

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC.,
Petitioner,

v.

VL COLLECTIVE IP, LLC.,
Patent Owner.

Case IPR2023-00891
Patent No. 8,605,794

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
MOTION FOR ADDITIONAL DISCOVERY**

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	ARGUMENT	2
A.	<i>Garmin</i> Factor 1 Is Not Satisfied Because PO’s Allegation That Useful Information Will Be Found Is Merely Speculative.	2
1.	A Unified membership or subscription to a specific zone does not make Netflix an RPI to the ’086 IPR.	3
2.	PO’s other cited evidence is also speculative and does not warrant additional discovery.	4
3.	The <i>MemoryWeb</i> cases do not apply.	6
B.	<i>Garmin</i> Factor 1 Is Not Satisfied Because the Requested Discovery Would Not Be Useful.	7
C.	Other <i>Garmin</i> Factors Do Not Support Additional Discovery.	9
III.	CONCLUSION.....	10

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>Apple Inc. v. MemoryWeb, LLC</i> , No. IPR2022-00031	6, 7
<i>Garmin Int’l Inc. v. Cuozzo Speed Techs. LLC</i> , No. IPR2012-00001, Paper 26 (P.T.A.B. Mar. 5, 2013)	<i>passim</i>
<i>Intuitive Surgical, Inc. v. Ethicon LLC</i> , 25 F.4th 1035 (Fed. Cir. 2022)	1, 8
<i>IOENGINE, LLC v. PayPal Holdings, Inc.</i> , 607 F. Supp. 3d 464 (D. Del. 2022)	2
<i>Netflix Inc. v. DivX, LLC</i> , No. IPR2020-00052	3, 4, 10
<i>Netflix Inc. v. DivX, LLC</i> , No. IPR2020-00052, Paper 10 (P.T.A.B. May 14, 2020)	3
<i>Samsung Elecs. Co., Ltd. v. MemoryWeb, LLC</i> , No. IPR2022-00222	6, 7
<i>SAS Institute, Inc. v. Iancu</i> , 138 S. Ct. 1348 (2018)	8
<i>Unified Patents, Inc. v. Uniloc 2017 LLC</i> , No. IPR2017-02148, Paper 82 (P.T.A.B. Apr. 26, 2019)	3, 6
<i>Unified Patents Inc. v. Uniloc USA, Inc.</i> , No. IPR2018-00199, Paper 41 (P.T.A.B. May 31, 2019)	3
<i>Unified Patents, Inc. v. Universal Secure Registry LLC</i> , No. IPR2018-00067, Paper 59 (P.T.A.B. May 28, 2019)	3
<i>Unified Patents, LLC v. MemoryWeb, LLC</i> , No. IPR2021-01413, Paper 67 (P.T.A.B. Apr. 5, 2023)	6

Case IPR2023-00891
Patent No. 8,605,794

Unified Patents, LLC v. VL Collective IP LLC,
No. IPR2022-01086*passim*

Other Authorities

37 C.F.R. § 42.6 1
37 C.F.R. § 42.51(b)(2)(i) 1

EXHIBIT LIST

Exhibit Number	Description
1021	Email from Aliza George Carrano to Naveed Hasan, et al. re IPR2023-00891: Netflix, Inc. v. VL Collective, LLC – Meet and Confer dated February 9, 2024

I. INTRODUCTION

The additional discovery that Patent Owner (“PO”) seeks is not “in the interests of justice.” 37 C.F.R. § 42.51(b)(2)(i). PO’s underlying premise that Netflix was a real-party-in-interest (“RPI”) in *Unified Patents, LLC v. VL Collective IP LLC*, No. IPR2022-01086 (“the ’086 IPR”), is entirely based on speculation and conjecture—none of the evidence PO relies on demonstrates that Netflix has had any involvement with the ’086 IPR. Moreover, the requested discovery would not bear useful information that would result in terminating this proceeding. As PO admits, there are claims challenged in this IPR that were not challenged in the ’086 IPR. Mot. at 1–2. At minimum, those claims are not subject to any alleged estoppel, negating any chance of terminating this proceeding. *Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035, 1042 (Fed. Cir. 2022). Thus, PO’s requested discovery¹ does not serve in the interests of justice, but rather imposes unnecessary and burdensome discovery on Netflix and should be denied.

¹ PO’s request for authorization additionally alleged that Unified Patents (“Unified”) was somehow an RPI in this IPR and sought authorization for a third-party subpoena on Unified. Ex. 3001. PO appears to have abandoned this position and such discovery by not including it in its instant Motion.

II. ARGUMENT

A. ***Garmin* Factor 1 Is Not Satisfied Because PO's Allegation That Useful Information Will Be Found Is Merely Speculative.**

PO fails to meet the threshold requirement in *Garmin* Factor 1, that PO must already be “in possession of evidence tending to show *beyond speculation that in fact something useful will be uncovered.*” *Garmin Int’l Inc. v. Cuozzo Speed Techs. LLC*, No. IPR2012-00001, Paper 26 at 6–7 (P.T.A.B. Mar. 5, 2013) (emphasis added).

PO incorrectly contends that an RPI is merely a “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.” Mot. at 3. If this were the standard, any two defendants charged with infringement of the same patent would automatically become RPIs in each other’s petitions, regardless of the underlying facts and circumstances. Instead, the proper RPI inquiry is “typically focuse[d] on whether a party controls, funds, or directs the ‘petitioner’s participation in a proceeding.’” *IOENGINE, LLC v. PayPal Holdings, Inc.*, 607 F. Supp. 3d 464, 514 (D. Del. 2022) (Bryson, J.) (quoting *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1342 (Fed. Cir. 2018)). PO provides no evidence beyond mere speculation that Unified filed the ’086 IPR at Netflix’s behest and provides no evidence that Netflix had any direction or control over that IPR.

1. A Unified membership or subscription to a specific zone does not make Netflix an RPI to the '086 IPR.

PO relies heavily on Netflix being a member of Unified in an attempt to establish that there is a “close relationship between Netflix and Unified such that Unified likely filed the '086 IPR Petition at Netflix’s behest.” *See, e.g.,* Mot. at 4. However, over a dozen Patent Owners have unsuccessfully argued that Unified’s members are RPIs for Unified’s petitions. *See, e.g., Unified Patents Inc. v. Uniloc USA, Inc.*, No. IPR2018-00199, Paper 41 at 6–10 (P.T.A.B. May 31, 2019); *Unified Patents, Inc. v. Uniloc 2017 LLC*, No. IPR2017-02148, Paper 82 at 17–24 (P.T.A.B. Apr. 26, 2019); *Unified Patents, Inc. v. Universal Secure Registry LLC*, No. IPR2018-00067, Paper 59 at 72–75 (P.T.A.B. May 28, 2019). As the Board held in *Netflix Inc. v. DivX, LLC*, No. IPR2020-00052, “[a]n unnamed party does not become an RPI for a petition filed by an association simply based on its membership in the association.” *Netflix Inc. v. DivX, LLC*, No. IPR2020-00052, Paper 10 at 5 (P.T.A.B. May 14, 2020). This case is no different.

Indeed, contrary to PO’s assertion, even a subscription to Unified’s “Video Codec Zone,” which includes the challenged '794 patent, is not sufficient to support PO’s request for additional discovery into the RPI issue. *See DivX*, Paper 10 at 6–8 (denying discovery into the RPI issue despite the fact that the challenged

patent was part of Unified’s “Video Codec Zone”).² Thus, whether Netflix is a Unified member or has any subscription to Unified’s “Video Codec Zone” does not demonstrate that Netflix had any control or direction over the ’086 IPR.

2. PO’s other cited evidence is also speculative and does not warrant additional discovery.

The remaining evidence cited by PO is equally unavailing. *First*, the LinkedIn post from Unified’s co-founder discussing the assertion of the ’794 patent references two other entities against whom the ’794 patent has been asserted, namely “Starz Entertainment and Amazon.” Ex. 2007. With no mention of Netflix, the LinkedIn post is hardly any evidence that Netflix is likely to be an RPI to the ’086 IPR. *Id.*; *see also DivX*, Paper 10 at 7 (finding Unified’s co-founder’s communications with Patent Owner’s counsel about the parallel district court litigation against Netflix and Hulu, to which Unified was not a party, did not

² Although Board granted limited discovery, it was directed to a different issue—“whether the *General Plastic* analysis should be applied to the Petition.” *DivX*, Paper 10 at 11. PO did not advance a *General Plastic* argument here. *See generally* Paper 10. In any event, the Board found the discovered evidence to be unpersuasive in *DivX*, as institution was granted. *DivX*, Paper 42 at 8–13, 57.

“show beyond speculation that the requested discovery would support [the Patent Owner’s] contention that Unified is an unnamed RPI in this proceeding”).

Second, PO asserts that Unified advertises rewards for finding prior art that would invalidate patents asserted against its members. Ex. 2009. But that advertisement refers to neither the ’794 patent nor Netflix, and is dated nearly six months *after* Netflix filed its Petition in this case. *Id.*

Third, PO conjures up that Unified’s request to terminate the ’086 IPR is somehow evidence that Unified was taking direction from Netflix. This is pure speculation. PO provides no evidence to undermine Unified’s reason for seeking termination of the ’086 IPR, which was due to “budget constraints.” ’086 IPR, Ex. 3001. In fact, Unified did not seek termination until nearly four months after Netflix filed its Petition. During that period, Unified deposed Patent Owner’s expert, filed a reply, and defended its expert’s deposition. ’086 IPR, Papers 22–24. Contrary to PO’s assertion, there is no reason why Unified would have incurred those expenses if it had intended to terminate the proceeding in view of Netflix’s Petition. Further, Unified never filed a motion to terminate, effectively refuting PO’s allegation that Netflix had any direction over the ’086 IPR.

In sum, none of PO’s evidence is “specific evidence linking the actions of” Unified and Netflix that would suggest that Netflix is an RPI, having direction or

control over the '086 IPR. *See Uniloc 2017*, Paper 82 at 21. Therefore, PO provides no sufficient basis for additional discovery.

3. The *MemoryWeb* cases do not apply.

Furthermore, the *MemoryWeb* cases, cited by PO, are inapposite. *Samsung Elecs. Co., Ltd. v. MemoryWeb, LLC*, No. IPR2022-00222; *Apple Inc. v. MemoryWeb, LLC*, No. IPR2022-00031. As a preliminary matter, PO fails to provide any explanation on how the *MemoryWeb* cases are even analogous to this case. Putting that aside, the *MemoryWeb* cases have a unique procedural history that is distinguishable from this case. In those cases, the Board found in a parallel proceeding brought by Unified that Apple and Samsung were RPIs in Unified's petition. *Unified Patents, LLC v. MemoryWeb, LLC*, No. IPR2021-01413, Paper 67 at 5 (P.T.A.B. Apr. 5, 2023). That finding was later vacated by the Director, because it "was not necessary to resolve the proceeding." *Id.*, Paper 76 at 5. However, because the Board found it necessary to resolve the RPI questions in *Samsung* and *Apple*, it granted discovery on the RPI issue based on a number of factors, including "the procedural history of the case, the Director's Decision [in *Unified*,] . . . and the Board's order identifying Samsung as an RPI in the *Unified* proceeding." *Samsung*, Paper 44 at 3; *see also Apple*, Paper 43 at 3–4. The additional discovery granted in *Samsung* and *Apple* was ultimately not fruitful, as

the Board determined that Samsung and Apple were not RPIs in Unified's proceeding. *See Samsung*, Paper 66 at 2; *Apple*, Paper 88 at 2.

Here, there is no corresponding finding by the panel in the '086 IPR that Netflix was an RPI in that proceeding. *See generally* '086 IPR, Paper 37.

Accordingly, nothing in the *MemoryWeb* cases suggest that the evidence relied on by PO or the procedural history of this case warrants additional discovery.

B. *Garmin* Factor 1 Is Not Satisfied Because the Requested Discovery Would Not Be Useful.

In its Order authorizing PO's instant motion, the Board required PO to demonstrate that its requested discovery would be "useful" *i.e.*, "favorable in substantive value to a contention of the party moving for discovery." Paper 20 (quoting *Garmin*, Paper 26 at 7). PO cannot and has not met this threshold requirement either. As explained above, the evidence that PO relies on is speculative and does not establish, let alone even suggest, that Netflix had any direction or control over the '086 IPR. The only way in which such discovery could potentially be useful, would be if Netflix is an RPI, but it is not.

Assuming *arguendo* that Netflix is an RPI (it was not), the requested discovery would still not be useful because such discovery would not warrant termination of the instant IPR. Specifically, claims 2, 4, 6–8, 10–11, 14, 16–19, and 22 challenged in the instant IPR were not challenged in the '086 IPR, thus

precluding termination of the instant IPR because “§ 315(e)(1) estoppel applies on a claim-by-claim basis.” *Intuitive Surgical*, 25 F.4th at 1042. In other words, estoppel could potentially apply to only those claims that were challenged in the ’086 IPR, allowing the instant IPR to proceed at least with the remaining claims.

Moreover, claims 1–8, 10–16, 18, and 20 all depend (directly or indirectly) from claim 1, and claims 17, 19, and 21 all depend from claim 9. If estoppel were to apply to the overlapping claims in the petitions, the Board would still need to address the limitations of claims 1, 3, 9, and 13 to evaluate the patentability of the majority of the remaining dependent claims, further negating any “substantive value” that could result from the requested discovery. *See Garmin*, Paper 26 at 7.

PO argues that a petitioner cannot “maintain a proceeding” when estoppel applies, requiring “complete termination.” Mot. at 8–9. But this is based on a strained reading of Section 315(e)(1) and *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018), that is contrary to case law. For example, in *Uniloc 2017 LLC v. Facebook Inc.* (cited by PO), although several claims were estopped, the Federal Circuit expressly allowed the IPR to proceed with claim 7, which was not estopped. 989 F.3d 1018, 1030–31 (Fed. Cir. 2021) (holding “the plain language of [section 315(e)(1)] supports the conclusion that [Petitioner] is not estopped from challenging [claim 7] in this proceeding, regardless of its dependency on claim 1”). If Netflix were somehow found to be an RPI in the ’086 IPR (it was not), at

minimum, the claims not challenged in the '086 IPR would be allowed to proceed like claim 7 in *Uniloc 2017 v. Facebook*. Thus, PO's contention that the entire proceeding could be terminated in that situation is without merit.

C. Other *Garmin* Factors Do Not Support Additional Discovery.

Garmin factor 3, "the ability of the requesting party to generate the requested information without need of discovery" also weighs against additional discovery. *Garmin*, Paper 26 at 6–7. The underlying substance of PO's discovery requests have already been addressed by Kevin Jakel's declaration. '086 IPR, Ex. 1010. Specifically, Mr. Jakel, a founder and Unified's current CEO, declared that none of Unified's members had any role in the filing, preparation, or prosecution of the '086 IPR, that Unified "does not discuss the preparation of any patentability challenge with Members or potential Members," and that "Unified controls every aspect of such a challenge." *Id.* ¶¶ 4, 5, 13–14. If PO believed that Netflix was an undisclosed RPI in the '086 IPR, then PO could have and should have sought discovery in the '086 IPR proceeding. But PO never sought to depose Mr. Jakel despite his declaration being filed *after* Netflix filed the instant Petition, nor did PO seek any further discovery on RPI issues during the '086 IPR's discovery period. Instead, PO made a belated request for such discovery two months *after* a Final Written Decision issued, which was promptly denied. '086 IPR, Papers 40–41 & Ex. 3002. Moreover, Netflix offered to provide its dates of membership to

Unified and a statement that “Netflix has no control or direction over [Unified] and has had no involvement with the [’086 IPR],” but PO rejected this offer, underscoring that PO’s requests are simply to burden Netflix. Exs. 1021, 3001. Because the information PO seeks could have been obtained through other means, *Garmin* factor 3 weighs against such discovery being granted in this proceeding.

Garmin factors 4 and 5, which address whether the discovery requests are “easily understandable” and whether the requests are “sensible and responsibly tailored according to a genuine need,” further weigh against additional discovery. *Garmin*, Paper 26 at 6–7. For example, PO’s requests for production and deposition are particularly overbroad and would require Netflix to expend its limited in-house resources to undertake a burdensome search and potentially provide a witness for a four-hour deposition that is unlikely to yield any substantive value, as explained *supra*. See *DivX*, Paper 10 at 11 (finding that the PO’s requests for production, which partially overlap with those raised by PO here, were “unnecessarily broad” and were not justified “given [the Board’s] determination regarding *Garmin* factor 1”). Accordingly, these factors also weigh against granting PO’s motion.

III. CONCLUSION

For the foregoing reasons, the *Garmin* factors weigh against permitting additional discovery, and the Board should deny PO’s motion.

Case IPR2023-00891
Patent No. 8,605,794

Respectfully submitted,

Dated: March 6, 2024

By: // Aliza George Carrano//
Aliza George Carrano
Counsel for Petitioner

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6, the undersigned certifies that on March 6, 2024, a copy of the foregoing document was served by email directed to the following counsel of record and distribution list:

Christine E. Lehman
clehman@reichmanjorgensen.com

Michael Matulewicz-Crowley
mmatulewicz-crowley@reichmanjorgensen.com

Jaime F. Cardenas-Navia
jcardenas-navia@reichmanjorgensen.com

Naveed S. Hasan
nhasan@reichmanjorgensen.com

RJ_VideoLabs-Netflix@reichmanjorgensen.com

// Aliza George Carrano//

Aliza George Carrano
Counsel for Petitioner