

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MOM ENTERPRISES, LLC,
Petitioner,

v.

ELAINE AND REINHOLD W. VIETH,
Patent Owner.

IPR2023-00726
Patent 9,066,958 B2

Before JOHN G. NEW, SHERIDAN K. SNEDDEN, and
CYNTHIA M. HARDMAN, *Administrative Patent Judges*.

HARDMAN, *Administrative Patent Judge*.

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

Patent Owner Elaine and Reinhold W. Vieth filed an authorized motion to compel Petitioner MOM Enterprises, LLC to produce certain sales data and market share information and certain documents relating to alleged copying. Paper 28 (“Mot.”)¹, 1. Petitioner opposes. *See generally* Paper 37 (“Opp.”). For the reasons discussed below, we *grant* Patent Owner’s motion.

ANALYSIS

Background and the Requested Discovery

Petitioner raises obviousness arguments against the challenged claims. *See* Paper 2 (Petition), 2. Patent Owner responds that the challenged claims are not unpatentable as obvious, including because of certain objective indicia of non-obviousness, i.e., commercial success and copying. Mot. 3. More specifically, Patent Owner alleges that Petitioner’s prior product was not successful in the marketplace, but Petitioner changed its product formulation to copy the market-leading Ddrops² product, and Petitioner’s product thereafter achieved commercial success. *Id.* at 4. Patent Owner alleges that “[e]vidence of Petitioner’s sales, marketing plans and documents showing the difference between Petitioner’s past and current products show that the commercial success was because of the inventive features, and not some other reason.” *Id.*

¹ For the reasons discussed in our November 17, 2023 Order (Paper 34), we deem stricken from Patent Owner’s Motion Appendices 2 and 3, as well as any citations to these Appendices or to the now-expunged Exhibits 2016 and 2017.

² As we noted in our Institution Decision, Ddrops Company appears to be a licensee of the ’958 patent. Inst. Dec. 41. We further noted that on the preliminary record, based on its composition, dose, and instructions for use, “it appears that the ‘Baby Ddrops® product’ embodies the claimed invention.” *Id.* (quoting Ex. 2004 ¶ 5).

Patent Owner's motion includes a set of document requests containing five categories of documents, where each requested document is identified by Bates number. Mot., App'x 1. Petitioner previously produced each requested document to Patent Owner in the now-stayed litigation *Ddrops Company, Reinhold Vieth, and Elaine Vieth v. MOM Enterprises, LLC, d/b/a Mommy's Bliss*, C.A. No. 1:22-cv-00332-GBW (D. Del.). Mot. 1–2. Petitioner designated the requested documents as “confidential” or “confidential – attorneys’ eyes only” under the District Court’s Protective Order in that litigation, which Patent Owner explains precludes their use in this proceeding. *Id.* at 5. Patent Owner requests that we order Petitioner to produce the documents for use in this proceeding.

Petitioner responds that Patent Owner's requests are overbroad and unduly burdensome, covering 294 documents consisting of 2,496 pages, “as well as a transcript from the third-party deposition of Innovative Labs.” Opp. 1, 7. Petitioner argues that Patent Owner “[has] not made a threshold showing, beyond mere speculation, that explains why the requested documents will be useful.” *Id.* at 1.

Analysis

“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 (PTAB Dec. 11, 2015). “The moving party must show that such additional discovery is in the interests of justice.” 37 C.F.R. § 42.51(b)(2)(i).

We consider the following factors in determining whether the requested discovery is necessary for good cause: (1) whether the movant has provided a specific factual reason for reasonably expecting that the discovery will be “useful,” i.e., “favorable in substantive value to a contention”; (2) whether the request seeks the other party's litigation positions and the underlying basis for those positions;

(3) the movant's ability to generate equivalent information by other means; (4) whether the request has easily understandable instructions; and (5) whether the request is overly burdensome to answer. *See Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 26 at 6–7 (PTAB Mar. 5, 2013) (precedential). We address each factor below.

1. Specific Factual Reason for Reasonably Expecting the Discovery Will be Useful

Pursuant to factor 1, we consider whether Patent Owner is already in possession of a threshold amount of evidence or reasoning tending to show beyond speculation that something useful will be uncovered via the requested discovery. *See Garmin*, IPR2012-00001, Paper 26, at 7. “Useful” in this context does not mean merely “relevant” and/or “admissible.” *Id.* Rather, it means favorable in substantive value to a contention of the party moving for discovery. *Id.*

As to alleged copying, Patent Owner argues that the requested discovery shows that “Petitioner embarked on a strategy to copy the ‘Baby Ddrops® product’ and take market share from Ddrops, the acknowledged market leader.” Mot. 4. Petitioner responds that “Patent Owners only request documents relating to a change in composition,” but any alleged copying of the Ddrops formulation is irrelevant, given that the challenged claims recite a method of administration, not a product. Opp. 2. Petitioner further argues that “Patent Owners do not contend that the documents will show that Petitioner knew the composition of Ddrops’s product or were aware of the ’958 Patent’s claims.” *Id.* at 3.

Under Federal Circuit jurisprudence, “[n]ot every competing product that arguably falls within the scope of a patent is evidence of copying; otherwise, ‘every infringement suit would automatically confirm the nonobviousness of the patent.’” *Wyers v. Master Lock Co.*, 616 F.3d 1231, 1246 (Fed. Cir. 2010) (quoting *Iron*

Grip Barbell Co. v. USA Sports, Inc., 392 F.3d 1317, 1325 (Fed. Cir. 2004)).

Copying as objective evidence of nonobviousness requires evidence of efforts to replicate a specific product, or access to information about a patentee's work (such as an issued patent or published article), coupled with circumstantial evidence regarding changes to a competitor's design. *See Wyers*, 616 F.3d at 1246; *Liqwd, Inc. v. L'Oréal USA, Inc.*, 941 F.3d 1133, 1138 (Fed. Cir. 2019).

On consideration of the arguments and evidence of record, we determine that Patent Owner has provided sufficient reasoning tending to show beyond mere speculation that the requested information will be useful to Patent Owner's allegations of copying. Patent Owner alleges that "Petitioner embarked on a strategy to copy the 'Baby Ddrops® product' and take market share from Ddrops." Mot. 4. Patent Owner contends that due to the District Court's Protective Order, it is unable to reference the specific contents of document that support this contention. *Id.* at 2. In its motion, however, Patent Owner represents that the requested documents "directly rebut Petitioner's obviousness arguments and are useful to establishing secondary indicia of non-obviousness." *Id.* According to Patent Owner, Petitioner's changes led to success of the reformulated product in the marketplace. *Id.*

Petitioner acknowledges that it "updated the formulation of its vitamin D product in recent years." Opp. 2. Nevertheless, it argues that "Patent Owners do not contend that the documents will show that Petitioner knew the composition of Ddrops's product or [was] aware of the '958 Patent's claims." *Id.* at 3. We disagree. "Evidence of copying may include . . . access and similarity to a patented product." *Liqwd, Inc.*, 941 F.3d at 1137. By arguing that "Petitioner embarked on a strategy to copy the 'Baby Ddrops® product' and take market share from Ddrops" and that "Petitioner changed the composition of its product to be

identical” to the alleged market-leading Ddrops, Patent Owner is alleging access and similarity to a product that purportedly meets the composition and administration limitations of the challenged claims. *See* Mot. 4.

Petitioner’s argument that documents relating to a change in composition are irrelevant because the challenged claims are method claims, not product claims, is unavailing. *See* Opp. 2–3. Although the claims are method claims, they do recite a particular composition, i.e., one that “consist[s] of a nutritional or therapeutic effective amount of 9 to 9000 mcg/ml vitamin D in a liquid triglyceride of 6 to 12 carbon chain length.” Ex. 1001, 9:37–40. Accordingly, alleged efforts to copy the claimed composition (even if it was a known composition, as Petitioner alleges (Opp. 6)), is relevant to whether Petitioner’s product embodies the composition limitations of the claimed method.

Petitioner also asserts that it changed the product formulation “to improve the shelf life,” not for any reason having to do with “Ddrops’s product or the method in the ’958 Patent.” Opp. 5. This argument is more appropriately offered as rebuttal to the merits of any copying argument Patent Owner presents in its Patent Owner Response. For purposes of the instant Motion, for the reasons discussed above, we find that Patent Owner has sufficiently shown that the requested discovery will uncover something useful to its copying claims. *See Garmin*, IPR2012-00001, Paper 26, at 7.

Turning to commercial success, 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 Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1311–12 (Fed. Cir. 2006). Patent Owner avers that the requested discovery will show that “Petitioner’s prior product was not successful in the marketplace,” but after “chang[ing] the

composition of its product to be identical,” it achieved commercial success “because of the inventive features, and not some other reason.” Mot. 4.

Petitioner responds that Patent Owner has “failed to establish how the requested documents will show that it is the claimed *method* of administering Petitioner’s vitamin D product that contributed to Petitioner’s commercial success (e.g. via increased sales of market share).” Opp. 5. According to Petitioner, the instructions on its product contain multiple administration methods, several of which are not covered by the challenged claims. *Id.* at 6. Petitioner also argues that Patent Owner “omit[s] additional factors they are aware of from the district court litigation that contributed to Petitioner’s sales,” such as investor funding that allowed increased marketing efforts. *Id.*

We find that Patent Owner has made a sufficient threshold showing that something useful to its commercial success claims will be uncovered in the requested discovery. *See Garmin*, IPR2012-00001, Paper 26, at 7. At this stage, Patent Owner adequately alleges that after changing its product formulation to one that allegedly meets the composition limitations of the challenged claims, Petitioner’s product newly met with commercial success. Mot. 4. Petitioner’s counterarguments are more appropriately offered as rebuttal to the merits of any commercial success arguments Patent Owner argues in its Patent Owner Response. In other words, Petitioner is free to challenge any such arguments by arguing, e.g., that any commercial success is due to factors other than the patented invention, such as other administration methods or increased marketing. *See, e.g., Ormco Corp.*, 463 F.3d at 1312.

Finally, Petitioner argues that Patent Owner offers only a blanket statement of the alleged relevancy of the documents, and has not provided “any description of the[requested] documents or their contents that would support their theory.”

Opp. 3–4 (citing *Intex Recreation Corp. v. Team Worldwide Corp.*, IPR2018-00859, Paper 38 at 6 (PTAB Dec. 21, 2018); *Polygroup Ltd. v. Willis Elec. Co., Ltd.*, IPR2016-00800, Paper 28 at 13 (PTAB Jan. 13, 2017)). We disagree. Patent Owner’s requests, together with its motion, adequately characterize the contents of the requested documents.

For example, the specific documents listed in requests (1) and (2) are described as sufficient to show Petitioner’s sales and market share of its current and predecessor products. *See* Mot. App’x 1, at 1–3. The documents in request (4) are described as showing “Petitioner’s sales efforts, marketing efforts, and performance results” for Petitioner’s current and predecessor product. *Id.* at 3–5. The documents in requests (5) and (6) are described as showing “the efforts to succeed in selling Petitioner’s” current and predecessor products, and “evidenc[e] attempted variations in product specifications, strategic product plans, instructions for use and administration, and ingredients.” *Id.* at 5–6. Patent Owner explains its view that this information will show alleged copying, commercial success, and nexus to “the inventive features.” Mot. 4.

Request (3) covers a transcript (and related exhibits) from “the Rule 30(b)(6) Deposition of Chantel Wood, testifying on behalf of Innovative Labs, the manufacturer of Petitioner’s current product.”³ Mot. App’x 1, at 3. We

³ Neither party asserts that any of Patent Owner’s requests encompasses confidential information belonging to a third party (such as Innovative Labs). Accordingly, on this record, we assume that *Petitioner* designated all of the requested documents, including the Wood transcript and the related exhibits, as “confidential” or “confidential – attorneys’ eyes only” pursuant to the District Court’s Protective Order based on the alleged inclusion of *Petitioner*’s confidential material in these documents. To the extent the requested materials were designated “confidential” or “confidential – attorneys’ eyes only” due to inclusion of a third party’s confidential information, we do not authorize Patent Owner to pursue such

understand that these documents allegedly support Patent Owner’s contention that Petitioner “did not test or consider any other composition in developing” its current product formulation. Mot. 4; *see also* Ex. 2015, 22:14–25. In sum, we find that Patent Owner has sufficiently described the requested documents and how they relate to Patent Owner’s alleged secondary considerations of nonobviousness.

For all of the foregoing reasons, we determine that this factor favors granting Patent Owner’s Motion.

2. Whether the Requests Seek Patent Owner’s Litigation Positions

Patent Owner argues, and we agree, that its requests do not seek information regarding Petitioner’s litigation positions. Mot. 4–5. Petitioner does not dispute this. *See generally* Opp.

3. Ability to Generate Equivalent Information by Other Means

Patent Owner argues that it has no other means available to generate equivalent information. Mot. 5. Petitioner does not dispute this. *See generally* Opp. Given that Patent Owner seeks apparently non-public information regarding Petitioner’s product development, market share, and sales data, we agree with Patent Owner and determine that this factor favors granting Patent Owner’s Motion.

4. Whether the Requests Have Easily Understandable Instructions

Patent Owner argues, and we agree, that “by seeking only specified documents previously produced in the District Court action, the requests are easily understandable.” Mot. 5. Petitioner does not dispute this. *See generally* Opp.

materials. A party seeking to compel testimony or the production of documents from a third party must first seek the Board’s authorization to apply for a subpoena. *See* 37 C.F.R. § 42.52(a); 35 U.S.C. § 24.

5. Whether the Requests Are Overly Burdensome to Answer

Patent Owner argues that its requests are “essentially burdenless,” because all Petitioner “needs to do is to acknowledge ‘production’ of the specified documents in this IPR.” Mot. 5. Petitioner responds that “[m]any of the requested documents are subject to a protective order that precludes disclosure beyond trial counsel.” Opp. 7.

Petitioner’s argument is unavailing. We do not, by this Order, modify or disturb the District Court’s Protective Order. Rather, we presume that the District Court’s Protective Order does not preclude Petitioner from separately authorizing Patent Owner to use Petitioner’s own information in this proceeding. Should Petitioner desire to protect its confidential information in this case, it may—as we previously advised—apply for a protective order to govern use of the information in this case. *See* Paper 11 (Scheduling Order), 2–3; Ex. 2015, 38:4–18. Indeed, the parties apprised the Board weeks ago that they were working together on a proposed protective order. *See* Ex. 2015, 38:4–18.

Petitioner further argues that Patent Owner’s requests are “grossly overbroad and unduly burdensome, especially because Patent Owners have not justified their request for ‘each document’ ‘with specificity.’” Opp. 7 (quoting *Intex*, IPR2018-00859, Paper 37 at 6). In *Intex*, the requesting party listed broad categories of documents and contended they were all “highly relevant to secondary considerations of non-obviousness.” *Intex*, IPR2018-00859, Paper 37 at 5–6. The *Intex* panel found that it was left “to guess as to the nature of information sought and how the information is relevant.” *Id.* at 6. Here, in contrast, we understand the categories of documents Patent Owner is requesting and how the requested information relates to Patent Owner’s commercial success and copying theories, as discussed above.

Petitioner also argues that production of the requested documents is “unduly burdensome because it would put Petitioner’s highly-confidential information at greater risk of public disclosure, and in the hands of a competitor, in a final written decision.” Opp. 7 (citing 77 Fed. Reg. 48756, 48761 (Aug. 14, 2012) (“There is an expectation that [confidential] information will be made public [if] . . . identified in a final written decision[.]”)). This concern is speculative and premature, and thus does not provide a reason for avoiding discovery of the alleged objective indicia. *See, e.g., Liqwd, Inc.*, 941 F.3d at 1136–37 (explaining that the objective indicia analysis is “a fundamental part of the overall § 103 obviousness inquiry” and “objective indicia may often be the most probative and cogent evidence of nonobviousness”) (citations omitted). Additionally, we remind Petitioner that prior to any confidential information becoming public, a party will have an opportunity to be heard, e.g., via a motion to expunge. *See* 37 C.F.R. § 42.56.

CONCLUSION

Weighing all of the *Garmin* factors together and for reasons discussed above, we conclude that Patent Owner has demonstrated good cause for the requested discovery.

ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Patent Owner’ Motion is *granted*; and

FURTHER ORDERED that no later than one business day after entry of this Order, Patent Owner shall serve upon Petitioner the document requests attached as Appendix 1 to the Motion; and

FURTHER ORDERED that Petitioner shall produce the requested documents to Patent Owner no later than ten days after service of the discovery requests, or at a time that is mutually agreeable to the parties.

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