

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC.,

Petitioner

v.

VL COLLECTIVE IP, LLC.,

Patent Owner

IPR2023-00891
U.S. Patent 8,605,794

**PATENT OWNER'S AUTHORIZED MOTION
FOR ADDITIONAL DISCOVERY**

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Federal Statutes

35 U.S.C. § 315(e)(1).....6, 8, 9

Regulations

37 C.F.R. § 42.51(b)(2)(i) 1

PATENT OWNER'S EXHIBIT LIST

Exhibit	Description
2001	Joint Claim Construction Statement in <i>VideoLabs, Inc. et al. v. Amazon.com, Inc. et al.</i> , No. 22-cv-00079-ADA-DTG
2002	VideoLabs' Answering Claim Construction Brief, <i>Starz Entertainment, LLC et al. v. VL Collective IP, LLC et al.</i> , No. 21 -cv-1448-JLH (excerpted)
2003	Markman Hearing Transcript, <i>Starz Entertainment, LLC et al. v. VL Collective IP, LLC et al.</i> , No. 21-cv-1448-JLH
2004	Declaration of Jaime F. Cardenas-Navia in Support of Motion for Admission <i>Pro Hac Vice</i>
2005	Discovery Requests from Netflix
2006	Unified Website FAQ, https://www.unifiedpatents.com/faq
2007	Unified LinkedIn Post, https://www.linkedin.com/posts/sambwani_videolabs-794-video-codec-patent-likely-activity-7011105082129743872-66mK
2008	Unified Website Zones, https://www.unifiedpatents.com/sep
2009	Unified Website Seeking Prior Art, https://www.unifiedpatents.com/insights/2023/10/30/8000-for-videolabs-digital-content-patents-prior-art

Pursuant to the Board’s February 21, 2024 Order, Patent Owner submits this motion for additional discovery from Netflix (“Petitioner”) as shown in EX2005.

I. Introduction

Patent Owner seeks discovery from Netflix to show that Netflix was a real party in-interest (RPI) in IPR2022-01086 (the “’086 IPR”), in which a Final Written Decision (“FWD”) has issued. The Board applies the five *Garmin* factors to determine whether discovery is “in the interests of justice” under 37 C.F.R. § 42.51(b)(2)(i). *Garmin Int’l v. Cuozzo Speed Tech.* IPR2012-00001, Paper 26, 6–7 (PTAB Mar. 5, 2013) (precedential).

The *Garmin* factors strongly support Patent Owner’s motion and thus additional discovery is warranted under 37 C.F.R. § 42.51(b)(2)(i). The Board has previously granted similar discovery requests. *See Samsung Electronics Co., Ltd. v. MemoryWeb, LLC*, IPR2022-00222, Paper 44 (PTAB August 22, 2023); *Apple Inc. v. MemoryWeb, LLC*, IPR2022-00031, Paper 50 (PTAB August 11, 2023).

Here, the requested discovery is likely to yield additional evidence that Netflix should have been named an RPI in the ’086 IPR, which in turn has several substantive effects that significantly impact this proceeding. If Netflix was an RPI in ’086 IPR, it should *at least* be dismissed from the ’891 IPR as to the claims that were already addressed in the ’086 IPR FWD (claims 1, 3, 5, 9, 12, 13, 15, 20, and 21, the “Estopped Claims”)—and certainly those claims that do not implicate any

claim that was ***not*** addressed in the '086 IPR FWD (claims 5, 12, 15, 20, and 21).

But even more than dismissal is required—the correct course of action is to terminate the Petition, either as to the Estopped Claims or, if the Board finds it necessary under *SAS*, in its entirety.

The Board need not resolve these arguments to grant the requested discovery nor need it agree with Patent Owner on each of them—the requested discovery is warranted if it supports ***any*** of the arguments. It does and should thus be granted.

II. Background

Unified Patents, LLC (“Unified”) filed IPR2022-01086 ('086 IPR) challenging the validity of claims 1, 3, 5, 9, 12, 13, 15, 20, and 21 of U.S. Patent No. 8,605,794 ('794 patent) on June 7, 2022. On December 18, 2023, the Board issued a FWD addressing claims 1, 3, 5, 9, 12, 13, 15, 20, and 21. *Unified Patents, LLC v. VL Collective, LLC*, IPR2022-01086, Paper 37 (PTAB December 18, 2023). The Board found that claims 1, 3, 5, 9, 12, 13, and 15 were shown to be unpatentable while claims 20 and 21 were not shown to be unpatentable. *Id.* at 47. Petitioner filed the present IPR (the '891 IPR) challenging claims 1-22 on May 5, 2023. The Board instituted the '891 IPR on January 12, 2024.

III. *Garmin* Factor 1: Whether There Is More Than A Possibility And Mere Allegation That Useful Information Will Be Found

The first *Garmin* factor states that “[t]he party requesting discovery should already be in possession of evidence” or reasoning “tending to show beyond

speculation that in fact something useful will be uncovered.” *Garmin*, Paper 26 at 6. “[U]seful” “means favorable in substantive value to a contention of the party moving for discovery.” *Id.* at 7. In the present case, the Board stated that “in order to demonstrate what is useful in substantive value to Patent Owner’s contention, we request that Patent Owner propose how the Board proceeds on a claim-by-claim basis as part of its motion for additional discovery.” Order Granting Patent Owner’s Request to File a Motion for Additional Discovery at 3-4.

A. Additional Discovery Is Appropriate To Determine Whether Netflix Was An RPI In The ’086 IPR

Determining whether a party is an RPI is a fact-dependent question. *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018) (“Determining whether a non-party is a ‘real party in interest’ demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner.”); *Unified Patents, LLC v. Memoryweb, LLC*, IPR2021-01413, Paper 76 at 5 (PTAB May 22, 2023). The PTAB Consolidated Trial Practice Guide states that “the ‘real party-in-interest’ is the party that desires review of the patent. Thus, the ‘real party-in-interest’ may be . . . the party or parties at whose behest the petition has been filed.” Trial Practice Guide (Nov. 2019) at 14. Here, Netflix desired review of the ’794 patent, as it filed the present IPR. And the current evidence shows a close relationship between

Netflix and Unified such that Unified likely filed the '086 IPR Petition at Netflix's behest.

Unified is a paid “membership organization that seeks to improve patent quality and deter unsubstantiated or invalid patent assertions in defined technology sectors (Zones) through its activities.” Unified Website FAQ (EX2006). Unified provides services to its subscribers including challenging the validity of patents (such as by filing IPRs) that are asserted against the subscribers in particular Zones. *Id.* Unified explains that it “successfully deter[s]” patent assertions against its members (e.g., Netflix) by “fil[ing] post-grant procedures.” *Id.*

As particularly relevant to this motion, Unified's co-founder, Shawn Ambwani, described VideoLabs' '794 patent assertions (i.e., its litigations against, among others, Netflix) as “bad assertions”—demonstrating the fundamental tie between Unified's IPR and Netflix. It appears Unified filed its IPR specifically to defend its members, including Netflix, from these so-called “bad assertions” (i.e., litigations). Unified LinkedIn Post (EX2007).

Moreover, Netflix has proven to have a close relationship with Unified. Netflix has produced evidence in the past showing it is an active member of Unified, *Netflix*, 2033, and provided evidence of routine subscription payments to Unified and its subscription to the “video codec zone,” which includes the '794 patent. *Id.*, 2033 and Paper 42 at 8-12; Unified Website Zones (EX2008); EX2007.

Netflix and Unified's close relationship is further exemplified by Unified's specific services for Netflix. Unified often advertises cash prize rewards for finding prior art that would invalidate patents asserted against its members, including Netflix. Unified Website Seeking Prior Art (EX2009). This illustrates that Unified may operate at the behest of Netflix to protect it from asserted patents.

Strong circumstantial evidence surrounding the '086 IPR also suggests that Unified may take directions from Netflix. In the '086 IPR, Unified attempted to terminate its Petition, before institution of Netflix's Petition in the '891 IPR. *See Unified*, EX3001. By terminating the '086 IPR before Final Written Decision, Unified and any RPIs (including Netflix) would avoid estoppel for the claims addressed in '086 IPR FWD. There is little reason why Unified would wish to avoid estoppel, while it would greatly benefit Netflix. The only logical explanation for Unified's termination request is that it was done for Netflix.

Additional evidence is likely to show that Unified filed the '086 IPR on the behest of Netflix. The requested discovery will confirm Netflix's relationship with Unified through information regarding their membership agreement. For example, the membership agreement and subscription information will confirm whether Netflix is still subscribed to the Zone that includes the '794 patent. Furthermore, requested discovery, such as the communications and documents shared between

Netflix and Unified regarding the '086 IPR will likely evidence Netflix's knowledge, control, or influence in the '086 IPR.

B. Finding That Netflix Was An RPI Would Have Substantive Value

1. Netflix Can Be Dismissed As To The Estopped Claims.

In the event that Netflix was an RPI in the '086 IPR, Netflix should at least be dismissed from the proceeding as to the Estopped Claims. The statute is clear: “the *real party in interest or privy* of the petitioner[] may not . . . *maintain* a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.” 35 U.S.C. § 315(e)(1). At a minimum, this means that Netflix cannot continue in this proceeding as to the Estopped Claims.

The Board has the authority (and the obligation) to dismiss Netflix as to the Estopped Claims. *See* 35 U.S.C. § 315(e)(1); *Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035, 1044 (Fed. Cir. 2022) (confirming the Board's termination of Petitioner based on estoppel). The Board previously addressed this very issue and dismissed a Petitioner from a subset of instituted claims based on estoppel issues (as the Board should, at minimum, do with Netflix here). In *Facebook, Inc. v. Uniloc USA, Inc.*, (“*Uniloc*”), the Board dismissed-in-part a Petitioner, Facebook, from an IPR as to claims 1-6 and 8 (out of claims 1-8 that were challenged). IPR2017-01427, Paper 30 at 7-8 (PTAB May 29, 2018). The Board held that Facebook was estopped

from maintaining a validity challenge against claims that had already been addressed in another IPR in which it was an RPI. *Id.* at 5, 7-8. The Federal Circuit held that the Board’s partial dismissal of Petitioner was consistent with *SAS*. *Uniloc 2017 LLC v. Facebook Inc.*, 989 F.3d 1018, 1031 (Fed. Cir. 2021); *see also Intuitive Surgical, Inc.*, 25 F.4th at 1043 (“applying estoppel in these circumstances is . . . consistent with *SAS*” and “Subsection 315(e)(1) has been understood to discourage ‘abusive serial challenges to patents’ and provide ‘faster, less costly alternatives to civil litigation to challenge patents.’”).

Just so here. Even if the Board were to move forward with the proceeding (which it should not, as discussed below), dismissing Netflix as to the Estopped Claims is still “useful.” Just as in *Uniloc*, dismissing Netflix as to the Estopped Claims would prevent it from participating as a Petitioner (e.g., Petitioner Replies, hearings, request for re-hearings, appeals, etc.) in the procedure. That relief would have real “substantive value” and thus be “useful.” *Garmin*, Paper 26 at 7.

The fact that Netflix will still be Petitioner on other, non-estopped claims does not change the analysis. Indeed, that was precisely the situation in *Uniloc*, where the Board dismissed Petitioner from claims 1-6 and 8 but left Petitioner to maintain its challenge to claim 7 which depended from claim 1. The Board had to analyze claim 1 to analyze claim 7, but nevertheless, the Board dismissed Facebook from claim 1. *Uniloc* at 7 (“Facebook and WhatsApp may not participate in the

proceeding to categorically challenge the unpatentability of claim 1, notwithstanding claim 7’s dependence from that claim.”).

In any event, Netflix should certainly be dismissed at least from claims 5, 12, 15, 20, and 21, which (1) do not depend from any claims that were not addressed in the ’086 IPR and (2) have no dependent claims that were not addressed in the ’086 IPR—and thus do not implicate any non-estopped claim.

2. The Proceeding Can Be Terminated.

If Netflix is proven to be an RPI in the ’086 IPR, the Board should not only dismiss Netflix from the Estopped Claims—the ’891 IPR should be terminated. Section 315(e)(1) prohibits “the real party in interest . . . of the petitioner” from “maintain[ing] a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.” If Netflix is an RPI in the ’086 IPR, then it cannot “maintain [this] proceeding” on the Estopped Claims. Holding otherwise would contravene Section 315(e)(1).

SAS does not prohibit the Board from terminating the proceeding as to the Estopped Claims. While the Supreme Court held that “the [Board] shall issue a final written decision with respect to the patentability of *any patent claim challenged by the petitioner* . . . ,” that does not undermine Section 315(e)(1)’s directive that a Petitioner cannot “maintain” a proceeding against—that is, continue to challenge—

estopped claims. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354, 200 L. Ed. 2d 695 (2018) (emphasis added). There is no indication that *SAS* silently abrogated Section 315(e)(1), nor could it have. In light of Section 315(e)(1)’s directive that a petitioner ***cannot*** “maintain a proceeding” on estopped claims, *SAS* should be interpreted as allowing the Board to order the Petitioner to no longer “maintain” its proceeding on estopped claims, such that the claims are no longer “challenged by the petitioner.” To interpret *SAS* otherwise renders it incompatible with Section 315(e)(1).

Even if *SAS* were interpreted to forbid Section 315(e)(1) partial termination, the proper course would then be to terminate the proceeding in its entirety. Section 315(e)(1)’s prohibition on petitioners “maintain[ing] a proceeding” on estopped claims cannot simply be ignored. If there is tension between Section 315(e)(1) and *SAS*, the only course of action that complies with both edicts is complete termination.

The facts here show why termination is necessary. If Netflix was an RPI in the ’086 IPR, it would get two bites at the ’794 invalidity apple—precisely what Congress enacted the estoppel provision to prevent. 153 Cong. Rec. E774 (4.18.07) (Rep. Berman) (the intent of Leahy-Smith America Invents Act (“AIA”) was to “prohibit multiple bites at the apple by restricting the cancellation petitioner to opt for only one window one time.”). Netflix cannot circumvent this purpose by *de facto* challenging independent claims 1 and 9 for a second time. The correct course is to terminate the proceeding, either in its entirety or at least as to the Estopped Claims.

IV. *Garmin* Factor 2: Whether The Discovery Seeks Litigation Positions

The requested discovery does not seek Netflix's litigating positions or basis.

V. *Garmin* Factor 3: The Movant's Ability To Generate Equivalent Information By Other Means

Patent Owner cannot generate equivalent information by other means.

Garmin, Paper 26 at 6. The discovery requested in EX2005 is in the possession of Netflix, not publicly available, and Netflix has refused to provide it. The Board has previously allowed supplemental information when the possessing party opposes the request. *Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435, 447 (Fed. Cir. 2015); *see also Glob. Shade Corp. v. with-U E-Com. (Shanghai) Co., Ltd.*, No. IPR2021-00365, Paper 36 at 92 (PTAB July 25, 2022).

VI. *Garmin* Factors 4 and 5: Whether The Requests Are Easily Understandable And Whether The Requests Are Overly Burdensome

The requested discovery is easily understandable and not overly burdensome.

Netflix has produced similar discovery in a previous case. *See Netflix*, Paper 10. Similar discovery requests were granted in *Samsung*, Paper 44 and *Apple*, Paper 50.

VII. CONCLUSION

For the reasons stated above, the *Garmin* factors strongly support Patent Owner's motion, and thus, additional discovery should be granted.

Dated: February 28, 2024

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing document was served on, via electronic mail, as agreed to by counsel, upon the following counsel for Petitioner:

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