

From: Trials <Trials@USPTO.GOV>
Sent: Thursday, November 6, 2025 10:35 AM
To: Okano, David; Trials
Cc: Sterling_IPR2025-0299@paddalawgroup.com; W&C SterlingComputer-XCorp
Subject: [EXT] RE: IPR2025-00299 – Request for Discovery

Counsel,

We encourage the parties to resolve this discovery dispute amongst themselves. To assist the parties in resolving their dispute, we offer our initial impressions. To the extent Patent Owner's declarant's testimony relies on the particular substance of evidence that has been redacted or otherwise not produced for examination, we would consider that testimony to be unsupported and give that testimony little to no weight.

In the event the parties cannot resolve their dispute amongst themselves, we consider the parties' communication a request to file a motion for routine or additional discovery under 37 CFR § 42.51(b) or a request to file a motion to compel production under 37 CFR § 42.52. We grant that request to file a motion. We direct the parties to *Garmin Int'l., Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 26 (P.T.A.B. March 5, 2013) (precedential), when briefing the motion. We grant Petitioner leave to file a 5-page motion, due within 5 business days from this email. Patent Owner may file a 5-page opposition, due within 5 business days of Petitioner's motion, if it so chooses to.

Finally, we remind the parties that lengthy arguments should be made in briefing, rather than in email communications.

Regards,

Andrew Kellogg,
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From: Okano, David <david.okano@whitecase.com>
Sent: Tuesday, November 4, 2025 5:04 PM
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Subject: IPR2025-00299 – Request for Discovery

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Dear Honorable Board,

The parties write regarding an ongoing dispute between the parties and to request a conference call with the Board in IPR2025-00299.

Along with its Patent Owner Response (Paper 17), Patent Owner Sterling submitted a declaration from one of the named inventors of the Challenged Claims (Justin Marston). See EX2030. In paragraphs 19, 36, 49, 50, 53, 54, and 55 of EX2030, Mr. Marston cites to and relies on EX2042 (a log of documents) to support his testimony that he was reasonably diligent in reducing the claimed invention to practice. EX2042 includes a log of communications exchanged between Mr. Marston and his counsel (at that time), Fenwick. Patent Owner also relies on the underlying documents listed in EX2042 as part of its argument that “during the critical period, Mr. Marston had numerous other obligations running the company BlueSpace, and Paul Marston was working a full-time position as a lecturer on statistics,” and were accordingly diligent in reducing their invention to practice. POR (Paper 17) at 47. Additionally, in paragraphs 32 and 55, Mr. Marston relies on EX2046 to support his statements that “Jon Fernyhough did not contribute to any of the inventive ideas in the final provisional patent application.” EX2030, ¶¶32. EX2046 is a heavily redacted communication between Mr. Marston and Brian Hoffman (of Fenwick).

Patent Owner claims that the documents listed in EX2042 and the redacted portions of EX2046 are privileged attorney-client communications. Petitioner argues that Mr. Marston’s review and reliance on these documents as part of preparing his declaration has waived Sterling’s claim of privilege. Petitioner respectfully requests that the Board order the production of the documents listed in EX2042 and an unredacted version of EX2046 under routine discovery or grant leave for Petitioner to seek the documents under additional discovery. The parties have met and conferred on this issue and are at an impasse.

The parties’ positions are below. The parties are available for a conference call on November 6 (4pm ET to 5pm ET) or November 7 (2pm ET to 5pm ET)

Petitioner’s Position:

In his declaration, Mr. Justin Marston cites multiple communications listed in a privilege log (EX2042) to support his argument that he (1) diligently conceived and reduced to practice the claimed invention. He also relies on the privilege log documents to argue that he performed work “relating to TransMail” (2) “on July 11, 19, 21 and 22 and August 1, 15, and 16,” (3) on “September 19, 26, 28, and 29,” (4) “on October 31 and November 1,” (5) “on November 15, 17, and 24, December 1, 2, 5, 6, 7, 12, 20, 22, 27, and January 3, 11, 12.” Mr. Marston additionally relies on the privilege log documents to testify that (6) he sent “a draft of the provisional patent application to my patent prosecution attorney” on January 11, 2006, and (7) “exchanged correspondence with Brian Hoffman regarding the application” on January 12, 2006. EX2030, ¶¶19, 36, 49, 50, 53, 54, and 55. Mr. Marston additionally relies on EX2046 to refute Jon Fernyhough’s inventive contributions. EX2030, ¶¶32 (“As I stated in an email dated January 12, 2006, ‘Jon Fernyhough helped out a bit with the thinking in the computing side, but none of his ideas actually ended up in the end patent.’”). In addition to Mr. Marston’s reliance on the logged documents, Patent Owner also relies on the privilege log documents to support its argument that Mr. Marston’s work on the claimed inventions was reasonable and diligent. POR (Paper 17) at 47. However, Patent Owner has refused to produce the documents identified in EX2042 or an unredacted version of EX2046, and claims these documents are privileged.

However, Patent Owner and its witnesses have relied extensively on EX2046 and the documents referenced in the privilege log (EX2042) to support their arguments, and cannot now claim these documents are privileged, preventing Petitioner from reviewing them. In *GEA Process* the PTAB compelled the Patent Owner to produce a draft declaration because their expert “review[ed] the declaration” and testified “as to the differences between the Omnibus [draft] declaration” and the filed declarations. *GEA Process Engineering, Inc. v. Steuben Foods, Inc.*, IPR2014-00055, Paper 43, at 5 (July 21, 2014, PTAB). The PTAB explained that while a draft declaration could be privileged in some cases, reliance on the draft document by Patent Owner’s expert defeated any claims of privilege. *Id.* at 5-6. Likewise, in *Willis Elec. Co. v. Polygroup Macao Ltd.*, 2020 WL 1934425, at *1 (D. Minn. Apr. 22, 2020), the Court explained that a declaration from a “patent-prosecution attorney” stating that “I have privileged communications regarding the invention...[that] indicate an invention date at least as early as May 18, 2010” waived privilege over the underlying communications. In particular, the

Court explained how “Mr. Fonder’s testimony regarding the earlier invention date is premised upon the contents of privileged communications with Mr. Chen.” *Id.* at *2. “It would be unfair to allow Willis to disclose Mr. Fonder’s opinion that was derived from privileged communications without giving Polygroup access to the materials he used to form that opinion.” *Id.* (citing *Milwaukee Elec. Tool Corp. v. Chervon N. Am. Inc.*, No. 14-CV-1289-JPS, 2017 WL 2929522, at *1 (E.D. Wis. July 10, 2017) (“Put simply, a privilege holder cannot be allowed, after disclosing as much as he pleases, to withhold the remainder.”)).

The same holds true here. Mr. Marston cannot testify to his diligence by relying on privileged documents while shielding them from production. This is even more egregious in the case of EX2046, where Patent Owner selectively waives privilege over a single sentence of an email that supports their position and redacts the rest. There is no way for Petitioner to know whether any of the documents referenced in the privilege log even relate to the claimed invention, BlueSpace, or TransMail, or what the context for EX2046 is. Patent Owner confirmed on meet and confer that attempts by Petitioner to ask questions relating to the content of the communications listed in the log (EX2042) would result in a privilege objection. Petitioner is entitled to review and cross-examine Mr. Marston on these documents and the statements in his declaration.

Because Mr. Marston relied on these documents in his declaration, they should have been produced as part of routine discovery. See 37 C.F.R. § 42.51 (“Unless previously served or otherwise by agreement of the parties, any exhibit cited in a paper or in testimony must be served with the citing paper or testimony.”) To the extent the Board finds this information does not fall under Routine Discovery, Petitioner requests permission to seek the documents under “additional discovery” because X Corp.’s request is in the interest of justice. See 37 C.F.R. § 42.51(b)(2). In particular, X Corp.’s request is narrowly tailored to the specific documents already identified in EX2042 and EX2046. Said documents are useful and valuable because they are needed to test the veracity of Mr. Marston’s claims of diligence in his declaration. The requested documents are from nearly 20 years ago and would not reveal Sterling’s current litigation position. X Corp. has no means to generate these documents on its own. X Corp.’s request is easily understandable—production of the documents listed in EX2042 and an unredacted version of EX2046. Finally, the burden is not high as these documents have already been collected and logged by Mr. Marston while preparing his declaration.

Patent Owner claims that it has not waived privilege for three reasons, none of which are availing.

1. Patent Owner argues that it merely produced a log, and that logs by themselves do not waive privilege. However, Patent Owner and Mr. Marston did not simply provide a privilege log. Instead, they reviewed and relied on the substance of the documents listed in the privilege log to support their arguments. Patent Owner and Mr. Marston cannot use privilege as a shield after relying on privileged documents to support their argument. Indeed, the privilege holder in *Willis Elec.*, made nearly the same argument—“Willis claims that Mr. Fonder’s declaration did not waive privilege because he revealed no privileged information. Willis compares the content of Mr. Fonder’s IPR declaration to the limited information a party is required to disclose **on a privilege log.**” See *Willis Elec. Co.*, 2020 WL 1934425, at *2. But the Court rejected this argument, because, like here, the IPR declarant testified that “the substance of privileged communications he had with Mr. Chen ‘indicate[s]’ a May 18, 2010 invention date.” *Id.* The same is true here; Mr. Marston is relying on the substance of privileged communications to support his alleged inventive activities on certain days and support an earlier invention date. As above, “It would be unfair to allow [Sterling] to disclose Mr. [Marston’s] opinion that was derived from privileged communications without giving [X Corp.] access to the materials he used to form that opinion.” *Id.*
2. Patent Owner argues that it did not waive privilege because it only revealed “facts” and not the underlying legal advice. This is false. Patent Owner (and Mr. Marston) reviewed the privileged documents and their contents and concluded that Mr. Marston was diligent in his inventive activity. The substance of privileged communications was part of Patent Owner’s (and Mr. Marston’s) considerations. By testifying that the substance of privileged communications supported diligence, they have waived privilege. See *Willis Elec. Co.*, 2020 WL 1934425, at *2. Patent Owner also goes beyond the facts. For example, the single unredacted sentence in EX2046 does not exist in a vacuum but is part of an ongoing request for legal advice. *In re Spalding Sports Worldwide*, 203 F.3d 800, 805 (Fed. Cir. 2000) (The privilege “exists to protect not only the giving of professional advice to those who can act on it, but also the giving of information to the lawyer to enable him to give sound and informed advice.” (citing *Upjohn Co. v. United States*, 449 U.S. 383, 390, 101 S. Ct. 677 (1981))).
3. Patent Owner also argues that the Board specifically invited Patent Owner to submit evidence of diligence. See Decision (Paper 13), at 33 (“During trial, should it choose to do so, Patent Owner has the opportunity to introduce additional relevant evidence and to explain why the evidence corroborates Mr. Marston’s testimony or otherwise shows reasonable diligence.”). Patent Owner claims that “Because some of the evidence relevant to diligence is privileged, Patent Owner provided a privilege log of those communications.” But nothing in the Board’s institution decision compelled Patent Owner to seek out and disclose every relevant document, nor does the decision compel Patent Owner (or Mr. Marston) to rely on the substance of privileged communications for their diligence arguments.

Patent Owner’s Position:

The Board should deny Petitioner's request for Mr. Marston's privileged communications with counsel because there has been no waiver. With respect to the documents on the privilege log (EX2042), the law is clear that providing a privilege log does **not** waive privilege. Mr. Marston's statements about the log recite only facts; he does not rely upon (or cite to) any legal advice provided in the underlying documents. Therefore, his statements do not result in waiver. With respect to the redacted document (EX2046), the only statement left unredacted is factual, and facts are not privileged. Mr. Marston did not disclose any legal advice provided by counsel. Therefore, there also is no waiver with respect to EX2046. Because there has been no waiver, it would be contrary to the interests of justice to require production of these privileged communications and, therefore, Petitioner's request for additional documents should be denied.

Petitioner's Request Should Be Denied Because There Has Been No Waiver.

Petitioner's request for BlueSpace's privileged communications should be denied because there has been no waiver of the attorney-client privilege.

Documents Listed in the Privilege Log (EX2042)

Petitioner's first request for documents seeks production of the attorney-client privileged communications set forth in the privilege log (EX2042). Here, the Board invited Patent Owner to submit evidence of diligence. See Decision (Paper 13), at 33 ("During trial, should it choose to do so, Patent Owner has the opportunity to introduce additional relevant evidence and to explain why the evidence corroborates Mr. Marston's testimony or otherwise shows reasonable diligence."). Because the work that Mr. Marston did during the critical timeframe included communications with counsel on BlueSpace matters, Patent Owner provided a privilege log of those communications.

The law is clear that providing a privilege log does **not** result in waiver. *E.g.*, *Opensky Industries, LLC v. VLSI Technology LLC*, No. IPR2021-01064, 2022 WL 4963049, at *7 (P.T.A.B. Oct. 4, 2022) ("avoiding [privilege] waiver is the point of a privilege log"). Instead, it is the act of **not** providing a log that may result in waiver. Fed. R. Civ. P. 45(d) advisory committee's note to 1991 amendment ("A party receiving a discovery request who asserts a privilege or protection but fails to disclose that claim is at risk of waiving the privilege or protection."). Indeed, when Patent Owner (repeatedly) requested that Petitioner provide authority in which a court or the Board found waiver based upon a privilege log, Petitioner provided no such authority. And there is none. Therefore, Petitioner acknowledges (as it must) that the act of providing the privilege log did not result in any waiver.

Instead, Petitioner asserts that the statements Mr. Marston made about the "underlying documents" on the privilege log result in waiver. Mr. Marston, however, did not testify as to the substance of the communications; he only testified as to the fact that the communications occurred. In particular, the only statement that Mr. Marston made was that he had "exchanged correspondence with counsel for BlueSpace regarding BlueSpace matters" on specific dates. Such factual testimony about what he did and when, however, does not waive the privilege. *E.g.*, *Oakley, Inc. v. Bugaboos Eyewear Corp.*, No. 09-CV-2037-JLS JMA, 2010 WL 4117223, at *4 (S.D. Cal. Oct. 15, 2010) ("Because [plaintiff] did not divulge any legal advice in the privilege log entries cited by [defendant], [plaintiff] did not waive the attorney-client privilege with respect to these communications."). This testimony is no different than a deponent testifying that she met with counsel to go over deposition topics in advance of the deposition. In the deposition context, no one would argue that such testimony results in waiver, and, the same is true here. Mr. Marston's testimony about the communication is precisely the type of factual information that does **not** waive privilege. Therefore, there has been no waiver of any privilege with respect to the logged documents.

Critically, Petitioner cites **no relevant authority** in support of this allegation of waiver. Petitioner cites only two cases, and both are inapposite.

The first case that Petitioner relies upon related to waiver of a document covered by the **work product doctrine**. *GEA Process Engineering, Inc. v. Steuben Foods, Inc.*, IPR2014-00055, Paper 43, at 2 (July 21, 2014, PTAB) ("Patent Owner filed an opposition brief arguing that the unfiled omnibus declaration is a draft declaration protected from disclosure as **work product**..." (emphasis added)). None of the communications at issue here are work product; they all involve the attorney-client privilege. Therefore, Petitioner's case is inapposite. "The attorney-client privilege and the work product doctrine are based on different public policies, protect different though frequently complementary interests, and **are subject to different analyses when considering the propriety of a finding of waiver**." *Chimie v. PPG Indus., Inc.*, 218 F.R.D. 416, 421 (D. Del. 2003) (emphasis added & internal citation omitted). The case also presented unique circumstances that are not present here: patent owner's declarant had signed the draft declaration and authorized it for filing, but, instead of filing that declaration, patent owner filed five different declarations under his name that the deponent had never seen. Both because of these unique circumstances and because the case involved the work product doctrine (rather than the attorney-client privilege), the case is not relevant to the present dispute.

The other case that Petitioner relies upon related to waiver of attorney-client privilege based upon an alleged infringer's reliance upon an **opinion of counsel** – i.e., legal advice provided by counsel. *Willis Elec. Co. v. Polygroup Macao Ltd.*, 2020 WL 1934425, at *2 (D. Minn. Apr. 22, 2020) (noting that party had disclosed counsel's "opinion"). In contrast, here, Mr. Marston relied only upon factual information, not any legal advice.

Importantly, Patent Owner has located no authority in which a court or the Board found that privilege was waived based upon providing a privilege log. Patent Owner also has located no authority in which a court or the Board found that found that privilege was waived based upon statements of fact (as opposed to legal advice) about communications with counsel. Therefore, there has been no waiver with respect to the communications listed in the privilege log.

EX2046

There also is no waiver with respect to EX2046. The only statement left unredacted in that document is the factual statement by Mr. Marston that "Jon Fernyhough helped out a bit with the thinking in the computing side, but none of his ideas actually ended up in the patent." EX2046. The law is clear that facts are not privileged. See, e.g., *Oxygenator Water Techs., Inc. v. Tennant Co.*, No. 20-CV-358 (KMM/DTS), 2023 WL 11959150, at *8 (D. Minn. July 25, 2023) (finding no error in determination that "documents were not privileged because the redacted portion of these documents strictly communicate factual updates"); *Shire Dev. Inc. v. Cadila Healthcare Ltd.*, No. CA 10-581-KAJ, 2012 WL 5247315, at *4 (D. Del. June 15, 2012) ("[P]urely factual information is not privileged."). Therefore, Mr. Marston did not waive privilege by revealing this factual statement.

As set forth above, Petitioner cites no authority in which a court or a Board found waiver of (1) the attorney-client privilege; (2) based upon a statement of fact. The reason that waiver arises in patent cases is because accused infringers frequently rely upon advice-of-counsel defenses. In those cases, courts and the Board have found that, if a party relies upon advice of counsel defense (i.e., brandishes the "sword"), then the privilege (the "shield") is waived. E.g., *In re EchoStar Commc'ns Corp.*, 448 F.3d 1294, 1299 (Fed. Cir. 2006) ("Once a party announces that it will rely on advice of counsel, for example, in response to an assertion of willful infringement, the attorney-client privilege is waived."). The reason for the finding of waiver is so the opposing party can determine whether the party had a good faith belief that it did not infringe, based upon advice from counsel. *In re EchoStar Commc'ns Corp.*, 448 F.3d 1294, 1298 (Fed. Cir. 2006). In stark contrast to those cases, here, the information Mr. Marston revealed is factual. He does not rely upon any advice of counsel in any privileged communication. Petitioner cites no authority that would support a finding of waiver here.

Petitioner's Request Should Be Denied Because It Is Not Part of Routine Discovery and the Additional Discovery Sought Would Not Be "in the Interests of Justice."

Petitioner's request for additional documents is based upon the incorrect presumption that Patent Owner waived privilege. As discussed above, Patent Owner did not waive privilege and, therefore, Petitioner's request should be denied. Petitioner's request also should be denied because the rules do not entitle Petitioner to the discovery it seeks.

Discovery in *inter partes* review proceedings is limited. Routine discovery is very limited (37 C.F.R. § 42.51), and additional discovery is permitted only when it is "in the interests of justice." 37 C.F.R. § 42.51(b)(2). Here, the discovery sought is neither routine nor "in the interests of justice."

Petitioner contends that the privilege log documents Petitioner seeks are part of routine discovery because the documents were "cited ... in testimony" (37 C.F.R. § 42.51), but that is simply not true. Mr. Marston did not cite to any of the underlying documents in his declaration; he cited only to the log itself (EX2042), which was produced. (With respect to EX2046, the exhibit was served along with Mr. Marston's testimony.)

Recognizing that the Board may find that "this information does not fall under Routine Discovery," Petitioner alternatively seeks the information under the rules for "additional discovery." Petitioner contends that its request for these privileged communications is "in the interests of justice." To the contrary, however, ordering Patent Owner to produce these privileged communications here would be **contrary to** "the interests" of justice because it would require Mr. Marston to provide privileged communications with his counsel where no waiver has taken place. To find privilege waiver in the circumstances of this case would be to turn the law of privilege on its head. The finding would have devastating consequences on parties' willingness to provide privilege logs and factual information in discovery.

Notably, during the deposition of Mr. Marston, Petitioner is free to ask factual questions about his communications with counsel. For example, the privilege log entries indicate the subject matter (e.g., the name of the patent application) at issue in each communication, and Petitioner is free to explore, for example, whether a particular patent application related to the '217 Patent invention, BlueSpace, and/or TransMail.

For all of these reasons, Patent Owner respectfully requests that the Board deny Petitioner's request for additional discovery.

Sincerely,

David

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