

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BESTWAY (USA), INC.,
Petitioner,

v.

INTEX MARKETING LTD.,
Patent Owner.

IPR2020-01405 (Patent 9,901,186 B2)
IPR2020-01416 (Patent 10,165,869 B2)¹

Before KEN B. BARRETT, KEVIN W. CHERRY, and
ARTHUR M. PESLAK, *Administrative Patent Judges*.

BARRETT, *Administrative Patent Judge*.

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

¹ This Order addresses issues that are substantially similar in each of the above captioned proceedings. We therefore exercise our discretion to issue one Order to be filed in each proceeding. The proceedings have not been consolidated, and the Parties are not authorized to use this style heading in any subsequent papers.

I. INTRODUCTION

Patent Owner Intex Marketing Ltd., pursuant to our authorization, filed a Motion for Additional Discovery Pursuant to 37 C.F.R. § 42.51(b)(2). Paper 25 (“Mot.”).² Petitioner Bestway (USA), Inc. filed an Opposition. Paper 28 (“Opp.”). Patent Owner’s requested additional discovery consists of nine requests for production. Ex. 2011 (the proposed requests).

Patent Owner asserts that it is

seek[ing] additional, focused and tailored discovery from Petitioner regarding objective indicia of non-obviousness related to evidence of commercial success and industry praise with respect to Petitioner’s inflatable airbed products that include Tritech™ or Tri-Tech™ beam construction, 3-ply technology, or a substantially similar feature (collectively, the “Tritech Products”).

Mot. 1. Patent Owner states that it does not make or sell embodiments of the challenged patents, *id.* at 2, and argues that Petitioner’s Tritech Products embody certain challenged claims and incorporate, in particular, the recited “tensioning structure,” *id.* at 1. Thus, according to Patent Owner, objective indicia related to Petitioner’s products are pertinent to the non-obviousness of those challenged claims. *Id.* at 2.

Petitioner opposes, arguing that the Motion “seeks expansive and open-ended discovery, without justification” and that, “[d]espite this extreme burden and breadth, Patent Owner provides essentially zero evidence that responsive documents exist or will be useful.” Opp. 1.

For the reasons given below, we *deny* Patent Owner’s Motions.

² Unless otherwise indicated, we refer to the papers and exhibits filed in IPR2020-01405. Similar papers and exhibits are filed in IPR2020-01416.

II. 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); 37 C.F.R. § 42.51(b)(2)(i). In determining whether additional discovery is necessary in the interest of justice, we consider the factors set forth in *Garmin International, Inc. v. Cuozzo Speed Technologies LLC*, IPR2012-00001, Paper 26 (PTAB Mar. 5, 2013) (precedential). The *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. *Garmin*, Paper 26 at 6–7. “Narrowly focused requests for additional discovery on [the issue of objective indicia of non-obviousness] may, if appropriate, be permitted.” Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) 24–28, available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

A. *Garmin* Factor 1: Beyond Speculation that Something Useful Will be Uncovered

Garmin factor 1 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 a threshold amount of evidence or reasoning tending to show beyond

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speculation that something useful will be uncovered.” *Id.* at 7. “‘Useful’ in this context does not mean merely ‘relevant’ and/or ‘admissible.’ In the context of factor 1, ‘useful’ means favorable in substantive value to a contention of the party moving for discovery.” *Id.*

As an initial matter, we note that Patent Owner does not discuss with specificity any of its nine discovery requests. Rather, Patent Owner rests on its conclusory characterization of all the requests as pertaining to either industry praise or commercial success. *See, e.g.*, Mot. 1³, 5 (“the requested discovery—i.e., non-public evidence of commercial success and industry praise related to the Trittech Products”); 7 (“what Intex genuinely needs: non-public evidence of commercial success and industry praise related to the Trittech Products”). The lack of explanation from Patent Owner leaves it to us to speculate as to how each individual discovery request might be tied to useful evidence of either commercial success or industry praise. *See, e.g.*, Ex. 2011, 6 (Request 8 seeking “Documents stating, describing, or identifying the reasons for which Bestway developed or designed the Trittech Products . . .”). Thus, even if we assume nexus, as Patent Owner argues, Patent Owner has not explained adequately how all the information sought would be useful as evidence of either of the two subject categories of objective indicia.

³ Patent Owner’s proposed document requests are contained in Exhibit 2011. That exhibit is cited only twice in the Motion—at the bottom of page 6 of the seven page paper (concerning whether the instructions are easily understandable (Garmin factor 4)) and in a footnote on the last page (asserting that the requests “align” with those propounded in the parallel litigation and therefore are not overly burdensome (Garmin factor 5)). *See* Mot. 6, 7 n.4.

For the “threshold amount of evidence or reasoning” requirement of *Garmin*, Patent Owner directs us to its infringement contentions and the Complaint in the parallel district court action. Mot. 2–3 (citing Exs. 2005, 2006). Patent Owner argues that “[t]he available evidence tends to show beyond speculation that the Trittech Products embody, and, in particular, incorporate the ‘tensioning structure’ of, certain claims of Intex’s [challenged patents].” *Id.* at 1. Thus, argues Patent Owner, it has shown beyond speculation that the Trittech Products are coextensive with challenged claims and, therefore, it has shown a nexus to any objective indicia. *See id.* at 4–5. Even if correct, these assertions of infringement and coextensiveness do not go far enough. In this case, Patent Owner also must present evidence or reasoning tending to show beyond speculation that something favorable to Patent Owner’s contentions of commercial success and industry praise will be found. *See Garmin*, Paper 26 at 6–7. As discussed below, Patent Owner’s motion does not even present a proper allegation that something useful will be found. *See id.*, Paper 26 at 6.

Industry Praise

Objective indicia of industry praise typically involves evidence of appreciation of the claimed invention by *persons of ordinary skill in the art*, which may weigh against assertions that the invention would have been obvious. *See Arctic Cat Inc. v. Bombardier Recreational Prod. Inc.*, 876 F.3d 1350, 1364 (Fed. Cir. 2017); *Vulcan Eng’g Co. v. Fata Aluminium, Inc.*, 278 F.3d 1366, 1373 (Fed. Cir. 2002) (“Appreciation by contemporaries skilled in the field of the invention is a useful indicator of whether the invention would have been obvious to such persons at the time it was made.”); *Institut Pasteur & Universite Pierre Et Marie Curie v.*

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Focarino, 738 F.3d 1337, 1347 (Fed. Cir. 2013) (“Thus, industry praise . . . provides probative and cogent evidence that one of ordinary skill in the art would not have reasonably expected that a GIIE endonuclease could successfully modify chromosomal DNA in eukaryotic cells.”).

Patent Owner asserts that its evidence shows that consumers have indicated that Petitioner’s air mattresses are comfortable, and argues that this is *consumer* praise having a nexus to the Tritech beam construction and to the claimed inventions. *See* Mot. 5 (citing Exs. 2007–2009). Patent Owner, however, does not proffer any evidence of *industry* praise and does not allege that Petitioner’s Tritech products have received *industry* praise. *See id.* at 5 (arguing that there is a nexus “to the extent that Petitioner has received *industry* praise directed to the Tritech Products’ ‘support’ and/or ‘comfort’ or specifically their ‘Tritech™ Beam Construction.’” (emphasis added)); *cf.* Opp. 4 (Petitioner arguing: “That some pseudo-anonymous consumers submitted generic, favorable reviews of some of Petitioner’s products does not demonstrate the existence of praise of the invention in the industry.” (internal quotation marks omitted)). Rather, Patent Owner argues that, “[i]n light of this consumer praise, it stands to reason that Petitioner may have also received similar praise from others in the inflatable-products industry that it has not publicized.” Mot. 5. Patent Owner does not expand on this conclusory proposition and has not provided “a threshold amount of evidence or reasoning tending to show beyond speculation” that useful, non-public industry praise will be uncovered. *Garmin*, Paper 26, at 7.

Commercial Success

Patent Owner argues that Petitioner’s advertising touts the Tritech construction as a reason why consumers should purchase its air mattresses.

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Mot. 3–4. Patent Owner also argues that the Tritech products are coextensive with some challenged claims and, therefore, “the available evidence tends to show beyond speculation at least a prima facie, if not a presumptive, nexus between the commercial success of the Tritech Products and the Asserted Claims.” *Id.* at 4. However, similar to its treatment of industry praise, Patent Owner does not allege that the Tritech Products have enjoyed commercial success. *See id.* at 4–5. Patent Owner has not provided “a threshold amount of evidence or reasoning tending to show beyond speculation” that useful, evidence of commercial success of Petitioner’s Tritech products will be uncovered.

Additionally, Patent Owner’s assertion of nexus by coextensiveness is not commensurate with the breadth of information sought. Patent Owner’s allegation that the Tritech products are coextensive with (or infringe) some challenged claims is based on its infringement allegations in the district court litigation. *See* Mot. 2–4. The infringement claim charts examine one model, the “Aerobed Luxury Collection, 17in Twin with TRITECH™.” Ex. 2006, 16, 38. Patent Owner’s discovery requests are not limited to that one model. Rather, Patent Owner seeks information regarding Petitioner’s sales of each of its Tritech Products. *See, e.g.*, Ex. 2011, 3 (Request No. 1). Patent Owner provides the following definition of “Tritech Products” with its proposed discovery requests:

3. The terms “Tritech Product” and “Tritech Products” mean and include all of Bestway’s airbeds that include Tritech™ or Tri-Tech™ beam construction, 3-ply technology, or a substantially similar feature, examples of which Patent Owner identified as accused products in at least ¶ 60 and exhibits 4 and 5 to its First Amended Complaint (Ex. 2005), as well as on pages 4-13 of its Preliminary Infringement

Contentions and in the accompanying claim charts (Ex. 2006) served in the parties' parallel litigation[.]

Id. at 2. According to Petitioner, the request encompasses at least 136 airbeds. *See* Opp. 1 (stating that Exhibit 2006 “identif[ies] 136 airbeds as accused Tritech airbeds.”). Patent Owner’s Motion does not contain an adequate explanation as to why we should assume that the one examined model is substantially similar—for nexus purposes—to every other of the hundred-plus models for which sales information is requested.⁴

Additionally, Patent Owner seeks, for all Tritech Products and for all of Petitioner’s airbeds that are *not* Tritech products, actual sales information from 2016 to the present as well as information on predicted future sales. Ex. 2011, 2–4 (Requests Nos. 1–4). Thus, Patent Owner is seeking past, present, and future sales information on every airbed model of Petitioner based on the contention that one model infringes, but without identifying adequate evidence or articulating adequate reasoning tending to show beyond speculation that useful commercial success evidence will be found.

B. *Garmin* Factor 2: Litigation Positions and their Underlying Basis

Garmin factor 2 asks whether the requests seek the other party’s litigation positions and the underlying basis for those positions. *Garmin*,

⁴ Petitioner argues that Patent Owner has not shown coextensiveness for any accused product, even the one that is the subject of the claim charts, and asserts that many accused airbeds have a substantial unclaimed feature, a built-in air pump. Opp. 2–4; *see Garmin*, Paper 26 at 9 (“Cuozzo has not even represented that the units for which sales and pricing information are requested do not embody significant and desirable features not recited in Cuozzo’s claims under review.”). In light of the outcome here, we do not need to reach Petitioner’s argument regarding coextensiveness.

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Paper 26 at 6. Petitioner does not contend that the requested additional discovery seeks such information.

C. *Garmin* Factor 3: Ability to Generate Equivalent Information

Garmin factor 3 asks whether the moving party has the ability to generate equivalent information by other means. *Garmin*, Paper 26 at 6 (“Information a party can reasonably figure out or assemble without a discovery request would not be in the interests of justice to have produced by the other party.”).

According to Patent Owner, it is only seeking non-public information and, thus, only Petitioner can provide such information. Mot. 6. Petitioner responds that the important aspect of factor 3 is whether Patent Owner can generate *equivalent* information by other means, and argues, *inter alia*, that “Patent Owner provides no evidence or argument that Petitioner possesses evidence of industry praise which is not generally available to, and which is not equivalent to any generally available industry praise.” Opp. 5 (citing *Garmin*, Paper 26 at 13–14).

Patent Owner’s argument is that it “could not generate such information [in the exclusive possession of Petitioner] without, and could only obtain it with, discovery.” Mot. 6. However, that argument omits the pertinent modifier, “equivalent.” *Garmin*, Paper 26 at 6 (factor identified as “Ability To Generate Equivalent Information By Other Means”). Patent Owner, a party that one would expect to be familiar with the industry⁵, does

⁵ In the district court litigation, Intex Recreation Corporation (IRC), a real party-in-interest in this *inter partes* review (Paper 4, 1), alleged: “IRC is a well-known innovator in the inflatable product industry, including airbeds,”

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not present argument as to whether it is unable to generate *equivalent* information without the need for discovery. *See* Mot. 6; *cf.* Opp. 6 (“Patent Owner itself is a participant in the airbed industry, and presumably has access to industry publications and the ability to perform a competitive market analysis.”). If we were to assume that Patent Owner is unaware of and cannot generate any information regarding industry praise or commercial success, that might help Patent Owner with this factor 3 but also confirms that factor 1 is dispositive in that Patent Owner is not in possession of any evidence to show that the requests are based on more than mere speculation.

D. *Garmin* Factor 4: Easily Understandable

Garmin factor 4 requires that the instructions and requests for additional information “be easily understandable.” *Garmin*, Paper 26 at 6. Petitioner does not contend that the requests are not easily understandable.

E. *Garmin* Factor 5: Overly Burdensome

Garmin factor 5 asks whether the requests are overly burdensome to answer, given the expedited nature of an *inter partes* review. *Garmin*, Paper 26 at 7. The burden includes financial burden, burden on human resources, and burden on meeting the time schedule of the *inter partes* review. *Id.* “Requests should be sensible and responsibly tailored according to a genuine need.” *Id.*

and, “[a]mong many other products, IRC is in the business of selling inflatable airbeds.” Ex. 2005 (First Amended Complaint), 2, 3.

Patent Owner argues that its requests exclude emails, thereby eliminating one source of burden, are narrowly tailored, and align with its requests in the district court litigation, to which “Petitioner responded that it would produce responsive documents.” Mot. 6–7 (citing Ex. 2012). As to the latter assertion, Patent Owner argues that “Petitioner at least implicitly agreed to accept a similar burden in the Parallel Litigation.” *Id.* at 7.

Petitioner argues that Requests 5–9 are not narrow, but “seek ‘[a]ll non-publicly available Documents’ that have content falling within broad categories (i.e. market-share, consumer demand, praise, reasons for developing the products, and market need).” Opp. 6 (quoting Ex. 2011, 4–5). According to Petitioner, these requests “purport to require collecting and reviewing every non-email document in Petitioner’s possession,” and “[t]his is plainly unduly burdensome and overbroad.” *Id.* Petitioner argues that Requests 1–4, although narrower than the others by seeking only financial documents, are unduly burdensome in that they seek information on *all* of Petitioner’s airbeds, Tritech or not, and based on allegations in a claim chart for only one product. *Id.* at 6–7; *see also id.* at 7 (arguing that the requests are disproportionate to Patent Owner’s showing).

We find to be persuasive Petitioner’s argument that the requests are unduly burdensome and overbroad. *See id.* 6–7.

As to Patent Owner’s argument that Petitioner implicitly agreed in the parallel litigation to take on the burden of producing the now-requested documents, Petitioner notes that discovery in an *inter partes* review is more restrictive than in a District Court and that its responses in the other forum were subject to objections, including an “unduly burdensome” objection. Opp. 7. In an *inter partes* review, the parties either agree between

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themselves as to additional discovery or the requester must show that the requests are in the interests of justice. 37 C.F.R. § 42.51(b)(2)(i). On the facts of this case, we decline to construe Petitioner's responses to discovery requests in the district court litigation as a binding agreement in this *inter partes* review.

III. CONCLUSION

Weighing all of the *Garmin* factors together and for reasons discussed above, we conclude that Patent Owner's motions have not met the "necessary in the interest of justice" standard for the requested discovery.

IV. ORDER

For the foregoing reasons, it is
ORDERED that Patent Owner's Motions for Additional Discovery are *denied*.

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