

Paper No. _____
Filed: January 15, 2015

Filed on behalf of Microsoft Corporation and VirnetX, Inc.
UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION and APPLE INC.
Petitioners

v.

VIRNETX INC.
Patent Owner

Case IPR2014-00404
Patent 7,987,274¹

JOINT MOTION TO SEAL

¹ Case IPR2014-00484 has been joined with this case.

Patent Owner VirnetX Inc. (“VirnetX”) and Petitioner Microsoft Corporation (“Microsoft”) request permission to seal the document contained in Exhibit 2044 under 37 C.F.R. § 42.54. Exhibit 2044 is a copy of a confidential settlement agreement between Microsoft and VirnetX. Petitioner Apple Inc. (“Apple”) is not a party to the confidential settlement agreement. Because Exhibit 2044 contains highly confidential information of an extremely sensitive nature, Patent Owner and Petitioner Microsoft respectfully request entry of the Default Protective Order with an Addendum that limits Exhibit 2044 to “Outside Attorney Eyes Only” and requests permission to place Exhibit 2044 under seal. Apple does not oppose this request.

I. Good Cause Exists for Sealing Exhibit 2044

In determining whether to grant a Motion to Seal, the Board must “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.” *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48771, 48760 (Aug. 14, 2012). “A party intending a document or thing to be sealed shall file a motion to seal concurrent with the filing of the document or thing to be sealed.” 37 C.F.R. § 42.14. “The 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.” *Trial Practice Guide* at 48760. “The Board may, for good cause, issue an order to protect a party or person from disclosing confidential information.” 37 C.F.R. § 42.54.

Exhibit 2044 is a copy of a confidential settlement agreement between Microsoft and VirnetX that settles all pending patent disputes between the parties. The parties are bound by the agreement to keep its terms confidential. Patent Owner and Microsoft present this settlement agreement to the Board solely for the purpose of terminating this proceeding with respect to Microsoft. (*See Joint Motion to Terminate Proceeding With Respect to Microsoft.*) The details of the confidential settlement agreement between Microsoft and VirnetX are not material to any arguments presented by any of the parties

Moreover, in the unlikely event a party needs access to any of the information within Exhibit 2044, this information will still be available to that party’s outside attorneys even under the modified protective order. Thus, Patent Owner and Microsoft respectfully submit that good cause exists for filing this exhibit under seal and limiting it to Outside Attorney Eyes Only in this proceeding.

II. Certification of Non-Publication

On behalf of Patent Owner and Petitioner Microsoft, the undersigned counsel certify that Exhibit 2044 has not, to their knowledge, been published or otherwise made public. Efforts to maintain the confidentiality of Exhibit 2044

have been undertaken by Patent Owner and Microsoft in the related district court proceeding between the parties.

III. Certification of Conference with Opposing Party Pursuant to 37 C.F.R. § 42.54

The parties have conferred as to the scope of the Default Protective Order with Addendum. The parties, including Petitioner Apple, have agreed to the provisions in the modified protective order.

IV. Proposed Protective Order

Patent Owner and Petitioner Microsoft respectfully request that the Default Protective Order with Addendum be entered in this proceeding. A clean copy of the Default Protective Order with proposed Addendum is submitted with this Motion as Exhibit 2045. A redline version of the Default Protective Order with the proposed Addendum is submitted as Exhibit 2046.

As shown in the redlined version, the Addendum is limited to Exhibit 2044 and is substantially similar to the language of the Default Protective Order. The Addendum substantively differs from the Default Protective order in that it (1) is limited to Exhibit 2044; (2) limits access to Exhibit 2044 to outside attorney eyes only; and (3) removes the provision specifying that redacted versions of documents with both confidential and non-confidential information should be submitted.

First, the Addendum specifies: “This Addendum governs the treatment and

filing of Exhibit 2044.” Instead of more broadly discussing confidential information and documents, as does the Default Protective Order, the Addendum is limited to Exhibit 2044.

Second, paragraphs 1 and 4(B) of the Addendum specify that confidential information is to be marked “PROTECTIVE ORDER MATERIAL – OUTSIDE ATTORNEY EYES ONLY.” Paragraph 2 of the Addendum differs from the language of the Default Protective Order in that the entries beginning with “Parties,” “In-house counsel,” and “Other Employees of a Party” are not included in the listing of who may receive Exhibit 2044. This has the effect of disallowing employees and principals of Apple from receiving access to Exhibit 2044.

Paragraph 2 further differs from the language of the Default Protective Order in that the title “Party Representatives” is changed to “Outside Attorneys.” This difference, in conjunction with the others, has the effect of limiting access to Exhibit 2044 to outside attorney eyes only.

Third, the Addendum specifies that Exhibit 2044 may be filed with the Board under seal with a non-confidential description of the Exhibit. The Addendum does not include the language of paragraph 4(A)(ii) of the Default Protective Order which specifies that redacted versions of exhibits should be filed where the exhibit includes confidential and non-confidential information. Because this paragraph does not apply to Exhibit 2044, it is not included in the Addendum.

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