UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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COMCAST CABLE COMMUNICATIONS, LLC
Petitioner

v.

PROMPTU SYSTEMS CORPORATION
Patent Owner

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Case IPR2018-00344
Patent No. 7,047,196

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PETITIONER'S MOTION TO SEAL

PATENT OWNER'S SUR-REPLY

I. INTRODUCTION

Pursuant to the Board's order dated October 4, 2018 (Paper 21) and the protective order approved by the Board (*see* Paper 17 at Appx. A), petitioner Comcast Cable Communications, LLC hereby moves to seal Patent Owner's Sur-Reply (Paper 38).

Patent Owner's Sur-Reply discloses the specific amount Comcast loaned to Patent Owner to conduct trials intended for Patent Owner to demonstrate its AgileTV product to Comcast. The specific amount of money loaned is confidential, and its public disclosure is likely to injure Comcast in future negotiations with other prospective vendors. There exists "good cause" to maintain the confidentiality of those portions of the Sur-Reply that reveal the specific dollar amount, as required by 37 C.F.R. § 42.54(a). The confidential information is not relevant to the patentability of the challenged claims and the public therefore has no interest in accessing it. Petitioner is filing with this motion a redacted version of the Sur-Reply that removes from the public record only the confidential dollar amount.

Patent Owner does not oppose Petitioner's motion to seal the Sur-Reply.

II. THE INFORMATION TO BE SEALED IS CONFIDENTIAL

The Office Patent Trial Practice Guide provides that "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." 77 Fed. Reg. 48,756, 48,760 (Aug. 14, 2012). Those 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." *Id*. (citing 37 C.F.R. §42.54). The information at issue here is confidential commercial information and has been treated as such in the related litigation and this proceeding.

The specific dollar amount cited in the Sur-Reply was disclosed in the deposition of Patent Owner's former CEO Paul Cook on page 156, lines 8-9 of the transcript. Paper 38 at 16; Cook Dep. at 156:8-9 (Ex. 1024). Pursuant to the protective order in this matter and in the related litigation, counsel for Comcast identified specific page/lines of the Cook deposition transcript (including page 156, lines 8-9) as "Confidential" in a written communication on December 3, 2018. Patent Owner has not challenged this designation pursuant to the terms of the protective order in this matter or the district court case. In addition, Comcast filed excerpts of the Cook transcript in this proceeding with access limited to the Board and Parties along with an accompanying motion to seal. The motion identified page 156, lines 8-9 as confidential information to be sealed. Patent Owner did not

oppose that motion. Thus, Comcast has taken steps necessary to maintain the confidentiality of the specific information it seeks to have sealed.

III. THERE IS "GOOD CAUSE" TO SEAL THE SUR-REPLY AND REDACT SPECIFIC PORTIONS FROM A PUBLIC VERSION

As the Board has noted in this matter: "Essential to establishing good cause for sealing is to show that a balance of the following three considerations favors sealing the material: (1) the public's interest in maintaining a complete and understandable record, (2) the harm to a party, by disclosure of the information sought to be sealed, and (3) the need of either party to rely specifically on the information at issue." Paper 21 at 3 (citing *Corning Optical Communications RF, LLC v. PPC Broadband, Inc.*, IPR2014-00440, Paper 47 at 3 (PTAB April 14, 2015)). As discussed in more detail below, the public's interest in maintaining a complete and understandable record is unaffected by the proposed redactions; Petitioner will be harmed if the information sought to be sealed, which includes confidential financial information, is disclosed; and neither party needs to rely on the specific information redacted from the public version of the Sur-Reply. Accordingly, there is good cause to seal the information Comcast seeks to redact. *See, e.g., Unified Patents Inc. v. Dragon Intellectual Property, LLC*, IPR2013-01252, Paper 40 at 7 (PTAB Feb. 27, 2015) (finding good cause to keep financial information under seal); *Activision Blizzard, Inc. v. Acceleration Bay, LLC*, 2017 WL 4118057, at *1 (PTAB Sept. 15, 2017) (finding good cause to seal information

regarding research and development efforts and licensing practices); *CaptionCall, L.L.C., et al. v. Ultratec, Inc.*, IPR2015-00636, Paper 97 at 19-20 (PTAB Sept. 7, 2016) (finding good cause to seal competitive and financial information); *Xactware Solutions, Inc. v. Eagle View Technologies, Inc.*, IPR2016-00589, IPR2016-00590, IPR2016-00591, IPR2016-00592, Paper 39 at 3 (PTAB Nov. 23, 2016) (finding good cause to seal financial data and customer surveys); *Polygroup Limited (MCO) v. Willis Electric Company, Ltd.*, 2018 WL 1308281, at *2 (PTAB March 12, 2018) (granting motion to seal because disclosure of information "could place Petitioner at a competitive disadvantage, with respect to other customers or to other competitors").

1. The Public's Interest in Maintaining a Complete and Understandable Record Is Unaffected by the Proposed Redactions to the Sur-Reply

Comcast made a loan to AgileTV (Patent Owner's former name) so that it could conduct trials intended to demonstrate the AgileTV product to Comcast. Under the terms of a License and Development Agreement ("LDA"), Comcast was granted a limited license to AgileTV's pending patent applications—it had no issued patents at the time—and several third-party patents for the purpose of evaluating the AgileTV product. LDA at 77-78 (Ex. 2022). The LDA states that the limited license was granted to Comcast "without the payment of any additional consideration by Comcast…." *Id*. at 6 (Section 1(c)). As it became clear that

Comcast would not pursue the trialed product, AgileTV re-paid the Comcast loan in full. Cook Dep. at 156:5-12.

The specific dollar amount of the loan to AgileTV is irrelevant to the patentability of the challenged claims because the loan was made in order to evaluate the AgileTV product. It was not paid to license the challenged claims (which did not yet exist). The LDA specifically states that Comcast paid no additional consideration for the limited license to AgileTV's patent applications and the third-party patents. Indeed, the LDA separately granted Comcast the option to pay a royalty for a license to the AgileTV patent applications, but Comcast declined to do so. LDA at 2-3 (Section 1(a)); *see also* Cook Dep. at 106:20-107:9, 117:12-118:7, 135:4-5. The specific loan amount certainly cannot evidence any valuation of the challenged claims because they did not yet exist when the loan was made. The '196 Patent did not issue until a year after the LDA was entered. Thus, the public will have no interest in the specific dollar amount of the loan with regard to the patentability of the challenged claims.

2. Petitioner Would Be Harmed by Disclosure of the Confidential Information

Petitioner seeks to redact only the specific portions of the Sur-Reply where disclosure is likely to cause it harm. The redactions are narrowly focused to remove from the public record only the specific dollar amount of the loan that Comcast made and that AgileTV later repaid. *See* Paper 42 at 15-16. Disclosure

of this information is likely to harm Comcast in negotiations with other third parties involving similar circumstances (e.g., instances where Comcast seeks to evaluate a third-party product). For instance, a third party in a future negotiation could attempt to hold Comcast to similar payment terms rather than different, potentially more favorable, terms.

3. Neither Party Needs to Rely Specifically on the Information Sought to Be Sealed

Neither party stated the specific dollar amount of the loan in any briefing prior to Patent Owner's Sur-Reply. Patent Owner cites the loan only in connection with its argument about secondary considerations, and it presented those arguments in Patent Owner's Response without stating the specific amount of the loan. In the Sur-Reply, Patent Owner argues that the fact it repaid the loan is irrelevant (which substantially undermines Patent Owner's reliance on the loan in the first place), but its argument does not depend on the specific amount of the loan it repaid. Thus, neither party needs to rely specifically on the information in the Sur-Reply that Petitioner seeks to have sealed.

B. In the Alternative, the Board Should Keep the Sur-Reply Sealed Pending Its Final Written Decision and Further Motion to Expunge the Confidential Information

Good cause exists to keep the Sur-Reply under seal. If, however, the Board believes that the current record is insufficient for it to fully evaluate this motion to seal, and in particular believes that the current record is insufficient for it to

evaluate the public's need to see the redacted material, Petitioner respectfully requests that the Board leave the Sur-Reply in the non-public record until after issuing its Final Written Decision, at which point Petitioner will file a motion to expunge pursuant to 37 C.F.R. § 42.56.

IV. CONCLUSION

The Sur-Reply reveals confidential and competitively sensitive information, and "good cause" exists to seal the specific portions redacted from Petitioner's Redacted Version of Patent Owner's Sur-Reply (Paper 42 at 15-16). Therefore, Petitioner respectfully requests that the Board enter an order sealing Patent Owner's Sur-Reply.

Dated: December 31, 2018

Respectfully submitted,

By: /s/ *James L. Day*
James L. Day
Registration No. 72,681

CERTIFICATE OF SERVICE

I hereby certify that on December 31, 2018, the foregoing **PETITIONER'S MOTION TO SEAL PATENT OWNER'S SUR-REPLY** and the associated **PETITIONER'S REDACTED VERSION OF PATENT OWNER'S SUR-REPLY** were served by electronic mail:

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