

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SCHOTT GEMTRON CORPORATION,  
Petitioner,

v.

SSW HOLDING COMPANY, INC.,  
Patent Owner.

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Case IPR2013-00358  
Patent 8,286,561 B2

Before JUSTIN T. ARBES, PHILIP J. HOFFMANN, and  
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

ARBES, *Administrative Patent Judge*.

ORDER  
Conduct of the Proceeding  
*37 C.F.R. § 42.5*

A conference call in the above proceeding was held on June 3, 2014, among respective counsel for Petitioner and Patent Owner, and Judges Arbes, Hoffmann, and Braden, to discuss (1) various pending motions in the proceeding, (2) the upcoming hearing, and (3) a request by Patent Owner for authorization to file a motion to submit supplemental information. We address each issue herein, and resolve the pending motions.

*Motions to Seal (Papers 82, 88, 92, and 96)*

On May 16, 2014, we granted Patent Owner's motion to seal certain portions of the deposition transcripts of two of Patent Owner's witnesses, Bradley M. Nall and John P. Driver, and entered Patent Owner's proposed protective order. Paper 76. The parties subsequently filed an executed version of the protective order as Exhibit 2068.

Also, on May 16, 2014, we granted Petitioner's motion for additional discovery of a document upon which Mr. Nall relied to prepare sales projections in support of Patent Owner's assertions of commercial success as a secondary consideration of nonobviousness. Paper 78. Patent Owner then produced the document, along with another related document, to Petitioner as "Highly Confidential" information under the terms of the protective order. Petitioner filed both documents with its motion to exclude (Paper 86) as Exhibits 2069 and 2073. Petitioner filed the documents in the Patent Review Processing System (PRPS) as "Board Only," and explained during the call that it did so because one of Petitioner's attorneys registered in PRPS, Oliver Zitzmann, is an in-house attorney for Petitioner precluded from viewing the documents under the protective order. Patent Owner stated during the call

that it had a copy of the documents and did not object to them being filed as “Board Only.”

Four motions to seal are pending in this proceeding:

*Paper 82:* Patent Owner moves to seal certain portions of Petitioner’s Reply to Patent Owner’s Response (Paper 62, unredacted) (Paper 63, redacted). Patent Owner contends that the Reply cites cross-examination testimony of Mr. Nall (Exhibit 2063) that we previously ordered to be conditionally sealed. *See Paper 76.* During the call, Petitioner stated that it believed the materials should not be sealed and would rely on its previous arguments regarding the original motion to seal, but did not intend to file a separate opposition directed to the Reply. *See Paper 73.*

*Paper 88:* Petitioner moves to seal certain portions of its motion to exclude (Paper 86, unredacted) (Paper 87, redacted), and Exhibits 2069 and 2073. Petitioner argues that Exhibits 2069 and 2073 have been designated by Patent Owner as “Highly Confidential” and that the motion to exclude references those documents. Petitioner states that “[t]he parties have agreed that the Board should seal conditionally Exhibits 2069 and 2073 and that, to the extent the Board desires to unseal the documents (*e.g.*, it substantively relies on them in its final written decision), Patent Owner would also like the opportunity to redact those portions on which the Board does not rely.” Paper 88 at 1.

*Paper 92:* Patent Owner moves to seal certain portions of its opposition (Paper 90, unredacted) (Paper 91, redacted) to Petitioner’s motion to exclude. Patent Owner argues that the opposition references “Highly Confidential” Exhibits 2069 and 2073. Patent Owner contends that the documents have not been made public, and

Patent Owner considers this information to be highly confidential. The public's interest in having access to this information for the purposes of the patentability of the challenged claims in this proceeding is far outweighed by the prejudicial effect that such disclosure would have on Patent Owner. Broad unprotected disclosure of this information would provide the Petitioner and the public at-large with direct insight into Patent Owner's closely held strategic business considerations and legal positions. Such access would severely hinder Patent Owner's ability to fairly compete in the market and participate in arm's length settlement negotiations with Petitioner.

Paper 92 at 2.

*Paper 96:* Petitioner moves to seal certain portions of its reply (Paper 94, unredacted) (Paper 95, redacted) to Patent Owner's opposition to the motion to exclude. Petitioner argues that the reply references Exhibits 2069 and 2073.

There is a strong public policy in favor of making information filed in an *inter partes* review open to the public, especially because the proceeding 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) and 37 C.F.R. § 42.14, the default rule is that all papers filed in an *inter partes* review are open and available for access by the public; a party, however, may file a concurrent motion to seal and the information at issue is sealed pending the outcome of the motion. It is, however, only "confidential information" that is protected from disclosure. 35 U.S.C. § 316(a)(7). 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 “for good cause.”

37 C.F.R. § 42.54(a). The party moving to seal bears the burden of proof in showing entitlement to the requested relief, and must explain why the information sought to be sealed constitutes confidential information.

37 C.F.R. § 42.20(c).

Upon review of the parties' papers, we are persuaded that good cause exists to have the requested materials remain under seal. Petitioner's Reply to Patent Owner's Response cites certain cross-examination testimony that already has been conditionally sealed. *See* Paper 76. We agree that the material in the Reply also should be conditionally sealed for the reasons previously stated. As to Exhibits 2069 and 2073, we agree with Patent Owner that the documents contain, at least in part, confidential information pertaining to Patent Owner's business, and that the documents should continue to be treated as “Highly Confidential” information under the terms of the protective order. The redacted portions of the papers referencing the two documents include the same confidential information, and are narrowly tailored to redact only confidential information.

The motions to seal will be conditionally granted for the duration of this proceeding. If the final written decision substantively relies on any

information in a sealed document, the document will be unsealed by an Order of the Board. If any sealed document contains no information substantively relied on in the final written decision, the document may be expunged from the record by an Order of the Board.

Finally, regarding Patent Owner's request that it be allowed to provide redacted copies of Exhibits 2069 and 2073 if the exhibits are substantively relied on in the final written decision in this proceeding, we conclude that the request is premature, because we have not yet made that determination. We will take into account Patent Owner's request, and Patent Owner's arguments regarding the confidential nature of the documents, in preparing the final written decision.

*Patent Owner's Motion to Expunge (Paper 83)*

In our decision granting the motion for additional discovery, we identified a number of materials that the parties filed under seal without an accompanying motion to seal. Paper 78 at 6. Patent Owner moves to expunge from the record some of those materials, specifically: (1) the unredacted version of Petitioner's motion for additional discovery (Paper 65); (2) the unredacted version of Patent Owner's opposition to the motion for additional discovery (Paper 70); (3) Petitioner's request for additional discovery (Exhibit 1021); and (4) email correspondence between counsel (Exhibit 1022). Paper 83 at 1. Petitioner agrees that the materials should be expunged. *Id.*

During the call, the parties explained that the materials were not necessary to the decision granting the motion for additional discovery, Patent Owner has produced the document as ordered, and there is no longer

any dispute regarding the requested discovery. The parties also agreed that the materials will not be necessary for any appeal in this proceeding. In light of the parties' explanation, we are persuaded that expunging the materials is appropriate under the circumstances.

### *Hearing*

We explained during the call that, although certain materials have been sealed in this proceeding, the parties are capable of presenting their arguments at the upcoming hearing without discussing confidential information. The hearing, therefore, will be open to the public for in-person attendance. Additional information about procedures for the hearing can be found in the Trial Hearing Order (Paper 93).

### *Motion to Submit Supplemental Information*

During the call, Patent Owner requested authorization to file, as supplemental information under 37 C.F.R. § 42.123(a), signed copies of the documents filed as Exhibits 2069 and 2073. Patent Owner stated that the new copies only recently became available. Patent Owner also stated that it was not requesting additional briefing regarding the documents—only that they be added to the record. Petitioner opposed Patent Owner's request. We took the matter under advisement.

After considering the parties' arguments, we are not persuaded that a motion to submit supplemental information is warranted. The primary basis on which we ordered the original document to be produced is that Mr. Nall relied on information in the document to prepare sales projections in support of Patent Owner's assertions of commercial success. *See* Paper 78 at 3–5.

It is undisputed that Mr. Nall did not rely on the later, signed copies that Patent Owner now seeks to submit as supplemental information. Thus, the asserted relevance of the original documents does not apply to the later copies. We also are not persuaded that it would be appropriate to supplement the record at this stage, particularly when there would not be any substantive briefing from the parties on the new documents.

In consideration of the foregoing, it is hereby:

ORDERED that the parties' motions to seal (Papers 82, 88, 92, and 96) are *conditionally granted*;

FURTHER ORDERED that Paper 62 shall remain under seal in its entirety as "Parties and Board Only," and will be kept under seal unless and until we refer to material in Paper 62 or Exhibit 2063 in a final written decision;

FURTHER ORDERED that Papers 86, 90, and 94, and Exhibits 2069 and 2073, shall remain under seal in their entirety as "Board Only," and will be kept under seal unless and until we refer to material in the papers or exhibits in a final written decision;

FURTHER ORDERED that redacted Papers 63, 87, 91, and 95 are entered;

FURTHER ORDERED that Patent Owner's motion to expunge (Paper 83) is *granted*;

FURTHER ORDERED that Papers 65 and 70, and Exhibits 1021 and 1022, are expunged from the record of this proceeding; and

FURTHER ORDERED that Patent Owner is not authorized to file a motion to submit supplemental information.



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