

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PALO ALTO NETWORKS, INC.,
Petitioner,

v.

FINJAN, INC.,
Patent Owner.

Case IPR2016-00149
Case IPR2016-00150
Patent 6,965,968 B1¹

Before JAMES B. ARPIN, ZHENYU YANG, and
CHARLES J. BOUDREAU, *Administrative Patent Judges*.

ARPIN, *Administrative Patent Judge*.

DECISION
Motions to Seal
37 C.F.R. §§ 42.14 and 42.54

¹ This Decision applies to each of the listed cases. We exercise our discretion to issue one Decision to be docketed in each case. The parties are not authorized to use a multiple case caption.

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Patent Owner has filed a Motion to Seal Exhibits 1003 and 2003 in each of the captioned cases under 37 C.F.R. §§ 42.14 and 42.54. IPR2016-00149, Paper 8; IPR2016-00150, Paper 8 (“Motions”).² Petitioner opposes the Motions. IPR2016-00149, Paper 10; IPR2016-00150, Paper 10 (“Oppositions”). For the reasons that follow, the Motions are *denied*.

DISCUSSION

The facts relevant to our decision of these Motions are not in dispute. Exhibits 1003, which Patent Owner seeks to have sealed, were submitted by Petitioner with the Petitions in these proceedings on November 5, 2015. Patent Owner’s Motions were filed over three months later, on February 17, 2016. Each of Exhibits 1003 is a claim chart applying claim 33 of the ’968 patent involved in these proceedings to Petitioner’s commercial products. Exhibits 1003 are labeled “Confidential” (Ex. 1003), and Patent Owner contends that they are subject to Federal Rule of Evidence (“FRE”) 408. Exhibits 2003 are copies of an e-mail communication transmitting the claim chart reproduced in Exhibits 1003 from Patent Owner to Petitioner. Exhibits 2003 also are labeled “Confidential” (Ex. 2003), and Patent Owner contends that they are subject to FRE 408.

Neither party disputes that the claim chart in Exhibits 1003 was sent to Petitioner by Patent Owner, as part of an exchange of communications in which Patent Owner attempted to engage Petitioner in a negotiation concerning the challenged ’968 patent. *See* Motions 2–3; Oppositions 2–3. Patent Owner contends that, as a result, Exhibits 1003 and 2003 are

² Paper numbers, exhibits, and pages referenced are the same for both IPR2016-00149 and IPR2016-00150. Identical papers were filed in each of the two proceedings.

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inadmissible in these proceedings under FRE 408. Motions 3–4. FRE 408 provides in pertinent part:

Evidence of the following is not admissible --on behalf of any party--either to prove or disprove the validity or amount of a disputed claim or to impeach by a prior inconsistent statement or a contradiction:

. . . .

(2) conduct or a statement made during compromise negotiations about the claim

Patent Owner also contends that Exhibits 1003 and 2003 contain “confidential business information” that has not been disclosed to any other party or used in litigation or other proceedings. Motions 3.

Petitioner argues that Exhibits 1003 and 2003 contain information regarding patents and products that has not been shown to be confidential. Oppositions 3–4. Petitioner asserts that the Exhibits were “freely sent . . . to Petitioner without any obligation of secrecy,” and consequently, Petitioner was under no obligation to keep it confidential. *Id.* at 4–5. Petitioner further argues that Patent Owner’s argument and supporting authorities are focused on admissibility, not confidentiality. *Id.* at 3–4. In addition, Petitioner argues that Patent Owner’s delay in raising its claim of confidentiality has made its request for sealing moot, in that Exhibits 1003 were available to the public between November 5, 2015, and March 9, 2016, when we designated, *sua sponte*, Exhibits 1003 for “Board and Parties Only” in the Patent Review Processing System (“PRPS”), pending our decision on the Motions. *See id.* at 4.

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We agree with Petitioner that the issue, at this stage at least, is not the *admissibility* of Exhibits 1003 and 2003 under FRE 408. Instead, the issue here is whether Patent Owner has made a sufficient showing of *confidentiality* to warrant sealing the Exhibits. 37 C.F.R. § 42.20(c); *see Corning Optical Comm. RF, LLC v. PPC Broadband, Inc.*, Case IPR2014-00736, slip op. 2–3 (PTAB Apr. 6, 2015) (Paper 37).

We determine that Patent Owner has not carried its burden. Patent Owner’s claim of confidentiality is not supported by sufficient evidence. No harm or prejudice to Patent Owner from making Exhibits 1003 and 2003 available to the public is identified. Further, we are not convinced by Patent Owner’s unsupported assertion that denying their Motions “‘*could* result in significant competitive harm to the licensing parties as it would provide insight into the structure of their licensing deals, forcing them into an uneven bargaining position in future negotiations.’” Motions 4 (emphasis added, citation omitted). Patent Owner’s delay in moving to seal, which is nowhere explained in its motion, suggests otherwise.

There is a presumption that the record of our proceedings, including documents submitted as exhibits, shall be made available to the public. 37 C.F.R. § 42.14. Nowhere in Patent Owner’s Motions do we find a compelling reason to overcome this presumption.

Nevertheless, because Exhibits 2003 are cited in the Decisions Denying Institution in each case only for the purported date of e-mailing, a fact that is not in dispute, we authorize Patent Owner to file a motion to expunge Exhibit 2003 in either or both cases. Because Exhibits 2003 are

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Patent Owner's exhibits, no Petitioner opposition to any such motion to expunge is authorized.

ORDER

It is, therefore,

ORDERED that Patent Owner's Motions to Seal Exhibits 1003 and 2003 are *denied*;

FURTHER ORDERED that Patent Owner is authorized to file a motion to expunge Exhibit 2003 in each case limited to two (2) pages within thirty (30) days of the date of this Decision; and

FURTHER ORDERED that, in each case, Exhibit 2003, if not expunged, and Exhibit 1003 shall be *converted* from "Parties and Board Only" status to "Public" status in PRPS, forty-five (45) days from the date of this Decision.

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