

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FIRST DATA CORPORATION,
Petitioner,

v.

CARDSOFT (ASSIGNMENT FOR THE
BENEFIT OF CREDITORS), LLC,
Patent Owner.

Case IPR2014-00720
Patent 7,302,683 B2

Before SALLY C. MEDLEY, MEREDITH C. PETRAVICK,
and JAMES P. CALVE, *Administrative Patent Judges*.

CALVE, *Administrative Patent Judge*.

ORDER
Motion to Seal Under 37 C.F.R. § 42.54

INTRODUCTION

On April 30, 2014, First Data Corporation (“Petitioner”) filed a Petition for *inter partes* review (Paper 1) and accompanying exhibits 1001–1013. Concurrent with filing the Petition, Petitioner filed Petitioner’s Motion to Seal (“Motion”) (Paper 3), a redacted Master Engagement Agreement (“Agreement”) between First Data Merchant Services Corporation and VeriFone, Inc. (“VeriFone”), and a Letter Addendum (“Addendum”) to the Agreement. Motion 2, 3. Petitioner filed the Agreement and Addendum as Exhibit 1011 to the Petition and requested entry of a default protective order in the Office Patent Trial Practice Guide. *Id.* 4.

DISCUSSION

There is a strong public policy for making all information filed in a quasi-judicial administrative proceeding open to the public, especially in an *inter partes* review, which determines the patentability of claims in an issued patent, and, therefore, affects the rights of the public. Under 35 U.S.C. § 316(a)(1), the file of any proceeding shall be made available to the public, except that any petition or document filed with the intent that it be sealed shall, if accompanied by a motion to seal, be treated as sealed pending the outcome of the motion.

Similarly, 37 C.F.R. § 42.14 provides:

The record of a proceeding, including documents and things, shall be made available to the public, except as otherwise ordered. A party intending a document or thing to be sealed shall file a motion to seal concurrent with the filing of the document or thing to be sealed. The document or thing shall be provisionally sealed on receipt of the motion and remain so pending the outcome of the decision on the motion.

It is, however, only “confidential information” that is protected from disclosure. 35 U.S.C. § 316(a)(7)(“The Director shall prescribe regulations -- . . . providing for protective orders governing the exchange and submission of

confidential information”). In that regard, the Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,760 (Aug. 14, 2012) provides:

The rules aim to strike a balance between the public’s interest in maintaining a complete and understandable file history and the parties’ interest in protecting truly sensitive information.

* * *

Confidential Information: The rules identify confidential information in a manner consistent with Federal Rule of Civil Procedure 26(c)(1)(G), which provides for protective orders for trade secret or other confidential research, development, or commercial information. § 42.54.

The standard for granting a motion to seal is “good cause.” 37 C.F.R. § 42.54. Petitioner, as the moving party, has the burden of proof in showing entitlement to the requested relief. 37 C.F.R. § 42.20(c). Petitioner must show that information sought to be sealed constitutes confidential information. A motion to seal confidential information that is filed with a petition is required to include a proposed protective order or a request to enter the default protective order set forth in the Office Patent Trial Practice Guide. 37 C.F.R. § 42.55.

Upon consideration of Petitioner’s Motion to Seal, we determine that Petitioner has not shown good cause for granting the Motion to Seal.

Petitioner argues that the Agreement and Addendum contain confidential business information of Petitioner and VeriFone regarding the type of agreement they entered into for relevant products, and the particular terms of the agreement. Motion 3. Petitioner contends that “[d]isclosure of such terms *could* prejudice them in future negotiations on similar agreements, and would provide competitors with confidential business information.” Motion 3–4 (emphasis added). These arguments are not persuasive for the following reasons.

Petitioner submitted a copy of the Agreement that is redacted except for an introductory portion at the top of page one and part of Section 6, which relates to Indemnification. Ex. 1011, 3. The unredacted portion of Section 6 sets forth VeriFone's obligation to indemnify First Data Merchant Services Corporation and its affiliates and agents for claims relating to VeriFone "Intellectual Property or Products." *Id.* at 7–8. The unredacted part of the Agreement and Addendum do not identify intellectual property or products of VeriFone. *Id.* Nor has Petitioner explained how disclosure of the Agreement and Addendum would prejudice Petitioner or VeriFone in future business transactions. Petitioner asserts only that disclosure *could* prejudice the parties. Motion 3–4. Moreover, in our Decision Denying Institution, filed concurrently herewith, we rely on Exhibit 1011 in making our determination that VeriFone is a real party-in-interest. Here, we determine that the public's interest in maintaining a complete and understandable file history outweighs Petitioner's interest in protecting what it perceives, but has not shown to be, confidential information. Based on the evidence of record before us, Petitioner has not shown good cause to seal the redacted Agreement or the Addendum.

ORDER

In view of the foregoing, it is therefore,
ORDERED Petitioner's motion to seal Exhibit 1011 is denied.

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