

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 REPLY IN SUPPORT OF ITS MOTION FOR
ADDITIONAL DISCOVERY**

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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
2010	Unified's Newsletter Regarding Found Prior Art, https://www.unifiedpatents.com/insights/2024/3/1/videolabs-digital-content-patents-prior-art-found

Petitioner's Opposition ("Opp.") fails to demonstrate that Patent Owner's ("PO") Motion for Additional Discovery ("Mot.") should be denied.

I. PO Has Provided Sufficient Evidence To Warrant Additional Discovery

Petitioner argues that PO has not shown sufficient evidence to warrant additional discovery, but its conclusion is based on two fundamental flaws. **First**, Petitioner assumes that *any* amount of speculation dooms a request for additional discovery. That makes no sense. If there was no speculation, then no additional discovery would be needed. The Board only requires that the moving party provide evidence that *tends* to show the requested discovery will be useful. *See Kashiv Pharma LLC v. Purdue Pharma L.P.*, IPR2018-00625, Paper 20 (PTAB July 31, 2018); *see also Arris Group Inc. v. C-Cation Technologies LLC*, IPR2015- 00635, Paper 10 (PTAB, May 1, 2015). **Second**, Petitioner analyzes each piece of evidence in a vacuum, instead of in totality. Opp. at 4-6. But the fact that Petitioner's subscription to the "Video Codec Zone" might not be sufficient *itself*, Opp. at 3-4, does not mean that it can be disregarded when paired with PO's other evidence.

Under the correct standard, the available evidence tends to show that additional discovery would shed light on whether Netflix could be an RPI in the '086 IPR, including on the six *Taylor v. Sturgell* factors the Board considers for such a determination. 553 U.S. 880, 893-895 (2008); *see also* Trial Practice Guide (Nov. 2019) at 12-18; Mot. at 3-6. Regarding the second and third *Taylor* factors,

the current evidence shows that Unified files IPRs challenging patents, such as the '794 patent, for the interests of its members, such as Petitioner. *See* EX2006-EX2009. In fact, Unified circulates alleged prior art to its members, “announc[ing] prior art has been found” for patents “asserted against Netflix [Petitioner]” Unified’s Newsletter Regarding Found Prior Art (EX2010). This shows a cooperative working relationship to invalidate patents asserted against Unified’s members. Petitioner pays Unified to act as a proxy to advance Petitioner’s interests. Courts have found such a relationship can be determinative-in-part when deciding whether an unnamed party is an RPI. *Applications in Internet Time, LLC (AIT) v. RPX Corp.*, 897 F.3d 1336, 1351-1352 (Fed. Cir. 2018) (“[T]hese facts, . . . taken together, imply that RPX can and does file IPRs to serve its clients’ financial interests, and that a key reason clients pay RPX is to benefit from this practice.”).

PO also provides evidence related to *Taylor’s* fourth factor, which concerns control over the proceeding. *Taylor*, 553 U.S. at 893-895. Contrary to Petitioner’s overly narrow interpretation of “control,” the Trial and Practice Guide indicates that “it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.” Trial and Practice Guide at 16, 17 (quoting WRIGHT & MILLER § 4451); *Aruze Gaming Macau Ltd v. Mgt Gaming Inc*, IPR2014-01288, Paper 13 at 12 (PTAB Feb. 20, 2015) (evaluating “whether someone other than the named

petitioner is litigating through a proxy”). Petitioner is a paid member of Unified, *Netflix Inc. v. Divx, LLC*, IPR2020-00052, EX2033 (PTAB May14, 2020), and exercises its control over Unified’s actions via maintaining an active membership. The requested discovery may shed light on the services purchased by Petitioner and Petitioner’s and Unified’s legal and contractual obligations.

Petitioner attempts to backhand PO’s evidence by noting that some does not specifically mention Petitioner and some is from after Petitioner filed this Petition. Opp. at 4-5. But evidence need not mention Petitioner by name to demonstrate the operation of the Unified system of which Petitioner is a part. And the date at which Petitioner filed this Petition is irrelevant to whether Petitioner is an RPI in the ’086 IPR. Finally, Petitioner argues that PO has not shown evidence that Unified’s request to terminate the ’086 IPR demonstrates that Unified was taking direction from Petitioner. Opp. at 5. But *Garmin* requires evidence ***or reasoning*** tending to show that “something useful will be uncovered.” That Unified intended to seek termination when faced with estoppel—something that would only affect Petitioner—is ***reasoning*** supporting additional discovery. Petitioner points out that “Unified never filed a motion to terminate,” *id.*, but that occurred only after the Board ordered that termination would be construed as an “adverse judgment.” ’086 IPR, Paper 30 at 2.

II. The Additional Discovery Would Be Useful

Petitioner argues that additional discovery would not be useful. Petitioner is wrong. As an initial matter, Petitioner does not address PO's argument that Petitioner must be dismissed from the Estopped Claims. That result, which Petitioner appears not to dispute, would by itself be "useful." Mot. at 6-8.

Ultimately though, this proceeding should be terminated, either as to the Estopped Claims or, if necessary under *SAS*, in its entirety. Mot. at 6-9. Petitioner cites *Intuitive Surgical, Inc. v. Ethicon LLC* to argue that there is no "chance of terminating this proceeding." Opp. at 1 (citing 25 F.4th 1035, 1044 (Fed. Cir. 2022)). But nothing in that case supports its argument. Petitioner also cites *Uniloc 2017 LLC v. Facebook Inc.* to argue "the claims not challenged in the '086 IPR [sh]ould be allowed to proceed." Opp. at 8-9 (citing 989 F.3d 1018, 1030–31 (Fed. Cir. 2021)). But PO is only arguing in the first instance for termination *as to the Estopped Claims*. Mot. at 6-8. Only if the Board finds it necessary under *SAS* should the non-Estopped Claims also be terminated. And *Uniloc* only held it was not error to maintain non-estopped claims—not that such claims cannot be terminated if necessary under Section 315 and *SAS*. Regardless, under Petitioner's reading, Section 315 would have *no effect*, effectively abrogating it. That cannot be correct.

III. Garmin Factors 2-5 Support Additional Discovery

Petitioner does not dispute that *Garmin* Factor 2 supports additional

discovery. Instead, Petitioner alleges that *Garmin* Factor 3 does not because PO's requests have been addressed by a declaration from Kevin Jakel, Unified's current CEO, in the '086 IPR. Mr. Jackel's declaration is not sufficient to conduct the complete RPI analysis. Mr. Jackel's declaration does not detail the legal relationship between Petitioner and Unified (*Taylor's* second factor). Nor does it detail Unified's obligations to its members in advancing their interests (*Taylor's* third and fourth factors). *AIT*, 897 F.3d at 1352 ("even though it is undisputed that RPX nominally adhered to its 'best practices,' which prohibit it from discussing IPRs with clients who do not agree to be named as real parties in interest . . . , these practices do not bear on whether RPX files IPR petitions to benefit specific clients"). The discovery is in Petitioner's possession and is necessary for a full RPI analysis. *AIT*, 897 F.3d at 1351. Petitioner also argues that PO should have sought discovery in the '086 IPR, Opp. at 9, but the discovery was not relevant to the '086 IPR.

Petitioner next alleges that *Garmin* factors 4 and 5 weigh against additional discovery, but it merely rehashes its argument that the requests are "unlikely to yield any substantive value." Opp. at 10. As explained above, that is incorrect.

IV. Conclusion

For the reasons stated herein, PO's Motion should be granted.

Dated: March 12, 2024

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CERTIFICATE OF SERVICE

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