

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION**

ONE NUMBER CORPORATION,	)	
	)	
Plaintiff / Counterclaim-	)	
Defendant,	)	
	)	Case No. 1:10-cv-0312-RLY-TAB
vs.	)	
	)	
GOOGLE, INC.	)	
	)	
Defendant / Counterclaimant.	)	

**ONE NUMBER CORPORATION'S BRIEF IN SUPPORT OF  
MOTION FOR LEAVE TO TAKE LIMITED EXPEDITED  
WRITTEN DISCOVERY**

One Number Corporation ("One Number") seeks to take limited written discovery of Defendant / Counterclaimant Google, Inc. ("Google") as it relates to the novelty of the technology covered by U.S. Patent Nos. 7,680,256 and 7,440,565 (the "Patents-In-Suit"). One Number believes that Google has possession, custody or control of information that is material to the novelty of the Patents-In-Suit. The United States Patent and Trademark Office ("USPTO") has affirmed the validity of at least two claims of the Patents-In-Suit. It is more likely than not that this litigation will proceed after the reexamination proceedings are concluded. Therefore, permitting limited discovery in this Court while the reexaminations proceed is warranted.

## I. BACKGROUND INFORMATION

### a. History of Google Voice

In September 2006, a company called GrandCentral, Inc. ("GrandCentral") launched a telephony service that One Number believes is a copy of the technology covered by the Patents-In-Suit. *See* Exhibit B<sup>1</sup>, Declaration of Brandon McLarty, ¶ 2. At that time, GrandCentral identified One Number as a competitor of GrandCentral. *Id.* During this relevant time period, One Number provided its telephony services through a website address of [www.1Num.com](http://www.1Num.com), and GrandCentral referred to One Number as "1Num" when describing its known competitors. *See Id. and* Exhibit C. At the time GrandCentral launched its telephony service, GrandCentral was aware of One Number and its competing telephone service.

Upon information and belief, GrandCentral won numerous awards and received industry recognition for its copy of the technology covered by the Patents-In-Suit. *See* Exhibit B, Declaration of Brandon McLarty, ¶ 3. In addition, upon information and belief, GrandCentral was able to convince investors that the technology covered by the Patents-In-Suit was unique, novel, innovative, and/or non-obvious in order to secure funding for GrandCentral's business. *Id.*

In July 2007, Google acquired GrandCentral and its telephony service covered by the Patents-In-Suit, and Google continues to offer the telephony service at issue as Google Voice. *See* Exhibit B, Declaration of Brandon

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<sup>1</sup> Exhibit A is attached to One Number's Motion for Leave to Take Limited Expedited Discovery.

McLarty, ¶ 4. Upon information and belief, Google is in possession of material information relating to the patentability of the technology covered by the Patents-In-Suit based, at least in part, on the acquisition of GrandCentral by Google. *Id.* One cannot reasonably believe that Google did not study, evaluate and analyze the technology that was being sold to Google by GrandCentral through the acquisition. One Number believes that the requested discovery will produce evidence relevant to Google's allegations of invalidity and will promote resolution of this litigation.

**b. The Requests for *Inter Partes* Reexamination**

After the parties participated in substantive settlement discussions in May and June, Google filed two requests for *inter partes* reexaminations in connection with the Patents-In-Suit with the USPTO. [Dkt. Entry 29]. On October 21 and 22, 2010, the USPTO granted Google's requests for reexamination of the Patents-In-Suit and issued non-final Office Actions to One Number in connection therewith. *Id.* One Number has until December 21 and 22, 2010, respectively, to respond to the initial Office Actions. *Id.* The requested discovery goes to the question of novelty and obviousness, which is precisely the heart of the issue in the pending reexamination actions.

**II. STATEMENT OF LAW AND ARGUMENT**

This Court has broad discretion for the convenience of the parties and in the interests of justice to allow discovery in any sequence, including before

the Case Management Plan (*See* F.R.Civ.P. 26(f)) and the initial conference between the parties (*See* S.D. Ind. L.R. 16.1(c)) when discovery typically commences. Trial courts have "broad discretion" over discovery matters. *Dole v. Local 1942 Int'l Bhd. of Elec. Workers, AFL-CIO*, 870 F.2d 368, 371 (7th Cir. 1989).

Courts have allowed for limited discovery during a stay of litigation pending reexamination proceedings. *Speedtrack, Inc. v. Wal-Mart.com USA, LLC*, No. C 06-7336 PJH, 2009 WL 281932, at \*3 (N.D. Cal. 2009); *Proctor & Gamble Co. v. Kraft Foods Global, Inc.*, No. C 08-0930 PJH, 2008 WL 3833576, at \*2 (N.D. Cal. 2008). Within the Seventh Circuit, the Court of *Seaquist Closures LLC v. Rexam Plastics*, No. 08C0106, 2009 WL 1615521, at \*1 (E.D. Wis. 2009) granted a stay of litigation proceedings pending the outcome of an *inter partes* reexamination, yet authorized the plaintiff to conduct limited discovery. Courts have also allowed full discovery to proceed during the stay of litigation pending the outcome of patent reexamination proceedings. *Computerized Screening, Inc. v. Lifeclinic International, Inc.*, 2010 WL 3257679 (D. Nev. 2010).

The *Proctor & Gamble* Court, while issuing a stay of litigation pending an *inter-partes* reexamination, reasoned:

[T]he court is not unmindful of plaintiff's arguments with respect to the undue prejudice that a stay would impose upon plaintiff—particularly in view of the suggestion that the full completion period for inter partes reexamination proceedings is 5 to 8 years. To that end, the court finds that some limited deposition discovery...is appropriate to mitigate the potentially prejudicial effects of a stay.

*Proctor & Gamble*, 2008 WL 3833576, at \*2.

One Number requests "limited discovery" to help prevent the irreparable harm that One Number could suffer should Google be in possession of evidence that confirms a finding of patentable subject matter in the Patents-In-Suit. One Number is entitled to present all of the evidence available to it to the USPTO during the reexamination process so that the USPTO can perform its task in a totally informed manner.

As the USPTO does not provide for discovery during reissue application proceedings, "several courts, while staying litigation pending a reissue application proceeding, have permitted limited discovery to continue."

*PIC Inc. v. Prescon Corp.*, 485 F. Supp. 1302, 1310 (D. Del. 1980); citing to *Rohm and Haas Co. v. Mobil Oil Corp.*, 462 F. Supp. 732 (D. Del. 1978); *Sauder Industries, Inc. v. Carborundum Co.*, 201 U.S.P.Q. 240 (N.D. Ohio 1978).

Although no standard appears to exist within the rules for the Court's authority to allow expedited discovery, courts appear to be split as to whether a party seeking expedited discovery must satisfy a "good cause" or "reasonableness" standard or the more stringent standard set forth in *Notaro v. Koch*, 95 F.R.D. 403, 405 (S.D.N.Y. 1982), which mirrors the standard required for obtaining a preliminary injunction. *See generally Edgenet, Inc. v. Home Depot U.S.A., Inc.*, 259 F.R.D. 385, 386 (E.D. Wis. 2009) *citing Notaro v. Koch*, 95 F.R.D. 403, 405 (S.D.N.Y. 1982).

The reasonableness standard allows expedited discovery when the need for the expedited discovery outweighs the prejudice to the responding party, based on the "entirety of the record to date and the reasonableness of the request in light of the surrounding circumstances." *Id.*, citing 6 James Wm. Moore *Moore's Federal Practice* § 26.121 (2009).

The *Notaro* standard requires the movant to demonstrate four elements to help the court decide whether to allow an expedited discovery schedule: (1) irreparable injury; (2) some probability of success on the merits; (3) some connection between the expedited discovery and the avoidance of irreparable injury; and (4) some evidence that the injury that will result without expedited discovery is greater than the injury a party will suffer if the expedited relief is granted. *Notaro v. Koch*, 95 F.R.D. 403, 405 (S.D.N.Y. 1982). Using the *Notaro* standard it is readily apparent that One Number is entitled to take the requested expedited discovery.

One Number needs this evidence to prepare a response to the non-final Office Actions issued by the USPTO in connection with the reexamination proceedings for the Patents-In-Suit that were filed by Google. [Dkt. Entries 28 and 29]. One Number is under a very short time constraint to prepare responses that are governed by the rules adopted by the USPTO in these type of matters. *Id.* One Number's current deadline for responding to the initial Office Actions issued by the USPTO is December 21, 2010 for U.S. Patent No. 7,680,256 and December 22, 2010 for U.S. Patent No. 7,440,565. *Id.* This is a

very short time frame and hence has prompted One Number to file the present motion.<sup>2</sup>

**a. Irreparable Injury**

One Number will suffer irreparable injury if it is not permitted to take the requested discovery. *Notaro*, 95 F.R.D. at 405. Google is seeking to invalidate the Patents-In-Suit through two separate *inter partes* patent reexamination proceedings. [Dkt. Entries 28 and 29]. If the Patents-In-Suit are ultimately invalidated by the USPTO, One Number will lose its patent rights. If invalidated by the USPTO, One Number's patents will have no value, and the potential injury that One Number will suffer is irreparable. Thus, One Number's request for expedited discovery satisfies the first element under the *Notaro* standard.

**b. Probability of Success on the Merits**

One Number believes that Google possesses materially relevant evidence that supports the novelty and validity of the Patents-In-Suit. Google acquired the technology at issue from GrandCentral in a transaction that occurred on or about July 2, 2007. GrandCentral received numerous awards and received industry recognition for its purported new and innovative technology covered by the Patents-In-Suit. Evidence of awards, industry recognition, commercial success, and copying by others are

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<sup>2</sup> One Number did not know if the USPTO would agree with Google's position and grant the reexams until October 21 and 22, 2010.

"secondary considerations" that are relevant in determining the patentability of an invention.

Secondary considerations of non-obviousness must be considered when present. *Sud-Chemie, Inc. v. Multisorb Techs., Inc.*, 554 F.3d 1001, 1008 (Fed. Cir. 2009). "Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented." *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007) (quoting *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17-18 (1966)). The Federal Circuit has "repeatedly held that evidence of secondary considerations must be considered if present." *See, e.g., Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 667 (Fed. Cir. 2000) ("Our precedents clearly hold that secondary considerations, when present, must be considered in determining obviousness.").

One Number's discovery requests are tailored to the novelty and patentability of the Patents-In-Suit and instances that Google is aware of that support a finding of patentability. Google has submitted prior art that it alleges renders the Patents-In-Suit invalid, but One Number believes that Google is in possession of information that would support a finding of patentability. If Google is in possession of material evidence that supports a finding that the inventions set forth in the Patents-In-Suit are patentable, this evidence will assist the reexamination proceedings and this litigation.



The requested evidence will likely increase One Number's chances of success on the merits of its claims and the second element of the *Notaro* test is thus satisfied.

**c. Some connection between the expedited discovery and the avoidance of irreparable injury**

The limited written discovery requested by One Number goes to the heart of the issues presented in these related reexamination proceedings, *i.e.* whether the technology at issue is entitled to patent protection, as well as this litigation. Discovery is not allowed during an *inter partes* reexamination proceeding thereby giving Google an unfair advantage by possibly being able to withhold information from the USPTO that might support a finding that the inventions are in fact patentable. Thus, there is a very strong connection between the requested expedited discovery and the avoidance of irreparable injury.

**d. The injury that will result without expedited discovery is greater than the injury a party will suffer if the expedited relief is granted**

One Number potentially stands to lose some, or possibly all, of its U.S. patent rights if Google is successful in its attempt to invalidate the Patents-In-Suit. One Number stands to be severely irreparably injured as a direct result of Google's actions. Google will suffer no harm if One Number's request for expedited discovery is granted. This factor also weighs heavily in One Number's favor.

Google should not be allowed to "pick and choose" which information it wants to put forward in the reexamination proceedings. Google should not be allowed to present evidence to the USPTO that the claimed inventions are invalid when Google has made admissions against interest that the technology at issue is "innovative", which would entitle One Number to patent protection.<sup>3</sup> *See* Exhibit D. When Google acquired the technology at issue from GrandCentral, the technology at issue was referred to by Google as being "innovative" which is readily known to mean that the technology is considered to be "new" (i.e. - novel). *Id.*

The interests of justice are served by allowing One Number to conduct limited written discovery as it relates to the GrandCentral telephony service, Google's acquisition of GrandCentral, and any other evidence related to the novelty and/or non-obvious nature of the technology covered by the Patents-In-Suit.

One Number also requests that responses to these limited discovery requests be provided to One Number within fourteen (14) days of service thereof. One Number's responses to the Office Actions issued by the USPTO in connection with the Patents-In-Suit are currently due on or before December 21, 2010 and December 22, 2010, respectively. One Number needs adequate time to review the information provided in response to the discovery requests and formulate a strategy for the proper use of any such

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<sup>3</sup> Google's position on the issue of the technology being new and innovative appears to have changed once it discovered that it did not own the patent rights to the technology at issue and that One Number was the owner of such rights.

information in connection with responding to the Office Actions issued by the USPTO.

### III. CONCLUSION

One Number, by counsel, respectfully requests that the Court grant this motion and issue an Order granting leave to One Number to conduct early written discovery on an expedited basis as set forth in Exhibit A, and grant all other just and proper relief.

Date: November 11, 2010

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on November 11, 2010, a copy of the foregoing was filed and served electronically. Notice of this filing will be sent to the following parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

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