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Paper 28
Date: February 11, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ONE WORLD TECHNOLOGIES, INC., D/B/A TECHTRONIC INDUSTRIES POWER EQUIPMENT,
Petitioner,

v.

CHERVON (HK) LIMITED,
Patent Owner.

IPR2020-00884 (Patent 9,596,806 B2)
IPR2020-00886 (Patent 9,826,686 B2)
IPR2020-00887 (Patent 9,986,686 B2)
IPR2020-00888 (Patent 10,070,588 B2)

Before LINDA E. HORNER, BARRY L. GROSSMAN, JAMES J. MAYBERRY, and ALYSSA A. FINAMORE,
Administrative Patent Judges.[1]

MAYBERRY, *Administrative Patent Judge*.

[1] This is not an expanded panel. Each of the four listed judges are part of one or more three-judge panels assigned to the listed proceedings.

ORDER[2]
Conduct of the Proceeding
37 C.F.R. §§ 42.5, 42.20(b)

Background

On February 10, 2021, we held a conference call between the parties and Judges Horner, Mayberry, and Finamore. In the call, Petitioner, One World Technologies, Inc., d/b/a Techtronic Industries Power Equipment ("One World") requested that the Board sanction Patent Owner, Chervon (HK) Ltd. ("Chervon"), for allegedly violating the default Protective Order governing the proceedings in IPR2020-00884, IPR2020-00886, IPR2020-00887, and IPR2020-00888.

On January 29, 2021, Patent Owner filed a Patent Owner's Response in these four *inter partes* review proceedings. Paper 25.[3] Patent Owner also filed Exhibit 2029, the transcript of a deposition it conducted of Mr. Lee Sowell, and a Motion to Seal the exhibit. Paper 26. Exhibit 2029 was filed under seal and marked "Protective Order Material." A redacted version of Exhibit 2029 has not been filed.[4]

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[2] This Order addresses issues that are the same in all listed cases. We do not authorize the parties to use this style heading for any subsequent papers at this time.

[3] We cite to papers and exhibits for IPR2020-00884. Similar papers and exhibits have been filed in the other proceedings.

[4] Although Patent Owner, Chervon, filed Exhibit 2029, any confidential information contained in the transcript is that of Petitioner, One World. As such, the onus is on Petitioner to redact the confidential information from the exhibit, so that a public version of the exhibit may be included in the record of these proceedings.

The Motion to Seal states that "Petitioner and Patent Owner request entry of the Default Protective Order found in the Board's Trial Practice Guide." Paper 26, 3.

Summary of the Parties' Positions

In the call, Petitioner contended that Patent Owner violated the default Protective Order by producing Exhibit 2029 in *Chervon (HK) Limited v. One World Technologies, Inc.*, No. 1:19-cv-01293-LPS (D. Del.) ("the parallel litigation"). Petitioner argued that the default Protective Order, and, specifically, the standard acknowledgement, precludes the use of confidential information produced in an *inter partes* review proceeding in another proceeding. As a remedy, Petitioner requested that we order Patent Owner (1) to withdraw Mr. Sowell's deposition transcript from the parallel litigation, (2) to abide by the terms of the default Protective Order, and (3) to identify each person to whom access was provided to Mr. Sowell's deposition transcript.

Petitioner stated that counsel for the defendant in the parallel litigation is from the same law firm as Petitioner's counsel in these *inter partes* review proceedings, but that there is no overlap in individual attorneys. Petitioner also stated that it informed Patent Owner, informally, of the portions of Exhibit 2029 that Petitioner considered to contain confidential information, but has not provided a redacted version of Exhibit 2029.

Patent Owner responded that it produced Exhibit 2029 in response to a discovery request from Petitioner's litigation counsel in the parallel litigation. Patent Owner argued that the same law firm represents Petitioner in both the parallel litigation and the *inter partes* review proceedings. Patent

Owner also argued that the default Protective Order prohibits the *use* of confidential information and merely producing the document does not constitute a use of the information.

Petitioner replied that, by producing the exhibit in the parallel litigation, the document has become untethered from the default Protective Order. The additional individuals that received the document are not party to the default Protective Order. Also, Petitioner argued that it is unclear which individuals associated with Patent Owner's litigation counsel have access to the document and whether those individuals are party to the default Protective Order in these *inter partes* review proceedings.

Also, Petitioner argued that the default Protective Order has provisions for the return or destruction of confidential information at the end of an *inter partes* review proceeding, and this provision cannot be enforced once the material is produced in other proceedings. Petitioner also expressed concern that producing the exhibit demonstrates Patent Owner's disregard for the provisions of the default Protective Order.

Analysis

We have authority to "impose a sanction against a party for misconduct." 37 C.F.R. § 42.12. Misconduct includes, among other things, when a party "[fails] to comply with an applicable rule or order in the proceeding." 37 C.F.R. § 42.12(a)(1). In general, a motion for sanctions should address three factors: (i) whether a party has performed conduct that warrants sanctions; (ii) whether the moving party has suffered harm from that conduct; and (iii) whether the sanctions requested are proportionate to the harm suffered by the moving party. *See Square, Inc. v. Think Comput.*

Corp., CBM2014-00159, Paper 48 at 2 (PTAB Nov. 27, 2015). The imposition of sanctions, however, is not a routine event, and the bar for authorizing a motion for sanctions generally is high.

We determine, on the limited facts before us, that Petitioner has satisfied the bar for us to authorize *a motion* for sanctions. It is undisputed that Patent Owner produced in the parallel litigation an exhibit subject to the default Protective Order in these four *inter partes* review proceedings. This action, on its face, appears to be in direct conflict with the requirements of the Order. *See, e.g.*, Consolidated Trial Practice Guide 121, available at https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf (Nov. 21, 2019) ("CTPG") ("I . . . affirm that . . . I will use the confidential information only in connection with this proceeding and for no other purpose.").

Also, we determine that a party's only recourse for a possible violation of a protective order in an *inter partes* review proceeding is by an action from the Board. *See id.* ("I . . . affirm that . . . I am personally responsible for the requirements of the terms of the Protective Order and I agree to submit to the jurisdiction of the Office . . . ."). As such, we need to take steps to ensure that a party in a proceeding before the Board knows that it can rely on our rules and orders.

We also determine, based on the limited facts before us, that this issue would benefit from the Board's review of a redacted, public, version of Exhibit 2029. Petitioner shall coordinate with Patent Owner so that a redacted version of Exhibit 2029 is filed in each of these proceedings no later than when Petitioner files its motion for sanctions.

To be clear, although we authorize Petitioner to file a motion for sanctions, we make no determination, at this time, whether any sanctions are warranted.

ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner is authorized to file a motion for sanctions in each of the above-captioned *inter partes* review proceedings, the motion not to exceed five pages and due February 18, 2021;

FURTHER ORDERED that Petitioner shall file a public version of Exhibit 2029 in each of the above-captioned *inter partes* review proceedings no later than when Petitioner files its motion for sanctions;

FURTHER ORDERED that Patent Owner is authorized to file an opposition to the motion for sanctions, the opposition not to exceed five pages and due February 25, 2021; and

FURTHER ORDERED that Petitioner is authorized to file a reply to Patent Owner's opposition, the reply not to exceed three pages and due March 4, 2021.

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