IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CIRRUS LOGIC, INC.;
OMNIVISION TECHNOLOGIES, INC.; AND
AMS SENSORS USA INC.,
Petitioner,

v.

GREENTHREAD, LLC,
Patent Owner.

Case No. IPR2024-00017
Patent No. 8,421,195

PETITIONERS' RESPONSE TO PATENT OWNER'S MOTION FOR ADDITIONAL DISCOVERY PURSUANT TO 37 C.F.R. §42.51(B)(2)(1)

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I. INTRODUCTION

Patent Owner Greenthread, LLC ("Greenthread") seeks documents and information that exceed the bounds of any reasonable discovery permitted under the Federal Circuit and PTAB precedent. Specifically, Greenthread seeks two categories of discovery from each of the six Petitioners[1] in this case: (1) all of Petitioners' agreements and communications with the "Greenthread Licensees" ([redacted], [redacted]) relating to Greenthread or to the products that Petitioners or their affiliates make, sell, or design for or with any Greenthread Licensee [redacted]; and (2) a written response to an interrogatory asking whether any Petitioner intends to claim a license or exhaustion defense in the corresponding patent litigation with Greenthread. *See* Paper No. 9 ("GT Motion"), Appx. A. These requests are based on nothing more than speculation that evidence pertaining to privity may exist.

To justify its expansive request, Greenthread posits that "[i]f Petitioners claim the benefit of the Licenses, then they are Licensee's sublicensees and exercising the Licensee's rights. That puts them in privity." GT Motion, 2. As analyzed below, Greenthread's legal theory—on which the entire motion is premised—is

[1] For simplicity, unless otherwise noted, Petitioners adopts Greenthread's definitions for its response. *See* GT Motion, Appx. A. For example, "Petitioners" as used herein refers to both Petitioners as well as RPIs.

unsupported. Regardless, the relevant PTAB precedent is contrary to Greenthread's request for discovery in this proceeding, because the motion is based on speculation rather than facts or reasoning tending to show something useful will be uncovered. Greenthread's exhibits and arguments reveal nothing to suggest that Petitioners had a full and fair opportunity to litigate the validity of the Challenged Patents in the previous IPRs, or that Petitioners are now serving as proxies or agents for the Greenthread Licensees. There are no relevant communications between any of the Petitioners and any of the Greenthread Licensees suggestive of privity—for example, none of the Petitioners have discussed with any of the Licensees their prior Greenthread litigations, their relevant patent licenses, or indemnity provisions. Greenthread's additional discovery requests boil down to a fishing expedition and an improper pursuit of Petitioners' district court litigation positions. The Board should reject Greenthread's motion.

II. GREENTHREAD'S DISCOVERY REQUESTS FAIL TO SATISFY THE *GARMIN* FACTORS

In IPR proceedings, "discovery is limited as compared to that available in district court litigation" to what is "necessary in the interest of justice." *Garmin Int'l, Inc. v. Cuozzo Speed Techs LLC*, IPR2012-00001, Paper 26 ("*Garmin*") at 5-6 (precedential). In connection with this inquiry, the Board applies the five-factor test set forth in *Garmin* ("the *Garmin* factors").

A. Greenthread's Motion Hinges Only on "Possibilities" and "Allegations"; Nothing "More" (*Garmin* Factor 1)

Garmin factor 1 requires the party seeking discovery to identify "a threshold amount of evidence or reasoning tending to show that something useful will be uncovered." *Garmin* at 7. Greenthread fails to do so here, and thus *Garmin* factor 1 weighs heavily against discovery. Greenthread's privity analysis amounts to a misleading assortment of quotes from various cases opining on and finding "privity," coupled with unfounded, speculative assertions that similar circumstances "could" or "may" surface here.

The Federal Circuit has explained that "privity in the context of the § 315(b) bar refers to *whether the relationship* between the party to be estopped and the party in the prior litigation *is sufficient to conclude that the act of one should be attributed to the other*." *WesternGeco, LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1317 n.5 (Fed. Cir. 2018) (emphases added). In doing so, the Federal Circuit drew a contrast between "the effects of prior litigation" and "the consequences of a [mere] commercial transaction." *Id.* Similarly, the Trial Practice Guide recognizes that the privity analysis "seeks to determine whether the relationship between the purported 'privy' and the relevant other party is *sufficiently close* such that both should be bound by the trial outcome and related estoppels." Consolidated Trial Practice Guide (Nov. 2019) ("TPG") at 14-15 (emphasis added) (examining legislative history and common law on the notion of "privity"). In this regard, "a common desire among

multiple parties to see a patent invalidated, without more, *does not establish* privity." *WesternGeco*, 889 F.3d at 1321 (emphasis added). Ultimately, the privity inquiry is a "highly fact-dependent question" that "will be handled by the Office on a case-by-case basis taking into consideration how courts have" ruled on privity. *Ventex Co., Ltd. v. Columbia Sportswear N. Am., Inc.*, IPR2017-00651 Paper No. 148 (January 24, 2019) at 6 (citing TPG at 13).

Here, Greenthread does not provide any evidence or reasoning suggesting that discovery might reveal a sufficiently close relationship between any Petitioner and any of the Greenthread Licensees—particularly concerning any of the corresponding Greenthread lawsuits—such that any Petitioners could be said to be in privity with any Licensee, or vice versa. Greenthread does not suggest that Petitioners were even aware of Greenthread, or of its prior lawsuits against the Licensees, before being sued by Greenthread. As discussed below, the absence of any sufficiently close relationship is further evident from (1) the lack of relevant communications between any Petitioner and any Licensee; (2) the fact that the Greenthread Licenses are through an intermediary; and (3) Greenthread's misleading characterizations of Petitioners' products and the nature of their customer relationships and indemnity obligations.

First—to specifically address one of Greenthread's discovery demands (but only to the extent relevant to § 315(b))—none of the Petitioners had any

communications with any of the Greenthread Licensees concerning: (i) the Licensees' respective litigations with Greenthread; (ii) [redacted], (iii) indemnity demands regarding infringement claims concerning the accused products, or (iv) either the present IPRs filed by Petitioner or the IPRs previously filed against the Challenged Patents.[2] This alone demonstrates a lack of control between any Petitioner and any Licensee. *See WesternGeco*, 889 F.3d at 1320-1321.

Second, as Greenthread itself concedes, [redacted] *See* TPG at 15 ("privity is an equitable rule that takes into

[2] Should the Board determine it to be helpful in resolving the present motion, Petitioners are willing to submit a declaration attesting to these facts.

account the practical situation”). [redacted]

Third, Greenthread [redacted], theorizing that “[i]f Petitioners claim the benefit of the Licenses, then they are Licensee’s sublicensees and exercising the Licensee’s rights. That puts them in privity.” GT Motion, 2. Under Greenthread’s apparent logic, any time a patent licensee engages with a vendor to build a product, the vendor automatically becomes a sublicensee that exercises the licensee’s rights under the relevant patent(s), and for that reason is in privity with the licensee for purposes of § 315(b)’s time-bar. However, the legal basis for this theory is suspect, to say the least. Greenthread purports to rely on the Supreme Court’s decision in *Taylor v. Sturgell*, *see id.*, but *Taylor* does not stand for the proposition underlying Greenthread’s theory. *See id.*, 2, 12-13. Greenthread cites *Taylor*’s reference to “preceding and subsequent owners of property” and attempts to stretch this to “Petitioner’s [alleged] sales of accused products to the Licensees,” *id.*, 12, but the quoted language merely address one exemplary relationship for which “nonparty preclusion *may* be justified.” *Taylor*, 553 U.S. at 894 (emphasis added). Indeed, in *WesternGeco*, the Federal Circuit

agreed that the mere existence of a supplier relationship relating to an allegedly-infringing product, without more, is insufficient to establish privity. *See WesternGeco*, 889 F.3d at 1321 ("[The] contractual and fairly standard customer-manufacturer relationship regarding the accused product . . . does not necessarily suggest that the relationship [between the petitioner and nonparty] is sufficiently close that both should be bound by the trial outcome and related estoppels, nor does it suggest, without more, that the parties were litigating either the district court action or the IPRs as proxies for the other."). [redacted]

The other common business relationships referenced by Greenthread likewise do not necessarily signal a sufficiently close relationship so as to find privity. Specifically, a patentee-licensee relationship "alone does not necessarily establish privity." *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1362 (Fed. Cir. 2018) (Reyna, concurring (discussing privity)). Even assuming Petitioners were sublicensees to the Challenged Patents (which is unsupported, as explained above), Greenthread still has not provided evidence or reasoning to suggest sufficient closeness stemming from such alleged sublicenses. Greenthread also cites indemnity provisions as to Petitioners Cirrus and GF, and suggests that indemnity agreements invariably "support a finding of privity," GT Motion, 12. However,

indemnity obligations (which are often vague) likewise do not necessarily establish privity. *See WesternGeco*, 889 F.3d at 1321-22 (finding that "the non-specific nature" of the "indemnity provision [at issue] does not amount to a sufficiently-close relationship to warrant finding [the parties] in privity.").

The Board need only look at the requested discovery and the specific allegations against each Petitioner to understand the discovery is speculative in nature. Greenthread's factual allegations regarding the Petitioners and their relationships with Licensees are misleading or fail to account for important context. By way of example:

- [redacted]
- [redacted]

[redacted]

[redacted]

[redacted].

Greenthread repeatedly cites the PTAB's decision in *Ventex* in support of its

discovery requests, *see* GT Motion 11, 13, but that case involved particularized circumstances suggesting a sufficiently close relationship between the parties—"the evidence suggest[ed] that Ventex filed [the IPR], in part, to benefit [nonparty] Seirus." IPR2017-00651, Paper 148, at 8. There is nothing to suggest that similar circumstances are present here. Greenthread relies only on speculation (*i.e.*, the mere "possibility") that discovery "may" yield such information, which is plainly insufficient for *Garmin* factor 1.

In sum, as it relates to *Garmin* factor 1, all that Greenthread provides is a mere "*possibility*"—certainly not "*more than*" that. It cannot rely on speculation and misleading statements to embark on a fishing expedition.

B. Greenthread Improperly Seeks Litigation Positions (*Garmin* Factor 2)

As to the second factor, *Garmin* makes clear that "asking for the other party's litigation positions and the underlying basis for those positions is not necessary in the interest of justice." *Garmin* at 6. But Greenthread's discovery requests plainly defy the PTAB's guidance—it seeks "whether any Petitioner *intends to claim in district court* the benefit of the Licenses." GT Motion, 2; *see also id*, Appx. A (Interrogatory No. 1). Greenthread tacitly acknowledges that its interrogatory runs contrary to *Garmin*, but asserts that "it is essential that Petitioners provide this information ***now*** to prevent the unfairness of Petitioners changing their positions ***later*** in the district court." GT Motion, 13 (emphases in original).

Greenthread's reasoning is flawed in multiple respects. As a threshold issue, Greenthread's cited "need" for this information demonstrates that its interrogatory has no relevance to the merits of the §315(b) time bar inquiry. Further, contrary to Greenthread's complaints, Petitioners' response here does not signal "unfairness" or "gamesmanship." Petitioners may have justifiable reasons for weighing their respective litigation defenses, and even changing their positions regarding whether or not to pursue potential licensing or exhaustion defenses if warranted based on how the district court discovery process plays out. In turn, Greenthread (if it deems it appropriate) has the opportunity in the district court litigation to challenge any of Petitioners' defenses as being inconsistent with positions previously taken—whether in the context of this discovery motion or elsewhere. In other words, "[t]here is a proper time and place for each party to make its presentation" of relevant arguments and evidence, *Garmin* at 6, both in the IPR proceeding and in the corresponding district court litigations.

Not surprisingly, Greenthread's reasoning on *Garmin* factor 2 was rejected in the *Garmin* case itself, where the Board recognized that "*[i]f and when* Garmin presents affidavit or declaration testimony to support any position it maintains," Cuozzo has "adequate opportunit[ies]" to respond accordingly, and reasoned that "Garmin is not obligated to keep Cuozzo informed of its position on substantive issues before Garmin is ready to present them." *Garmin* at 13. *Garmin* factor 2 thus

weighs heavily against Greenthread's requested discovery.

C. Ability to Generate Equivalent Information by Other Means (*Garmin* Factor 3)

Greenthread's arguments with respect to *Garmin* factor 3, relating to its ability to generate the information it seeks through other means, *see* GT Motion, 13-14, are also meritless in several respects. Greenthread asserts that it is "[m]ost obvious" that [redacted] GT Motion, 13, but this is wrong for the reasons discussed above for *Garmin* factor 2. Such information goes to Petitioners' litigation defenses, which are premature and not yet solidified, and thus the information is not in Petitioners' possession.

[redacted]

D. Ease of Understanding Greenthread's Instructions (*Garmin* Factor 4)

As to *Garmin* factor 4, Greenthread—without explanation—simply declares that its "three discovery requests are straightforward." GT Motion, 14. However, its document-related requests for production (Request Nos. 1 and 2) are, in many respects, vague on their face. For example, with respect to Request No. 2, it is unclear what information Greenthread seeks in regards to [redacted] GT Motion, Appx. A. Greenthread's requests are likewise vague in articulating how they are reasonably calculated to lead to the discovery of information concerning whether any Petitioner and any Licensee are "sufficiently close" so as to create privity. *See* TPG at 14-15.

E. Greenthread's Requests Are Overly Burdensome (*Garmin* Factor 5)

As to *Garmin* factor 5—whether the discovery requests are overly burdensome to answer given the expedited nature of IPR proceedings—*Garmin* clarifies that the discovery "[r]equests should be ***sensible*** and responsibly tailored to a ***genuine need***." *Garmin* at 7 (emphases added). Greenthread has failed to articulate a "genuine need" for its expansive discovery, and it cannot show that the requests are "sensible" in view of any purported need.

[redacted]

[redacted]. Such a request is not only burdensome in comparison to any "need," but also underscores how Greenthread's motion appears to be a classic fishing expedition under the guise of discovery concerning privity. The information sought here lacks connection to the issue of privity under § 315(b); at best, it appears to be a pursuit for technical information much more related to the Greenthread's infringement allegations, or, worse yet, simply a pursuit for competitive business information.

Finally, Interrogatory No. 1, as discussed for *Garmin* factor 2 above,

prematurely seeks Petitioner's litigation positions, and is thus neither "sensible" nor "tailored to a genuine need" as well.

III. CONCLUSION

For the reasons discussed above, the Board should deny Greenthread's motion for additional discovery.

Dated: January 5, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

In accordance with 37 C.F.R. § 42.6(e), the undersigned certifies that on January 5, 2024, a complete and entire copy of this PETITIONERS' RESPONSE TO PATENT OWNER'S MOTION FOR ADDITIONAL DISCOVERY was served on Patent Owner electronically via email to counsel for the Patent Owner:

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