

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GREENE'S ENERGY GROUP, LLC, INC.
Petitioner

v.

OIL STATES ENERGY SERVICES, LLC,
Patent Owner

Case IPR2014-00216
Patent 6,179,053 B1

SCOTT E. KAMHOLZ, *Administrative Patent Judge.*

DECISION
On Patent Owner's Motion to Seal
37 C.F.R. § 42.5

Patent Owner filed a motion to seal certain evidence. Paper 22 (“Mot.”). Patent Owner offers the evidence sought to be sealed in support of its Motion to Amend. *Id.* at 2. In its motion, Patent Owner also proposes the entry of a protective order (Exhibit 2032) that differs from the default protective order in that it seeks to create a special class of confidential information marked “PROTECTIVE ORDER MATERIAL—ATTORNEY’S EYES ONLY.”¹ *Id.* With regard to the opposing party, the “Attorney’s Eyes Only” information would be made available only to the opposing party’s outside counsel and experts, not to the opposing party itself, party representatives other than outside counsel, in-house counsel, or other employees or consultants of the opposing party. Ex. 2033, 3-5. The “Attorney’s Eyes Only” information would also be made available to certain employees and representatives of the U.S. Patent and Trademark Office, and to certain support personnel. *Id.* at 4-5. Petitioner does not contest Patent Owner’s designation of information as confidential information, but argues that any such information should be subject to the standard protections of the default protective order only, not to the heightened protections Patent Owner proposes for the “Attorney’s Eyes Only” information. Paper 26 (“Opp.”), 1.

Patent Owner has designated as “confidential information” subject to standard protections portions of its Motion to Amend (Paper 23) and portions of the declaration of Thomas W. Britven with attachments (Exhibit 2018), Mot. 7-8. Patent Owner has submitted a redacted version of Exhibit 2018 (also numbered 2018), as well as a redacted version of the

¹ A mark-up comparison between the proposed protective order and the default protective order was filed as Exhibit 2033.

Motion to Amend (as Paper 21). Patent Owner argues that good cause exists to seal the material redacted, because it contains “confidential financial information.” Mot. 7-8. Petitioner does not contest Patent Owner’s request to maintain the material redacted from Exhibit 2018, and its attachments, as confidential information. Paper 26 (“Opp.”) 1.

Patent Owner also has submitted four exhibits with the “Attorney’s Eyes Only” designation: Exhibits 2024 and 2025, which are described as containing Patent Owner’s sales data for certain products, Exhibit 2026, which is described as containing Patent Owner’s tool count data, and Exhibit 2027, which is described as containing yearly financial data. Paper 25, 3 (Patent Owner’s list of exhibits as of Aug. 28, 2014). Patent Owner contends that these exhibits contain “highly confidential financial information” (Mot. 10), disclosure of which to Petitioner’s in-house counsel and employees would cause “significant harm” to Patent Owner. Mot. 5. Patent Owner represents that the “highly confidential” information presented in Exhibits 2024-2027 has been presented in “aggregate” and “summarized” form in certain attachments to Exhibit 2018. *Id.* at 8-9. The relevant attachments to Exhibit 2018 have been submitted as “confidential information” but not with the “Attorney’s Eyes Only” designation. *Id.* at 7-8. Patent Owner represents that the information in Exhibits 2024-2027 is of a type that has been made available to Petitioner only under similar “Attorney’s Eyes Only” conditions in related district court litigation. Mot. 5.

Petitioner does not contest Patent Owner’s designation of the contents of Exhibits 2024-2027 as confidential information, but it argues that this material should be subject to the standard protections only, not to the

heightened protections Patent Owner proposes for the “Attorney’s Eyes Only” information. Opp. 1. Petitioner represents that its in-house counsel is not involved in competitive decision-making and is not in a position to harm Patent Owner by having access to the information in question. Opp. 3. Petitioner argues that its in-house counsel must have access to the “Attorney’s Eyes Only” information in order to formulate its opposition to Patent Owner’s Motion to Amend. *Id.* at 3-4.

The record for an *inter partes* review shall be made available to the public, except as otherwise ordered, and a document filed with a motion to seal shall be treated as sealed until the motion is decided. 35 U.S.C. § 316(a)(1); 37 C.F.R. § 42.14. The standard for granting a motion to seal is “good cause.” 37 C.F.R. § 42.54. There is a strong public policy that favors making information filed in *inter partes* review proceedings open to the public. *See Garmin International v. Cuozzo Speed Technologies, LLC*, Case IPR2012-00001, slip op. at 1-2 (PTAB March 14, 2013) (Paper 34) (discussing the standards of the Board applied to motions to seal). *Id.* at 1-2. The moving party bears the burden of showing that the relief requested should be granted. 37 C.F.R. § 42.20(c). That includes showing that the information is truly confidential, and that such confidentiality outweighs the strong public interest in having an open record. In addition, a motion to seal is required to include a certification that the moving party has, in good faith, conferred, or attempted to confer, with the opposing party in an effort to come to an agreement on the scope of the protection sought. *See Garmin*, Paper 34 at 3.

Upon consideration of the parties' arguments, the proposed protective order, and the information sought to be redacted, Patent Owner's motion is granted.

Petitioner does not contest Patent Owner's request to treat portions of Exhibit 2018 and its attachments as confidential information subject to the standard protections of the default protective order. Patent Owner has shown that the material sought to be redacted is, or at least appears on its face to be, confidential financial information. Patent Owner's proposed redactions are reasonable and are limited strictly to isolated passages consisting entirely of confidential information, such that the thrust of the underlying argument or evidence is clearly discernable from the redacted versions.

As to Exhibits 2024-2027, Patent Owner bears the burden of establishing its entitlement to the relief it requests, i.e., heightened restrictions on access. *See* 37 C.F.R. § 42.20(c).

The purpose of a protective order is to prevent inadvertent compromise of confidential information. *In re Deutsche Bank Trust Co. Americas*, 605 F.3d 1373, 1378 (Fed. Cir. 2010). Access to confidential information by in-house counsel cannot be denied simply on the basis of counsel's in-house status. *U.S. Steel Corp. v. United States*, 730 F.2d 1465, 1469 (Fed. Cir. 1984). A party's legitimate interest in ensuring that its information be protected should be weighed against the opposing party's interest in obtaining access to the information by its in-house counsel. *Autotech Technologies Ltd. P'ship v. Automationdirect.com, Inc.*, 237 F.R.D. 405, 408 (N.D. Ill. 2006). This balancing requires a "careful and

comprehensive inquiry” into the actual role in-house counsel plays in the company’s business. *Id.*

The parties have provided little evidence to illuminate the role that Petitioner’s in-house counsel plays in Petitioner’s business. Patent Owner offers no credible evidence as to which particular lawyers or other employees of Petitioner are to be excluded from access to the information in Exhibits 2024-2027. In response, Petitioner offers nothing but an unsubstantiated representation that in-house counsel is not involved in competitive decision-making. Thus other factors must be considered in reaching a determination.

No reason has been raised to doubt either Patent Owner’s assertion that the information in Exhibits 2024-2027 is of a particularly sensitive nature, or Petitioner’s assertion that its in-house counsel is not engaged in “competitive decision-making” for Petitioner.² Patent Owner acknowledges the risk it runs that the information in Exhibits 2024-2027 will be made public if relied upon in the final written decision for this proceeding. *See* Mot. 11. Also, the information in question is relied upon by Patent Owner only to the extent it provides the factual basis for some of the conclusions reached by Mr. Britven. Under the proposed protective order, Petitioner would be able to conduct cross-examination of Mr. Britven with outside counsel, and it also would be able to retain an expert who would also have

² “Competitive decision-making” has been defined as “[S]horthand for a counsel’s activities, association, and relationship with a client that are such as to involve counsel’s advice and participation in any or all of the client’s decisions (pricing, product design, etc.) made in light of similar or corresponding information about a competitor. *Deutsche Bank*, 605 F.3d at 1378 (citing *U.S. Steel*, 730 F.2d at 1468 n.3.)

access to the information in Exhibits 2024-2027 in order to address Mr. Britven's declaration.

Under the particular circumstances of the case, identified above, Patent Owner's interest in avoiding inadvertent disclosure of the information outweighs Petitioner's need to have its in-house counsel review it. Patent Owner has put this information into hazard and accepts the risk of its publication if relied upon in the final written decision. Petitioner will have a full opportunity to make use of the information in the same manner as has Patent Owner during this proceeding: as factual basis for an expert declaration. Especially in view of the particular sensitivity of the information and its limited role in this proceeding, Patent Owner has demonstrated its entitlement to the proposed protective order.

The designation of Exhibits 2024-2027 as "Attorney's Eyes Only" is approved. The parties must obtain authorization from the Board before designating any other papers or exhibits "Attorney's Eyes Only" during this proceeding.

Accordingly, it is hereby

ORDERED that Patent Owner's Motion to Seal is *granted* ;

FURTHER ORDERED that the proposed protective order, submitted as Exhibit 2032, is entered, and governs the treatment and filing of confidential information in this proceeding;

FURTHER ORDERED that Patent Owner's designation of Exhibits 2024-2027 as "Attorney's Eyes Only" is approved; and

FURTHER ORDERED that the parties must obtain authorization from the Board before designating any other papers or exhibits "Attorney's Eyes Only" during this proceeding.

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