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Paper 23 IPR2014-00678
Paper 22 IPR2014-00687
Paper 22 IPR2014-00688
Paper 22 IPR2014-00689
Date: August 12, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PETROLEUM GEO-SERVICES INC,
Petitioner,

v.

WESTERNGECO LLC,

Patent Owner.

Cases[1]
IPR2014-00678 (Patent 6,691,038)
IPR2014-00687 (Patent 7,162,967)
IPR2014-00688 (Patent 7,080,607)
IPR2014-00689 (Patent 7,293,520)

Before BRYAN F. MOORE, SCOTT A. DANIELS,
and BEVERLY M. BUNTING, *Administrative Patent Judges.*

MOORE, *Administrative Patent Judge*.

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[1] This Order addresses issues that are the same in all four cases. Therefore, we exercise our discretion to issue one Decision to be filed in each case. The parties are not authorized to use this style heading for any subsequent papers.

ORDER SETTING NEW FILING DATES
Conduct of the Proceedings
37 C.F.R. § 42.5, 42.20, 42.106

On August, 2014, a conference call was held in the above proceedings regarding Petitioner's request to list PGS AS and other related companies as real parties-in-interest and Patent Owner's request for authorization for a motion to seal. Present on the call were counsel for the parties and Administrative Patent Judges Bryan Moore and Beverly Bunting, and a court reporter.

REAL PARTY-IN-INTEREST

During a July 27, 2014 call regarding Patent Owner's request for authorization for a motion to seal, the parties also discussed whether Petitioner could file an updated mandatory notice listing PGS AS as a real party-in-interest and what impact that would have on the proceeding. Because the Patent Owner Preliminary Responses were due to be filed on the day of the call, we exercised our discretion under 37 C.F.R. § 42.5(c) and extended the deadline for those responses by 5 business days. We also requested short email responses from both parties regarding this issue in order to expedite the process. In an email dated July 29, 2014, Petitioner responded as follows:

> We write, pursuant to the Board's Order during the July 28 teleconference, to address the procedure for Petitioner to add one or more corporate affiliates as real parties in interest. Petitioner proposes to do so by listing them in an amended mandatory notice. This amendment is intended to be prophylactic—unlike in ZOLL v. Philips, IPR2013-00609, Paper 15 (March 20, 2014), Petitioner's proposed addition would not affect any statutory bar. Allowing

Petitioner to file an updated mandatory notice is a practical way to approach this issue and one that has been previously invoked by the Board to address similar issues. See, e.g., American Express v. Metasearch, CBM 2014-00001, Paper 29 (March 20, 2014), at 3 n.2; CBS Interactive Inc. v. Helferich Patent Licensing, LLC, IPR2013-00033, Paper 60 (July 3, 2013), at 4. The authority to permit such a filing exists under 37 C.F.R. §§ 42.5(a)-(b), which collectively grant the Board "wide latitude in administering the proceedings to balance the ideal of precise rules against the need for flexibility to achieve reasonably fast, inexpensive, and fair proceedings." 77 F.R. 48,612, 48,616. In the alternative, by agreement of Petitioner, the Board can adopt the approach suggested in ZOLL by deeming the Petition incomplete for failure to name all real parties in interest: "Ordinarily, because the Petition is incomplete, the Board would give Petitioner one month from the date of this decision to correct the deficiency[.]" ZOLL, Paper 15 at 16; 37 C.F.R. § 42.106(b). As in ZOLL, the fact that a petition already has been accorded a filing date does not preclude the Board from permitting Petitioner to file corrected petitions that result in the petitions receiving a new filing date. ZOLL, Paper 15 at 16-17. Either of the approaches outlined is acceptable to Petitioner as a way to resolve this issue and advance these proceedings to the merits. Given this authority, Petitioner believes that it is unwarranted to require re-filing the petitions as new petitions.

In any of these situations, the Board has discretion in setting a new deadline for any preliminary response from Patent Owner. Pursuant to 37 C.F.R. § 42.5(c), the Board has the discretion to set any deadline it deems reasonable. As stated in § 42.5(c), the three months provided for 37 C.F.R. § 42.107(b), like any time set by rule, is simply a "default" that "may be modified by order." The Board has previously exercised its discretion to shorten the time for a preliminary response where, as here, a petition addresses the same issues and prior art as a previous petition. See Reloaded Games, Inc. v. Parallel Networks

> LLC, IPR2014-00950, Paper 9 (July 7, 2014). The Board has also shortened the time to respond where the issues raised are not sufficiently "complicated" to merit the full three months provided by default. See SAP America, Inc. v. Versata Development Group, Inc., CBM2012-00001, Paper 10 (Oct. 17, 2012) at 5-6. Here, Patent Owner has already had a full three months to prepare a response to Petitioner's arguments, the default time frame under the Rules. Patent Owner's preliminary response is already completely drafted and ready for filing, as Patent Owner indicated during the July 28 teleconference. To the extent the addition of a corporate affiliate of Petitioner could have any impact on Patent Owner's preliminary response—and Petitioner does not believe it will—Petitioner respectfully suggests that six weeks should be more than sufficient for Patent Owner to edit its already-drafted preliminary response to address it. Petitioner believes that this six-week deadline would be appropriate whether the Board grants Petitioner leave to file an amended mandatory notice, requires Petitioner to file a corrected petition, or requires Petitioner to re-file the petitions as new petitions. Setting a shortened deadline for Patent Owner's preliminary response best effectuates the purpose of the Rules, which are "to secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b). In the event that the Board does not exercise its discretion to shorten the time for Patent Owner's preliminary response to six-weeks, Petitioner reserves the right to re-file the petitions to incorporate substantive modifications.

In an email dated July 30, 2014, Patent Owner responded to Petitioner's email as follows:

> As authorized by the Board in the above captioned proceedings, Patentee responds to Petitioner's 7/29 email request seeking a clerical reset of their improper petitions. 35 U.S.C. § 312(a) is controlling here. This statute explicitly recites that "a petition filed under section

311 may be considered only if….(2) the petition identifies all real parties in interest."(emphasis added). The petitions in the above captioned proceedings do not list all RPIs. The plain language of the statute now precludes their consideration. The Board decisions relied upon by the Petitioner actually support the Patentee's position. They merely explain a procedural mechanism for removing properly named RPIs from proceedings, for settlement purposes and the like. See, e.g., American Express v. Metasearch, CBM 2014-00001, Paper 29 (March 20, 2014), at 3 n.2 (encouraging the Petitioner to file an updated mandatory notice, if necessary, when a joint motion captioned fewer than the ten real parties-in-interest identified in the Petition and Mandatory Notice); CBS Interactive Inc. v. Helferich Patent Licensing, LLC, IPR2013-00033, Paper 60 (July 3, 2013), at 4 (ordering remaining Petitioners to update the mandatory notice to reflect termination of inter partes review with respect to one of the original Petitioners due to settlement). These decision do not, and cannot, provide a mechanism for rewriting petitions that fail to include all RPIs. Neither the dicta in ZOLL v. Philips, IPR2013-00609, Paper 15 (March 20, 2014) (non-precedential) nor regulations of the agency can trump statutory requirements.

As the Board correctly pointed out on the call of 7/28, the requirement to refile these petitions triggers the default 3 month time period for Patentee's preliminary response. While it is acknowledged that the Board has discretion in setting this period, fairness dictates the full three-month time period be accorded. Patentee has worked since June (to no avail) to settle this very RPI dispute through additional discovery, dedicated pages of its current draft response to this topic, only to have the rug pulled out from under these efforts the same day the preliminary responses were due to be filed. Now, additional parties are being added that are in privity with parties outside of the 12-month window of 35 U.S.C. § 315(b). These new petitions will require significant re-work and possible discovery for a fair and adequate response. On top of all of that the Petitioner threatens to

> modify their petitions (last line of 7/29 email to Board) — gamesmanship should not be rewarded here. Patentee respectfully submits that all four of the current petitions must be denied, new petitions filed in their place, and the full three-month patentee response period accorded.

We considered these arguments and decided, as follows, in an oral order during the August 4, 2014 call. Section 42.106(b) of Title 37 of the Code of Federal Regulations provides:

> (b) Incomplete petition. Where a party files an incomplete petition, no filing date will be accorded, and the Office will dismiss the petition if the deficiency in the petition is not corrected within one month from the notice of an incomplete petition.

Thus, under Rule 42.106(b), if Petitioner files, within two business days of the call, an updated mandatory notice that PGS AS (or other affiliated party) is a real party-in-interest in one of the above entitled *inter partes* reviews ("IPRs"), the petition filed in that particular IPR will be considered an incomplete petition for failing to list a real party-in-interest. Additionally, that deficiency will be considered corrected upon the filing of the updated mandatory notice and a new filing date will be set as of the date the updated mandatory notice is filed.

Pursuant to 37 C.F.R. § 42.5(c), the Board has discretion in setting a new deadline for any preliminary response from Patent Owner. Patent Owner requested additional three months from the new filing date, which is the default amount of time. Patent Owner argued that it needed time to complete and analyze discovery from district court regarding ION Geophysical Corporation, a new potential real

party-in-interest. Petitioner argued, among other things, that discovery on that issue was complete.

Given the fact that at least one of the preliminary responses in these cases were due on July 27, 2014, the date of the conference call, it is likely that the substance of the preliminary responses was complete as of the July 27 conference call. We also note that, in the July 27 conference call, Patent Owner indicated that it intended to file a motion to seal with the preliminary responses. Patent Owner stated it intended to argue substantially the same thing that was argued in Petitioner's motion to seal. As explained below, we indicated that more detail should be added to Patent Owner's intended motion to seal. Therefore, we recognize that the Patent Owner will need to add a discussion of any new real party-in-interest and that the Patent Owner will need to add specificity to its motions to seal, which it anticipates filing with the preliminary responses.

Nonetheless, we do not believe Patent Owner needs three months to complete these tasks. In its email to the Board, the Petitioner agreed to a six week deadline and we find that deadline more than reasonable.

On August 5, 2014, Patent Owner filed updated mandatory notices in each of the above entitled cases listing Petroleum Geo-Services, PGS Geophysical AS and Petroleum Geo-Services ASA as real-parties-in-interest. Thus, as explained above, the filing date of IPR2014-00678, -687, -688, -and 689 is changed to August 5, 2014. Additionally, the Preliminary responses in these cases are due September 16, 2014, six weeks after each filing date.

MOTION TO SEAL

Petitioner filed motions to seal with its petitions in the above entitled IPRs. The parties indicated that substantially the same documents that are the subject of Petitioner's motion to seal will be at issue in Patent Owner's intended motion to seal. Patent Owner indicated it intended to argue substantially the same thing that was argued in Petitioner's motion to seal. Thus, we will discuss the substance of Petitioner's motion to seal below. We note that Petitioner's motion was filed at an early stage of the proceeding and Petitioner may not have been able to include some required details discussed below. Nonetheless, at this stage, Patent Owner should be able to provide those details. Thus, the discussion below is relevant to both parties.

The Board's standards for granting motions to seal are discussed in *Garmin International v. Cuozzo Speed Technologies, LLC*, IPR2012-00001 (Paper 34, March 14, 2013). In summary, there is a strong public policy for making all information filed in *inter partes* review proceedings open to the public. *Id*. The public has a strong interest in accessing documents or portions of document that allegedly discloses information relevant to claim construction or the support for any ground of invalidity. The standard for granting a motion to seal is "good cause." 37 C.F.R. § 42.54. The moving party bears the burden of showing that the relief requested should be granted. 37 C.F.R. § 42.20(c). This includes showing that the information is *truly confidential,* and that such *confidentiality outweighs* the strong public interest in having an open record.

Petitioner, as the moving party, has failed to carry this burden. There is no proof in the record that the information contained in the documents is confidential, only the fact that they were designated confidential in the district court proceeding. That showing is not sufficient, especially when weighed against the public's access rights to the evidence relied on by the parties. Finally, the parties should have indicated that they conferred to reach agreement on the scope of the protection, if any, that is necessary to protect confidential information. *See* 37 C.F.R. § 42.54.

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. *Garmin*, *supra* at 3. A protective order governs the treatment of confidential portions of documents, testimony, and other information designated as confidential, as well as the filing of confidential documents or discussion of such information in papers filed with the Board. The Board has the authority to enforce the terms of a protective order entered in a proceeding. Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48770 (Aug. 14, 2012).

In view of the above, it is important that the Board understand and agree to the terms of any proposed protective order filed with the Board. As such, the Board has provided a default protective order that the parties may follow. When the parties deviate from the default protective order, the party filing the proposed protective order should explain the differences between the proposed protective order and the default protective order, preferably by providing the Board with a redlined version of the proposed protective order that effects a comparison of the

terms of the proposed protective order with those of the default protective order. A protective order that deviates from the Board's default protective order must include certain terms as outlined in the Office Patent Trial Practice Guide. *Id.* ("The Protective Order shall include the following terms: . . .").

Before filing a further motion to seal, the parties are directed to meet and confer on the issues raised by this decision, particularly, whether there is a need to seal the documents, and whether additional redaction can substantially reduce or eliminate altogether the need for sealing. The motion to seal filed by Patent Owner should be a joint motion that acts as a renewed motion replacing Petitioner's original motion to seal. The renewed motion should be specific as to why each document or redacted portion of a document is confidential such that it outweighs the public interest in an open record.

We do not decide Petitioner's motion to seal at this time. We note that a document filed with a motion to seal is treated as sealed until the motion is decided. 37 C.F.R. § 42.14. Additionally, a motion to seal filed with the petition is considered granted upon institution of the trial unless otherwise ordered by the Board. 37 C.F.R. § 42.55.

It is

ORDERED that the Petitions will be granted a filing date of August 5, 2014;

FURTHER ORDERED that Patent Owner's Preliminary Response to the Petitions shall be due within six weeks from the filing dates set forth in this Decision;

FURTHER ORDERED that before filing further motions to seal, counsel for

the parties shall meet and confer (in person or by telephone) to discuss in good faith the maintenance of any confidentiality claims for the Exhibits identified in Petitioner's motion to seal. The results of this conference shall be reported to the Board with the motion;

FURTHER ORDERED that any further motions seeking entry of a protective order, other than the Board's default protective order, shall include a redlined comparison of the proposed form of protective order and the Board's default protective order;

FURTHER ORDERED that a motion to seal shall be filed with each of Patent Owner's Preliminary Responses and shall be a joint motion to seal and act as a renewed Petitioner's motion to seal.

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