Paper No. _____
Filed: August 28, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TD AMERITRADE HOLDING CORP., TD AMERITRADE, INC., AND TD AMERITRADE ONLINE HOLDINGS CORP.,
Petitioner

v.

TRADING TECHNOLOGIES INTERNATIONAL, INC.,
Patent Owner

Case CBM2014-00135
Patent 6,766,304

Patent Owner's Opposition to Expunging the Hilmert Memo

I. Trading Technologies only opposes the motion to expunge to the extent that Trading Technologies would be prejudiced in future discovery.

TD Ameritrade ("TDA") filed the Hilmert memo with its petition, Ex. 1005, cited it in the petition, Paper 4, p. 9, and provided it to its declarants for consideration in preparing declarations supporting the petition, Ex. 1019 and Ex. 1027. The memo has not only been public for more than three months, but has also been referenced by third parties. *See, e.g.*, Ex. 2002. Only after Trading Technologies ("TT") asked for discovery about the memo did TDA suggest possible expungement, noting that it was "written by a lawyer" and "may contain attorney work product." Ex. 3001 at 33-35. TDA refused to answer any follow-up questions regarding the memo, such as, whether it was given the memo under a joint defense group ("JDG") agreement.

TT did not and does not flatly oppose expunging the memo, as TDA suggests. TT simply wishes to preserve its ability to explore the waiver of privilege issues, if the PTO recognizes community-of-interest privilege, created by TDA's reliance on the memo, which it may have received from a JDG.[1] TT tried to do so by offering TDA a stipulation that would allow for the expungement of the memo, but TDA refused to consider it. Ex. 2003, p. 1. TT's stipulation offer is still on the table.

[1] TT knows of documents, not served by TDA, that contain inconsistent statements that would support any discovery motion related to these waiver issues. *See e.g.,* Ex. 2004.

II. A motion to seal, rather than expungement, would satisfy any potential "confidentiality" concerns[2] of the third party while permitting Trading Technologies to proceed with a complete record, if trial is instituted.

Assuming TDA is the appropriate party to raise BGC's concerns, BGC's request to remove the memo from the public record could be satisfied by sealing the document. Indeed, TDA originally presented this as a possibility. Ex. 3001 at 33-34. The rules explicitly provide for sealing documents containing confidential information. § 42.54. And, while the rules also contemplate expunging a document, they only contemplate expunging confidential information "[a]fter denial of a petition to institute a trial or after final judgment." § 42.56. TDA fails to explain why expunging the document now, rather than at the end of the proceeding, would serve any purpose other than to prejudice TT.

III. TD Ameritrade cannot unring the waiver bell, and simply expunging the document would prejudice Trading Technologies.

TDA received the memo in response to a request for prior art. Ex. 2003, p. 6. This exchange of purportedly confidential information suggests that there was a JDG, even if TDA refuses to say so.[3] *See United States v. Gonzalez*, 669 F.3d 974, 979 (9th Cir. 2012). Other facts also suggest a JDG arrangement. For example, TDA jointly filed

[2] TDA does not explain why a document that has been publically available for more than three months should still be considered "confidential."

[3] Absent some agreement between BGC and TDA, providing the memo to TD Ameritrade would have vitiated the confidentiality of the information.

litigation papers with BGC, Ex. 2005, and had joint representation in an appeal to the Federal Circuit, Ex. 2006, pp. 2-3.

A single party can waive community-of-interest privilege, but sometimes only to themselves. *See*, *e.g.*, *Static Control Components, Inc. v. Lexmark Int'l, Inc.*, 2007 WL 926985 at *4 (E.D. Ky. Mar. 26, 2007). Here, the lack of BGC approval indicates that at least TDA waived privilege. Once privilege is waived, even if inadvertent, the Board should not allow the bell to simply be unrung. *See*, *e.g.*, *Fed. Deposit Ins. Corp. v. Singh*, 140 F.R.D. 252 (D.Me. 1992); *Underwater Storage, Inc. v. U.S. Rubber Co.*, 314 F Supp. 546 (D.D.C. 1970); W.R. *Grace & Co. v. Pullman*, 446 F.Supp. 771 (W.D.Okla. 1976).

Expunging the memo would prejudice TT because TDA might attempt to (i) limit the scope of discovery in future requests or in routine discovery based on its removal from the record, and/or (ii) limit TT's ability to cross-examine TDA's declarants on materials considered in forming their opinions based on its removal from the record. To avoid prejudicing TT, the motion to expunge should be denied.

IV. Conclusion

To the extent that TT would be prejudiced, the motion to expunge should be denied. TT would not oppose a motion by TDA to seal the Hilmert memo to protect any supposed confidential information.

Respectfully submitted,

Dated: August 28, 2014

By: /Erika H. Arner/
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **Patent Owner's Opposition to Expunging the Hilmert Memo** was served on August 28, 2014, via email directed to counsel of record for the Petitioner at the following:

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