

United States District Court
Northern District of California

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

HALL DATA SYNC TECHNOLOGIES
LLC,

Plaintiff,

v.

APPLE INC.,

Defendant.

Case No. 15-mc-80170-KAW

**ORDER GRANTING MOTION TO
QUASH**

Re: Dkt. No. 1

Before the Court is Unified Patent Inc.'s motion to quash a subpoena issued by Hall Data Sync Technologies LLC. The motion is fully briefed and suitable for disposition without hearing pursuant to Civil Local Rule 7-1(b). Having considered the papers filed by the parties and the relevant legal authority, the Court GRANTS the motion for the reasons set forth below.

I. BACKGROUND

In January 2015, Hall Data Sync Technologies LLC ("Hall") sued Box Inc., Dropbox Inc., Google Inc., Sugarsync Inc., Apple Inc., and the Microsoft Company ("Defendants"), for infringement U.S. Patent No. 6,539,401 ("the '401 Patent") and U.S. Patent No. 7,685,506 ("the '506 Patent"). See Hall Data Sync Techs. LLC v. Box Inc., 2:15-cv-00002 (E.D. Texas filed Jan. 5, 2015); Hall Data Sync Techs. LLC v. Dropbox, Inc., 2:15-cv-00003 (E.D. Texas filed Jan. 5, 2015); Hall Data Sync Techs. LLC v. Google Inc., 2:15-cv-00004 (E.D. Texas filed Jan. 5, 2015); Hall Data Sync Techs. LLC v. SugarSync, Inc., 2:15-cv-00005 (E.D. Texas filed Jan. 5, 2015); Hall Data Sync Techs. LLC v. Apple Inc., 2:15-cv-00006 (E.D. Texas filed Jan. 5, 2015); Hall Data Sync Techs. LLC v. Microsoft Corp., 2:15-cv-00021 (E.D. Texas Jan. 15, 2015). The cases were consolidated in the United States District Court for the Eastern District of Texas, and on June 9, 2015, that court granted Apple's motion to transfer the case from which this miscellaneous

1 action stems to this District. (Hall Data Sync Techs. LLC v. Apple Inc., 5:15-cv-003066-PSG
2 (N.D. Cal. transferred July 6, 2015)). Unified Patent Inc. ("Unified") is not a party to the case.

3 On March 11, 2015, Unified filed a petition for inter partes review ("IPR") with the
4 USPTO's Patent Trial and Appeal Board ("PTAB"), challenging the '506 Patent. (Lim Decl., Ex.
5 4, Dkt. No. 2.) The PTAB has not decided whether to institute the IPR, and Unified has already
6 provided Hall with voluntary discovery so that it can verify that Unified is the sole real party in
7 interest. (Id., Ex. 3; Jakel Decl. ¶ 9, Dkt. No. 3.)

8 On June 1, 2015, Hall served a subpoena on Unified, seeking production of:

- 9 1. Documents and things concerning or relating to the '401 Patent.
- 10 2. Documents and things concerning or relating [sic] the '506 Patent.
- 11 3. All documents that relate to any communications between Unified
12 Patents or any of its members regarding, relating to, or concerning HDST, the '401
13 Patent, or the '506 Patent.
- 14 4. All documents that relate to Google Inc's[sic] membership in
15 Unified Patents, or any attempts by Unified Patents to solicit or otherwise contact
16 Google, Inc.
- 17 5. All documents that relate to Box, Inc's [sic] membership in Unified
18 Patents, or any attempts by Unified Patents to solicit or otherwise contact Box, Inc.
- 19 6. All documents that relate to Apple, Inc's [sic] membership in
20 Unified Patents, or any attempts by Unified Patents to solicit or otherwise contact
21 Apple, Inc.
- 22 7. All documents that relate to Dropbox Inc's [sic] membership in
23 Unified Patents, or any attempts by Unified Patents to solicit or otherwise contact
24 Dropbox Inc.
- 25 8. All documents that relate to Microsoft Corporation's membership in
26 Unified Patents, or any attempts by Unified Patents to solicit or otherwise contact
27 Microsoft Corporation.
- 28 9. All documents that relate to any financial or other contributions
(monetary/non- monetary) provided by Google Inc. to Unified Patents.
- 10 10. All documents that relate to any financial or other contributions
(monetary/non- monetary) provided by Box, Inc. to Unified Patents.
- 11 11. All documents that relate to any financial or other contributions
(monetary/non- monetary) provided by Dropbox Inc. to Unified Patents.
- 12 12. All documents that relate to any financial or other contributions
(monetary/non- monetary) provided by Apple, Inc. to Unified Patents.
- 13 13. All documents that relate to any financial or other contributions
(monetary/non- monetary) provided by Microsoft Corporation to Unified Patents
- 14 14. All documents that relate to any prior art provided by any third party
to Unified Patents regarding, relating to or concerning the '401 Patent or the '506
Patent.

(Lim Decl., Ex. 1.)

1 On June 16, 2015, Unified served Hall with its objections and contemporaneously moved
2 to quash the subpoena. (Mot., Dkt. No. 1.) On July 6, 2015, Hall filed its opposition to the
3 motion.¹ (Opp'n, Dkt. No. 5.) Unified's reply followed on July 7, 2015. (Reply, Dkt. No. 9.)

4 II. LEGAL STANDARD

5 Federal Rule of Civil Procedure 45 governs discovery propounded by subpoena. The
6 scope of discovery that can be requested through a subpoena under Rule 45 is the same as the
7 scope of discovery permitted under Rule 26(b). Fed. R. Civ. P. 45 advisory committee note
8 (1970) ("[T]he scope of discovery through a subpoena is the same as that applicable to Rule 34
9 and the other discovery rules."); Fed. R. Civ. P. 34(a) ("A party may serve on any party a request
10 within the scope of Rule 26(b).").

11 Rule 26(b) permits discovery of "any nonprivileged matter that is relevant to any party's
12 claim or defense." Fed. R. Civ. P. 26(b)(1). "Relevant information need not be admissible at trial
13 if the discovery appears reasonably calculated to lead to the discovery of admissible evidence."
14 Id. The Court, however, may limit discovery if (1) the discovery sought is unreasonably
15 cumulative or duplicative, or can be obtained from some other source that is more convenient, less
16 burdensome, or less expensive, (2) the party seeking discovery has had ample opportunity to
17 obtain the information sought, or (3) the burden or expense of the proposed discovery outweighs
18 its likely benefit, considering the needs of the case, the amount in controversy, the parties'
19 resources, the importance of the issues at stake in the action, and the importance of the discovery
20 in resolving the issues. Fed. R. Civ. P. 26(b)(2)(C).

21 A party may move to quash or modify a subpoena under Rule 45(d)(3)(A) if it fails to (1)
22 allow a reasonable time to comply, (2) requires a person to comply beyond the geographical limits
23 specified in Rule 45(c), (3) requires disclosure of privileged or other protected matter, if no
24 exception or waiver applies, or (4) subjects a person to undue burden. Id. The party moving to

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26 ¹ Unified incorrectly argues that Hall's opposition is untimely. Reply at 1. Unified filed its motion
27 to quash on June 16, 2016, but it waited until June 18, 2015 to serve Hall via email, apparently in
28 accordance with the parties' agreement to accept service of pleadings and subpoena-related
discovery in that manner. Certificate of Service, Dkt. No. 4. Because Federal Rule of Civil
Procedure 6(d) grants a party served via email three additional days to respond, the opposition is
timely.

1 quash a subpoena bears the burden of persuasion, but the party issuing the subpoena must
2 demonstrate that the discovery sought is relevant. *Personal Audio LLC v. Togi Entm't*, No. 14-mc-
3 80025 RS (NC), 2014 WL 1318921, at *2 (N.D. Cal. Mar. 31, 2014).

4 **III. DISCUSSION**

5 Unified moves to quash the subpoena on the grounds that the information sought (1) is not
6 relevant, (2) is duplicative of information Hall can obtain from Defendants and thus would impose
7 an undue burden if ordered produced, (3) is cumulative of information Unified already produced
8 to Hall in the IPR proceedings, and (4) is protected from disclosure because it is subject to
9 attorney-client privilege. (Mot. at 5-10.)

10 In its opposition, Hall argues that the information it seeks is relevant to whether any of its
11 member Defendants is a real party in interest or Unified's privy.² (Opp'n at 5.) It contends that if
12 Unified is permitted to withhold this information, its member Defendants could improperly assert
13 invalidity, based on the same prior art, before the PTAB and the District Court, thereby
14 contravening the estoppel provisions of 35 U.S.C. § 315(e)(2). (Id.) That provision is as follows:

15 The petitioner in an inter partes review of a claim in a patent under this chapter that
16 results in a final written decision under section 318(a), or the real party in interest
17 or privy of the petitioner, may not assert either in a civil action arising in whole or
18 in part under section 1338 of title 28 or in a proceeding before the International
Trade Commission under section 337 of the Tariff Act of 1930 that the claim is
invalid on any ground that the petitioner raised or reasonably could have raised
during that inter partes review.

19 35 U.S.C. § 315(e)(2).

20 Courts in this district have granted motions to quash where the propounding party
21 advances this theory of relevance.³ See, e.g., *Broadband iTV, Inc. v. Hawaiian Telecom*, No. 15-
22 mc-80053 HRL, 2015 WL 1778432, at * (N.D. Cal. Apr. 17, 2015) (where the PTAB had issued a
23 decision denying the institution of Unified's IPR, only relevant invalidity arguments were those
24 made by Defendants, not those made by Unified or its CEO); *Personal Audio LLC*, 2014 WL

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27 ² The Court notes that Hall does not address Unified's arguments that the information sought is
duplicative of information Hall can obtain from Defendants and that it is cumulative of
information Unified already produced to Hall in the IPR proceedings.

28 ³ Unified cites two of these cases in its motion, and Hall addresses neither.

1 1318921, at *3 (declining to assume that the PTAB would resolve issues in the plaintiff's favor
2 and finding that the "issue of whether EFF w[ould] be collaterally estopped from challenging the
3 validity of the patent claims" was thus irrelevant and premature) (citation omitted); *VirnetX, Inc. v.*
4 *Apple Inc.*, No. 14-mc-80013 RS (NC), 2014 WL 6979427, at * 3 (N.D. Cal. Mar. 21, 2014)
5 (where the PTAB had yet to issue a final written decision, "[t]he issue of whether Apple w[ould]
6 be collaterally estopped from challenging the validity of the patent claims [wa]s therefore
7 irrelevant because it [wa]s premature"). The Court finds that such an outcome is appropriate here,
8 as even Hall concedes that "the estoppel provision of the AIA only becomes effective after a final
9 decision in the Inter Partes review." (Opp'n at 6.) It's seemingly contrary contention that the
10 requested discovery is still not premature, is therefore, unpersuasive. See *Veritana Health, Inc. v.*
11 *Ariosa Diagnostics*, C 12-05501 SI, 2014 WL 121640, at * (N.D. Cal. Jan. 13, 2014) (noting, in
12 ruling on a motion to stay, that "even under the new procedures, it may still be years before the
13 inter partes review is truly final") (footnote omitted).

14 Nonetheless, even if Hall could show that it is entitled to the information it seeks, other
15 reasons warrant granting Unified's motion. As Unified's counsel explains in her declaration:

16 On June 15, 2015, I, along with my partner, Mr. Andrew Riley, telephonically met
17 and conferred with Mr. Hao Ni, Hall's counsel regarding Hall's third-party
18 subpoena to Unified in hopes of reaching a resolution without the Court's
19 involvement. During the discussion, Mr. Ni confirmed that Hall had sent
20 interrogatories to defendants in the case, seeking much of the same subject matter
21 sought in its subpoena to Unified. Mr. Ni also explained that some of the
22 defendants had already started providing discovery that overlaps with Hall's request
23 to Unified. In addition, Mr. Ni admitted that he is expecting defendants' document
24 production to include all the subject matter sought in its subpoena to Unified.

25 (Lim Decl. ¶ 2.)⁴ In light of these concessions, which Hall does not correct or contest, the Court
26 finds that Unified should not be burdened with discovery that Hall expects to receive from
27 Defendants. See Fed. R. Civ. P. 26(b)(2)(C)(i); see also *Nidec Corp. v. Victor Co. of Japan*, 249
28 F.R.D. 575 (N.D. Cal. 2007) (granting motion to quash where discovery sought from a non-party
could be obtained from the defendant). As this issue is dispositive, the Court need not address
Hall's remaining contentions.

⁴ Despite these concessions, Hall's counsel was apparently unwilling to cooperate because "his client 'is pissed at Unified' and he has marching orders to 'go after' Unified." Lim Decl. ¶ 2.

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IV. CONCLUSION

For the reasons set forth above, Unified's motion to quash is GRANTED.

IT IS SO ORDERED.

Dated: 07/17/15


KANDIS A. WESTMORE
United States Magistrate Judge