the *Comcast* litigation—necessary in the interests of justice. *See ARRIS Group, Inc. v. C-Cation Techs., LLC*, Case IPR2014-00746 (PTAB July 24, 2014) (Paper 15). Although the Board determined in the earlier institution decision that Patent Owner had not provided, at that stage of the proceeding, evidence sufficient to demonstrate that Petitioner exercised control or could have exercised control as provided for in the agreements, *ARRIS Group, Inc. v. C-Cation Techs., LLC*, Case IPR2014-00746, slip op. at 10 (PTAB Nov. 24, 2014) (Paper 22), Patent Owner asserts that it recently has obtained additional information that, together with the requested discovery, will be sufficient to make that showing. Mot. 4–5. Under these circumstances, we are

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persuaded that Patent Owner's limited request for production of indemnification agreements is in the interests of justice.

III. ORDER

Accordingly, it is:

ORDERED that Petitioner shall produce:

Agreement(s) between Arris and Comcast under which Comcast requested indemnification for the claims brought against Comcast in the Texas Litigation¹ that reference (or are contingent on) Arris's ability to control the litigation;

and

FURTHER ORDERED that Petitioner is authorized to file a motion for a protective order pursuant to the guidance provided in our Order dated April 2, 2015.

¹ *C-Cation Techs., LLC v. Comcast Corp.*, Case No. 2:11-cv-00030 (E.D. Tex.).

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