

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

ONE NUMBER CORPORATION,)	
)	
Plaintiff,)	
)	Civil Action No. 1:10-CV-0312-RLY-TAB
vs.)	
)	JURY TRIAL DEMANDED
GOOGLE, INC.,)	
)	
Defendant.)	

**GOOGLE, INC.'S RESPONSE IN OPPOSITION TO PLAINTIFF'S
MOTION FOR LEAVE TO TAKE EXPEDITED DISCOVERY**

I. INTRODUCTION

One Number's motion for leave to take "limited" and "expedited" discovery should be denied. *First*, the patents-in-suit asserted by One Number are in reexamination before the United States Patent & Trademark Office ("PTO"), and the PTO has already rejected all but two dependent claims of the patents-in-suit as invalid over the prior art. In light of the PTO's rejections of almost all of the claims of the patents-in-suit, Google has moved to stay this case pending the final reexamination results in order to avoid unnecessary litigation, prevent duplication of efforts and/or inconsistent results, and conserve party and judicial resources. *See* Dkts. 28, 29, and 33. Because One Number's motion for leave to seek expedited discovery would thwart the benefits of a stay, One Number's motion should be denied.

Second, One Number's requested discovery is irrelevant to the PTO's reexaminations of One Number's patents. One Number's proposed discovery is not "limited," as One Number claims, but amounts to full-blown discovery into every issue in the lawsuit—including issues that have no bearing upon the reexamination. For example,

One Number's claim that it needs discovery of the accused product to establish that its patents are innovative is illogical and without evidentiary support. The fact that Google Voice is "innovative" does not mean that One Number's patented systems are innovative or its patents valid—particularly in light of the PTO's wholesale **rejections** of those patents as invalid. Moreover, the PTO's rejections of One Number's patents are primarily based upon **anticipation** under 35 U.S.C. § 102; whereas One Number's requested discovery mostly concerns "secondary considerations" of non-obviousness under 35 U.S.C. § 103 that are irrelevant to the PTO's anticipation-based rejections. *See Cohesive Techs., Inc. v. Waters Corp.*, 543 F.3d 1351, 1364 (Fed. Cir. 2008) ("obviousness requires analysis of secondary considerations of nonobviousness, **while secondary considerations are not an element of a claim of anticipation**" (emphasis added)).

Third, permitting One Number to proceed with expedited, one-sided discovery would prejudice Google and provide an unfair tactical advantage to One Number. The efforts required to respond to One Number's broad "expedited" requests would consume substantial resources, create significant attorney costs, and generate a great deal of expense and distraction to Google. There is also no logical stopping place for One Number's demands: If discovery is opened to let One Number seek documents supporting its position, then fairness dictates that discovery also be opened to permit Google to rebut that position. Yet, one of the reasons to file a reexamination request—and one of the key factors in staying the litigation pending reexamination—is to **avoid** the expense and burdens of litigation that may be unnecessary. *See Centillion Data Sys., LLC, v. Convergys Corp.*, Case No. 1:04-cv-0073-LJM-WTL, 2005 WL 2045786, at *1

(S.D. Ind. Aug. 24, 2005); *see also* *Canady v. Erbe Elektromedizin GmbH*, 271 F.

Supp.2d 64, 78-79 (D.D.C. 2002) (denying a motion to lift a stay and noting the PTO reexamination is less costly than a court proceeding).

II. ARGUMENT

The purpose of reexamination is to allow the PTO to assess the validity of an issued patent *without* the costs, distractions, or expenses of full-blown litigation. There is no right to discovery in an *inter partes* reexamination before the PTO. *See* 37 C.F.R. § 1.902 *et seq.* Indeed, a reexamination proceeding is designed so that there is no need to conduct discovery. The predicate for reexamination is a substantial new question of patentability based upon “patents or printed publications,” which are public and equally available to both parties. 37 C.F.R. § 1.906(a). Other types of prior art—*e.g.*, prior inventions, uses, or sales—are not considered in a reexamination. *Id.* at §§ 1.906(a)-(c).

A. One Number’s Infringement-Based Discovery Requests Are Not “Limited” But Are Highly Burdensome And Prejudicial To Google.

As a threshold matter, One Number’s proposed requests for production are not “limited” to issues relevant to the pending reexamination of its patents-in-suit. The expedited discovery that One Number seeks to impose upon Google is extraordinarily broad and constitutes nothing less than full-blown discovery into questions of infringement, damages, and validity issues not before the PTO.

For example, One Number’s proposed requests seek “[a]ll documents” that relate in any way to the accused Google Voice application or GrandCentral Telephony Service (the predecessor product to Google Voice):

1. ***All documents, electronic records and things*** that relate to the acquisition, purchase, merger, and/or association of GrandCentral with and/or by Google (hereinafter the “GrandCentral Acquisition”) including, but not limited to, any investigations, studies, due diligence inquiries

and/or responses thereto, competitor analysis or studies, internal memoranda or communications, and any other item detailing with or relating to the reasoning or thought process behind the GrandCentral Acquisition.

2. ***All documents, electronic records and things*** that relate to any internal discussions about or related to the GrandCentral Acquisition as it relates to the GrandCentral Telephony Service.

3. ***All documents, electronic records and things*** that relate to the design and operation of the GrandCentral Telephony Service including, but not limited to, end user screen shots, system diagrams, charts, flow charts, screenshots, technical documentation, interoperability documentation, and other technical information or data from inception to date.

4. ***All documents, electronic records and things*** that relate to how the GrandCentral Telephony Service operates in conjunction with other service providers / carriers including, but not limited to, Level 3 Communications, Bandwidth.com, and Global Crossing.

Pl. Mot. (Dkt. 30), Ex. A (emphasis added).

None of this information sought by One Number has anything to do with the pending reexamination or any claim rejection in the reexamination. The Google Voice application and the GrandCentral Telephony Service are not bases for the *inter partes* requests for reexamination or the PTO's office actions rejecting the claims of the patents-in-suit. *See* Dkt. 29, Exs. 1-4. The PTO's rejections of One Number's patents have nothing to do with the accused products, the operation of those products, the interface of those products with nonparty systems, or Google's acquisition of GrandCentral. *Id.* There is also no connection between any of One Number's broad requests and any issue of validity before the PTO. Indeed, these requests—which would be overbroad and unduly burdensome however and whenever they were served—concern the entirely different issues of infringement and damages, which are not before the PTO.

Moreover, these requests would impose an enormous burden on Google. They would obligate Google to conduct a wholesale search of numerous files and databases—on an extremely expedited basis—to try to identify and produce “[a]ll documents” that have anything to do with Google Voice, GrandCentral, Google’s acquisition of GrandCentral, or how the accused product interfaces with a variety of nonparty systems. The cost to accomplish such a search would be enormous, and it may well be impossible to review the millions of possibly relevant records within One Number’s accelerated, fourteen-day time frame. Additionally, One Number’s demand for intrusive discovery into the highly confidential systems of the accused product would clearly necessitate a Protective Order, further expending unnecessary party and judicial resources at this time.

There is no basis to impose such extraordinary burdens on Google, and there is especially no basis to impose such burdens in this case. One Number did virtually *nothing* to advance its case for more than seven months since filing its complaint in March 2010. It only recently sent Google a proposed Case Management Plan—belatedly under the Court’s local rules, without following the requirements of the Court’s Uniform Patent Case Management Plan, and only after the PTO had rejected most of its patent claims. *See* Dkt. 29. Having sat on its hands for months, One Number has no basis to abruptly reverse course and demand that Google now divert substantial resources from running its business to provide vast amounts of discovery on an accelerated schedule. One Number’s sudden reversal and attempt to seek nearly every scrap of paper and every electronic file at Google that mentions Google Voice or GrandCentral has the air of an attempt to retaliate against Google for seeking (successful) reexamination of One

Number's (invalid) patents. There is no reason to disrupt Google's business in this way and force it to incur such extraordinary and unnecessary expense.

B. One Number's Request For One-Sided Discovery Rests On An Improper Premise: That Google's (Or GrandCentral's) Success Can Be Attributed To One Number's Patents.

One Number's request for expedited discovery also should be rejected because it is based on a fundamentally flawed premise: Specifically, One Number presumes that any success or recognition of GrandCentral or Google Voice is somehow attributable to One Number's patents. *See* Pl. Mem. (Dkt. 31) at 1-2, 10. As such, One Number effectively assumes that it has *already* proven that Google Voice infringes a valid claim of its patents, and that any successes of Google Voice should be attributed solely to One Number without any credit given to Google's or Grand Central's own innovations.

There is no basis for One Number's presumption that "secondary considerations" of *Google's* or *GrandCentral's* innovations are relevant to the validity of *One Number's* patents. One Number submits no evidence in support of its claim. The conclusory declaration submitted by One Number's President is made "upon information and belief" in its critical aspects, and it includes no evidence supporting One Number's assertions that statements in Google press releases should inure to One Number's benefit. Dkt. 31, Ex. B. Indeed, the admissible evidence before the Court constitutes the PTO's broad rejections of nearly all of the claims of One Number's patents as invalid because their subject matter is *not* innovative. Dkt. 29, Exs. 1-4. There is no evidence from which the Court could conclude that One Number's patents are somehow the cause of GrandCentral's or Google Voice's success.

Moreover, if there is evidence of "secondary considerations" suggesting that One Number's systems are non-obvious, such evidence would be in *One Number's*

possession, custody, or control—not Google’s. Such considerations could include evidence of *One Number’s* commercial success, *One Number’s* accolades, licenses under *One Number’s* patents, or media coverage attesting to *One Number’s* innovations. Indeed, it is telling, and perhaps indicative of the invalidity of One Number’s patents, that One Number is relying on a fishing expedition for such “secondary considerations,” rather than relying on documentation that should be under its own control. One Number’s ill-conceived attempt to misappropriate Google’s / GrandCentral’s innovations and successes as its own innovations and successes is improper. At the least, One Number’s unsupported, conclusory assertions regarding Google Voice are not a basis for imposing expedited, one-sided discovery burdens on Google.

C. One Number’s Discovery Requests Are Directed To “Secondary Considerations Of Nonobviousness,” Which Are Irrelevant To The PTO’s *Anticipation*-Based Rejections Of One Number’s Patent Claims.

One Number’s stated basis for its expedited discovery is also irrelevant to the current reexamination proceeding. As noted, One Number’s alleged basis for its proposed expedited discovery is to seek evidence of so-call “secondary considerations” of non-obviousness under 35 U.S.C. § 103.¹ Pl. Mem. (Dkt. 31) at 7-8 (“Evidence of awards, industry recognition, commercial success, and copying by others are ‘secondary considerations’ that are relevant in determining the patentability of an invention”); *accord id.* at 2, 3. “Secondary considerations” of non-obviousness, however, have **no**

¹ “If it is necessary to reach beyond the boundaries of a single reference to provide missing disclosure of the claimed invention, the proper ground is not § 102 anticipation, but § 103 obviousness.” *Scripps Clinic & Research Found. v. Genentech, Inc.*, 927 F.2d 1565, 1577 (Fed. Cir. 1991), *overruled on other grounds by Abbott Labs. v. Sandoz, Inc.*, 566 F.3d 1282, 1293 (Fed. Cir. 2009). The PTO’s rejections of the claims of the patents-in-suit were almost all based on anticipation under § 102. Dkt. 29, Exs. 1-4.

relevancy to the PTO's *anticipation*-based rejections, which constitute virtually all of the PTO's rejections of One Number patents. See *Cohesive*, 543 F.3d at 1364.

“To anticipate, a single reference must teach every limitation of the claimed invention.” *MEHL/Biophile Int’l Corp. v. Milgraum*, 192 F.3d 1362, 1365 (Fed. Cir. 1999). Here, the PTO has provided an initial ruling that the submitted prior art anticipates nearly every claim of the One Number’s patents—*i.e.*, the prior art discloses One Number’s alleged invention(s) *exactly*, without the need to consider any other factors. See Dkt. 29 at Exs. 1-4 (the PTO’s reexamination orders and office actions). Anticipation requires no discovery: the prior art submitted by Google either discloses the claimed subject matter of the One Number’s patents within its four corners, or it does not anticipate. See *Cohesive*, 543 F.3d at 1364; *cf. MEHL/Biophile*, 192 F.3d at 1365.

One Number’s sought-after evidence of obviousness thus has no relevancy to the PTO’s anticipation-based rejections. *Cohesive*, 543 F.3d at 1364. “[N]ovelty under 35 U.S.C. § 102 and nonobviousness under 35 U.S.C. § 103 are separate conditions of patentability[.]” *Id.* at 1363. And, “[t]he tests for anticipation and obviousness are different.” *Id.* at 1364. In particular, “secondary considerations [of nonobviousness] are not an element of a claim of anticipation.” *Id.*; see also *Duro-Last, Inc. v. Custom Seal, Inc.*, 321 F.3d 1098, 1107-08 (Fed. Cir. 2003) (“Succinctly put, the various unenforceability and invalidity defenses that may be raised by a defendant—inequitable conduct, the several forms of anticipation and loss of right under § 102, and obviousness under § 103—require different elements of proof.”). Consequently, the discovery sought by One Number of secondary considerations of nonobviousness and other “non-obvious”

evidence relating to the accused Google/Grand Central product is *irrelevant* to the PTO's anticipation-based rejections in the reexaminations of the patents-in-suit.

Additionally, none of the PTO's rejections relied upon the accused Google Voice/Grand Central product. The PTO's rejections were predicated instead on various *public* prior art patents and other printed publications, which are equally available to both parties, and in fact have already been provided to One Number by Google. In responding to the PTO's anticipation-based rejections, One Number must address these prior art references—not unrelated press releases, articles, industry awards, etc..

D. The One-Sided Discovery Sought By One Number Is Unfair, Prejudicial, And Burdensome To Google.

Partial stays of discovery are highly unusual and rarely warranted. *See, e.g., Gibson Guitar Corp. v. Wal-Mart Stores, Inc.*, 2008 U.S. Dist. LEXIS 60811, *21-22 (M.D. Tenn., August 8, 2008). Coupling a partial stay with a one-sided, expedited request for discovery—as One Number improperly seeks to obtain here—is even more unusual. One Number's request also should be rejected by the Court in light of One Number's failure to present any evidence of irreparable harm to its business, One Number's delay in prosecuting this case, and a complete absence of any attempt (or ability) to move for a preliminary injunction.

One Number's central claim for early, expedited discovery is that it will allegedly suffer "irreparable injury" if the PTO concludes that its patents are invalid. *See* Pl. Mot. (Dkt. 31) at 7, 9. There is no legal or factual basis for this claim. It is not an injury to One Number—much less an "irreparable" injury—if the PTO finds that One Number's patents never should have issued in the first place. There is no irreparable injury to a patentee if a patent is rightfully declared invalid under Congress' procedure for *inter*

partes reexamination, *see* 35 U.S.C. § 311. Indeed, the only potential injury that is implicated by these filings is the substantial injury to Google from One Number’s assertion of invalid patent claims and One Number’s demand for broad, expedited discovery.

One Number also provides no evidence whatsoever that any Court has ever done what One Number requests here: order one-sided, expedited discovery of one party in the context of a stay pending reexamination. ***None*** of the cases cited by One Number in its brief support One Number’s claim for such an extraordinary ruling, and ***all*** of the cited cases are distinguishable from the present situation where One Number is seeking to impose one-sided, burdensome and irrelevant discovery on Google, in the face of an initial re-examination ruling essentially invalidating its asserted patents. *Cf. Speedtrack, Inc. v. Wal-Mart.Com USA, LLC*, 2009 WL 281932 (N.D. Cal. Feb. 5, 2009) (where the court granted the motion to stay, but noted that it would entertain a motion for limited discovery should an inventor experience health issues, which is not the case here, and where the court ***did not*** order any broad, accelerated discovery); *Computerized Screening, Inc. v Lifeclinic Int’l, Inc.*, 2010 WL 3257679, at *3-4 (D. Nev. Aug. 16, 2010) (the court permitted both sides to conduct discovery where the defendant had engaged in “a history of using delay tactics,” but on a normal schedule—not the one-sided, highly-prejudicial accelerated discovery that One Number, who is in fact responsible for any delay in this litigation, seeks to impose upon Google here); *Procter & Gamble Co. v. Kraft Foods Global, Inc.*, 2008 WL 3833576, at *2 (N.D. Cal. Aug. 15, 2008) (the court allowed limited deposition discovery concerning “background matters” that are “particularly at risk for diminishing recollections” such as information “relating

to the drafting of the patents” and relevant products; here, One Number has not made a claim that, *e.g.*, its inventors may have diminished recollection, and the *Procter & Gamble* Court certainly did not order the ***accelerated, one-sided discovery*** sought by One Number here); *Seaquist Closures LLC v. Rexam Plastics*, 2009 WL 1615521 (E.D. Wis. June 9, 2009) (the Court’s opinion mentions that a stay was requested ***before*** the PTO granted reexamination—unlike here, where reexamination has ***already*** granted—and that some discovery was permitted; there is no discussion of what discovery was permitted or why).²

As discussed above, forcing Google to respond to One Number’s broad discovery requests in a mere 14 days would impose an undue and expensive burden on Google. This is exactly the type of wasteful, prejudicial and unwarranted discovery that courts have rejected. *See, e.g., Gibson Guitar*, 2008 U.S. Dist. LEXIS 60811, at *21-22 (granting defendants’ motion to stay the litigation in its entirety pending the PTO’s reexamination of the patents-in-suit “in order to conserve judicial resources and void replication or duplication of effort” and rejecting plaintiff’s request for a “partial stay that would permit it to conduct some limited discovery on the questions of the prior art and damages,” finding that such a request “is unwarranted and unsupported by the law.”).

² One Number’s other cases all involved *reissue* proceedings that were filed by a patentee seeking further PTO review of its patent(s)—not *inter partes* reexaminations filed by an accused party—as well as very different circumstances from the present case. *See PIC Inc. v. Prescon Corp.*, 485 F. Supp. 1302, 1310 (D. Del. 1980) (citing *Rohm and Haas Co. v. Mobil Oil Corp.*, 462 F. Supp. 732 (D. Del. 1978) and *Sauder Industries, Inc. v. Carborundum Co.*, 201 U.S.P.Q. 240 (N.D. Ohio 1978)), all cited by One Number at Pl. Mem. (Dkt. 31) at 5.

E. One Number Is Not Seeking To Level The Playing Field; It Is Seeking An Improper Tactical Advantage To Google's Severe Prejudice.

It is also important for the Court to understand that One Number is *not* seeking to level the playing field, as it suggests. The PTO's reexamination procedures have already placed both parties at equal footing and are designed to proceed without discovery from either Google or One Number. 37 C.F.R. § 1.902 *et seq.*³ One Number is instead seeking to grossly tip the field to its tactical advantage by imposing substantial costs and burdens on Google to respond to broad, one-sided discovery on a very short schedule.

One Number claims that a lack of discovery somehow gives 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." Pl. Mem. (Dkt. 31) at 9. This assertion incorrectly presumes that One Number is somehow entitled to take discovery as part of an *inter partes* reexamination of its patents-in-suit. As noted, there is no such right. The bases for the PTO's determinations are patents or printed publications, which are public and equally available to all parties. 37 C.F.R. § 1.906(a). The references submitted by Google either invalidate the One Number patents based on the disclosures within their four corners or they do not. Nothing can be "withheld" or "hidden" to One Number's disadvantage.

One Number further asserts that it "believes Google possesses materially relevant evidence that supports the novelty and validity of the Patents-In-Suit," Pl. Mem. at 7, and the "limited written discovery ... goes to the heart of the issues presented in these related reexamination proceedings" Pl. Mem. at 9. One Number's speculation is not only

³ One Number speculates about documents in Google's possession, but it bears remembering that One Number may well have information in its possession that demonstrates that the patents are invalid or unenforceable, but that evidence is *not* part of the reexamination and is not a basis for the PTO's rejections.

baseless and unsupported by evidence, it is also incorrect. Nothing regarding Google's or GrandCentral's systems has been submitted, and nothing is expected or required to be submitted to the PTO. Again, the only prior art bases for reexamination are "patents or printed publications." 37 C.F.R. § 1.906(a).

One Number also makes much of Google's marketing and advertising of Google Voice as "innovative." *E.g.*, Pl. Mem. at 10. Again, One Number's assertion is without merit. Google's characterization of *Google's own* commercial product to potential consumers is completely unrelated to *One Number's* patents or any alleged patentable subject matter. Otherwise, every patentee could use a statement by another company in advertising its product as somehow indicative of that patentee's innovations.

III. CONCLUSION

One Number's motion for leave to seek expedited discovery should be denied. The discovery sought is not relevant to any issue pending in the reexamination before the PTO. Moreover, allowing One Number to take one-sided discovery would unfairly prejudice Google, causing it great expense and providing a tactical advantage to One Number.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

Notice of this filing will be sent to the following counsel of record by operation of the Court's electronic filing system on November 23, 2010. Parties may access this filing through the Court's system.

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