

Protective Orders during PTAB trial proceedings other than those filed with a Petition¹

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The Board's public policy is to make available the record of a proceeding, except as otherwise ordered.³ Nevertheless, the statute⁴ provides and the rules⁵ have implemented a mechanism to seal information in PTAB proceedings. The protection of confidential information during a PTAB trial proceeding is governed in part by 37 CFR 42.54 which closely follows Federal Rule of Civil Procedure 26(c)(1). The rule is broad, allowing the Board control over the scope, method and terms of the exchange of confidential information. When a party seeks to limit or preclude public disclosure of confidential information, the party may submit a motion to seal along with a protective order.⁶ A document filed with a motion to seal is treated as sealed until the motion is decided.⁷ The standard for granting a motion to seal is good cause.⁸ Upon a showing of good cause, the Board may, for example, limit the scope of discovery, specify the time and place for discovery or limit the persons who may be present while discovery is conducted.

The Board has the authority to enforce the terms of the Protective Order, to provide remedies for its breach, and to impose sanctions for violations of its terms.⁹

Purpose of the Protective Order

The protective order governs the protection of confidential information contained in documents, discovery or testimony exchanged or filed with the Board.¹⁰

Consistent with USPTO's statutory responsibility of disseminating to the public information with respect to patents and trademarks¹¹, the USPTO Director is tasked under 35 USC 316(a)(1) with prescribing regulations providing that the file of PTAB proceedings be made available to the public.¹²

Parties submitting confidential information in a PTAB proceeding should be aware that even confidential information that is subject to a compliant protective order ordinarily becomes public 45 days after denial of a petition to institute a trial or 45 days after final judgment in a trial.¹³ A party seeking to maintain the confidentiality of submitted information beyond such 45 days may, however, file a motion to expunge the information from the record prior to the information becoming public.¹⁴ Should a motion to expunge be pending as the 45 days deadline approaches, the moving party should immediately bring this to the attention of the Board and seek to expedite the motion or to notice the public that access to one or more papers will be delayed.¹⁵ The burden to ensure continued protection of a party's confidential information lies with that party.

The statutory framework balances the strong public interest in maintaining a complete and understandable file history for public notice purposes with the needs of the parties to protect confidential information.¹⁶ Consistent with the public policy interest, there is an expectation that information will be made public where the existence of the information is referred to in a decision to grant or deny, in a request to institute a review, or is identified in a final written decision following a trial.¹⁷ Therefore, rule 42.56 encourages parties to redact sensitive information rather than seeking to seal entire documents.¹⁸

The Board has stated there is a strong public policy for making all information filed in a quasi-judicial administrative proceeding, which determines the patentability of claims in an issued patent and therefore affects the right of the public.¹⁹

Content of the Protective Order

The Board encourages the parties to negotiate a protective order that sets up mutually agreed terms on the contents of a protective order. The Board lists the terms that shall be included in a protective order: (1) what is designated as confidential information; (2) who is entitled to access the confidential information; (3) how should confidential information be protected by the recipient party; (4) how to treat confidential information in documents and information filed with the Board and exchanged between the parties; (5) how is confidential information designated and treated in a testimony; (6) allowance for additional terms and conditions included by the Board, at its discretion; and (7) requirement of acknowledgment for the recipient of the confidential information.²⁰

If the parties fail to agree on the terms of a protective order, the default protective order contained in Appendix B of the Office Patent Trial Practice Guide is automatically entered.²¹ The Board is also willing, via a conference call, to guide the parties in reaching an agreement on a protective order.²²

The Board acknowledged that the default protective order may not contain adequate protection in more complex cases.²³ In such complex cases, or should the parties desire less protections than those contained in the default protective order, the parties are encouraged to stipulate to additional or different protective terms.²⁴

Since the Board seems to encourage the parties to promptly negotiate a protective order that fits the desired scope, protection mechanisms and access of confidential information²⁵, it would seem that it would readily adopt a modified protective order designed to closely follow protective orders in a co-pending related matter, such as a district court litigation or an ITC proceeding. After all, it would only make sense for the parties to have consistent treatment of confidential information that avoids conflicting obligations. Parties must still, however, ensure that the modified protective order complies with the Office Patent Trial Practice Guide and all other applicable laws, rules and regulations. The Board has denied a motion to seal where the accompanying protective order was merely a copy of a protective order entered by a district court in a related litigation and failed to meet the Office Patent Trial Practice Guide by, inter alia, omitting the right to USPTO employees to access the protected confidential information.²⁶

Motions to file documents under seal should provide an explanation of the contents of the proposed protective order, how the proposed protective order differs from the default protective order, and how the proposed protective order complies with the Office Patent Trial Practice Guide.²⁷ The PTAB has required the parties to file a redlined copy of a proposed protective order, showing the insertions and deletions relative to the default protective order, as a condition of entry of the proposed protective order.²⁸

The terms of a protective order take effect upon the filing of a motion to seal by a party and remain in place until lifted or modified by the Board.²⁹

Conclusion

The record of a Board proceeding, including documents, by default, is available to the public. However, a party may, upon filing a motion, containing a showing of good cause, and a proposed protective order, may prevent disclosure of confidential information.

Practitioners should seek to protect valuable confidential information in Board proceedings but should do so judiciously and should not assume motions to seal will be granted as a matter of course.

¹ Protective Orders filed with a petition are governed by 37 CFR 42.55

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<http://www.neifeld.com/cv.html>. Special thanks to Dr. Rick Neifeld for suggestions and improvements.

³ 37 CFR 42.14

⁴ 35 USC 316(a)(1)

⁵ 37 CFR Part 42

⁶ 37 CFR 42.54(a)

⁷ 37 CFR 42.14

⁸ 37 CFR 42.54(a)

⁹ Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48770 (Aug. 14, 2012)

¹⁰ *Id.*

¹¹ 35 USC 2(a)(2)

¹² 35 USC 316(a)(1)

¹³ Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48761 (Aug. 14, 2012)

¹⁴ 37 CFR 42.56

¹⁵ Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 48612, 48645.

¹⁶ Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48761 (Aug. 14, 2012)

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ Paper 34 (Decision Motion to Seal 37 C.F.R. §§ 42.14 and 42.54) in case IPR2012-00001

²⁰ Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48770 (Aug. 14, 2012)

²¹ *Id.* at 48769

²² Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 48612, 48644

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ Paper 43 (Decision CRS Motion to Seal 37 CFR 42.14) in case CBM2012-00005

²⁷ *Id.*

²⁸ Paper 29 (Order Conduct of Proceedings 37 CFR 42.05) in case IPR2013-00189 at p. 2. Also Paper 30 (Order Conduct of Proceedings 37 CFR 42.05) in case IPR2013-00185 at p. 2

²⁹ Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48770 (Aug. 14, 2012)