2021-1568 (LEAD), -1569, -1570, -1571, -1573 (MEMBER CASES)

United States Court of Appeals for the Federal Circuit

UNILOC USA, INC., UNILOC LUXEMBOURG S.A.,

Plaintiffs-Appellants,

v.

APPLE INC.,

Defendant-Appellee,

ELECTRONIC FRONTIER FOUNDATION,

Intervenor-Appellee

Appeals from the United States District Court for the Northern District of California
Case Nos. 3:18-cv-00358-WHA, 3:18-cv-00360-WHA, 3:18-cv-00363-WHA,
3:18-cv-00365-WHA, and 3:18-cv-00572-WHA
Judge William H. Alsup

RESPONSE TO PETITION FOR REHEARING OR HEARING EN BANC OF DEFENDANT-APPELLEE APPLE INC.

MICHAEL T. PIEJA
ALAN E. LITTMANN
DOUG J. WINNARD
GOLDMAN ISMAIL TOMASELLI
BRENNAN & BAUM LLP
200 South Wacker Dr., 22nd Floor
Chicago, IL 60606
Tel: (312) 681-6000
Fax: (312) 881-5191

Counsel for Defendant-Appellee Apple Inc.

APRIL 13, 2022

CERTIFICATE OF INTEREST

Counsel for Defendant-Appellee Apple Inc. certifies the following:

1. The full name of every party represented by me in this case is: Apple Inc.

2. The name of the real party in interest represented by me is: None.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party represented by me are: None.

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court (and who have not or will not enter an appearance in this case) are: Harry Lee Gillam of Gillam & Smith, LLP (former); Melissa R. Smith of Gillam & Smith, LLP (former); Kenneth Baum of Goldman Ismail Tomaselli Brennan & Baum LLP; Jennifer Greenblatt of Goldman Ismail Tomaselli Brennan & Baum LLP; Andrew J. Rima of Goldman Ismail Tomaselli Brennan & Baum LLP; Emma C. Ross of Goldman Ismail Tomaselli Brennan & Baum LLP;

Lauren Abendshien of Goldman Ismail Tomaselli Brennan & Baum LLP (former).

5. The title and number of any case known to me to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal: None.

6. Information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6): None.

April 13, 2022

/s/ Doug J. Winnard
Doug J. Winnard

Attorney for Defendant-Appellee Apple Inc.

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases

INTRODUCTION

This case presented a very narrow, fact-specific issue about a district court's failure to follow this Court's remand instructions from a prior appeal related to sealing. Those instructions directed the district court to make "particularized determinations" under Ninth Circuit law related to the sealing of a small set of third-party materials. *Uniloc 2017 LLC v. Apple, Inc.*, 964 F.3d 1351, 1364 (Fed. Cir. 2020) ("*Uniloc I*"). The panel majority properly found that the district court had not made the determinations required and remanded (again) so that it could do so. (Maj., Dkt. No. 72, at 6, 8.) Nothing about this narrow decision warrants rehearing or *en banc* consideration.

In the prior appeal, this Court observed that "[t]here is a strong presumption in favor of access to documents filed with a court." *Uniloc I*, 964 F.3d at 1358. It also noted that Ninth Circuit law requires "compelling reasons" to seal materials attached to a dispositive motion, which include protecting trade secrets. *Id.* at 1358–59. It then remanded to the district court to make "particularized determinations" in deciding whether, in light of that standard, to seal certain third-party patent license information. *Id.* at 1364.

Intervenor-Appellee Electronic Frontier Foundation ("EFF") and Amici Curiae Intellectual Property Law Professors ("Amici") each admit that the prior order correctly articulated and applied the Ninth Circuit's law on sealing. (EFF Br., Dkt. No. 74, at 6 ("*Uniloc I* correctly applied Ninth Circuit law, which governs the sealing issues in this case."); Amici Br., Dkt. No. 83, at 8.) They argue, however, that the panel majority contradicted that order or ignored settled law. Not so. The panel majority repeatedly and explicitly instructed the district court to comply with that prior order:

- "[B]ecause it is relevant to the protectability of the license information, **we remand for the district court to carry out the examination this court instructed it to do**." (Maj. at 6.)
- "We therefore vacate and remand for the district court to **comply with this court's previous remand instructions**." (*Id.* at 8.)
- "**Because the district court failed to follow our previous remand instructions** to make particularized determinations as to whether third-party licensing information should be sealed, **we vacate the court's denial and remand for the court to perform that analysis**." (*Id.*)

(emphases added) By directing the district court to follow its prior instructions—which EFF and Amici agree correctly state the law—the panel majority directed the district court to balance the public's right of

access against the interests of third parties in keeping their licensing information under seal. This decision is fully consistent with Ninth Circuit law and this Court's precedent. There is no need to revisit this narrow decision by the panel or the full Court. EFF's petition for rehearing or rehearing *en banc* should be denied.

ARGUMENT

A. The Majority's Remand Instruction to Comply with A Prior Court Order Applying Ninth Circuit Law Is Not Appropriate For *En Banc* Review

At the outset, the panel's decision is not an appropriate candidate for *en banc* review. *En banc* consideration is reserved for, *inter alia*, cases presenting questions of "exceptional importance" and "overruling a prior holding of this or a predecessor court." (IOP #13 at 25.) Here, the panel majority's decision (1) is a case-specific remand that (2) correctly applies settled Ninth Circuit sealing law. No questions of exceptional importance are at issue; no *en banc* review is warranted.

The panel majority's holding here is a very narrow one, specific to the facts and procedural posture of this case. (Amici Br. at 1 (referring to "this narrow dispute").) After the prior appeal, the district court was tasked with a very specific directive: make "particularized determinations" to weigh the public's right of access against the

confidentiality interests of third parties in a small set of licensing information. *Uniloc I*, 964 F.3d at 1364. The panel majority determined that the district court did not comply with the prior order because it did not make the requisite "particularized determinations." (Maj. at 8.) This error was case- and fact-specific, and so was the panel's holding. (*Id.*) Ensuring compliance with a prior order is important, but it does not raise questions of "exceptional importance" for *en banc* review.

In addition, the issues presented in this appeal relate to a particular application of Ninth Circuit law on sealing documents. (*Id.* at 5.) They do not implicate issues unique to patent law or issues related to the substantive law of this Court. Nor do they involve any potential conflict between Ninth Circuit law and Federal Circuit law on sealing. (*See* IOP #13 at 25.) Even setting aside the merits of EFF's petition (addressed below), *en banc* consideration is inappropriate here.

B. The Majority Decision Is Consistent with Its Prior Order, This Court's Precedent, and Ninth Circuit Law

The primary argument advanced by EFF and Amici is that the panel majority's decision is somehow at odds with the prior order in *Uniloc I*. (EFF Br. at 5 ("The majority's approach conflicts with this Court's earlier decision . . . ."); Amici Br. at 8 (citing a "marked departure"

from the prior order).) As shown above, however, the panel majority repeatedly and unequivocally directed the district court to comply with that prior order. (Introduction, *supra*.) EFF and Amici fail to show how directing compliance with a prior order could possibly be a departure from that order.

Far from departing from its precedent, the panel majority properly applied it. In particular, this Court in *Apple Inc. v. Samsung Electronics Co.* rejected the notion that the public's right of access included irrelevant interests such as shareholders' general interest in financial information or consumers' general interest in pricing decisions. 727 F.3d 1214, 1226–27 (Fed. Cir. 2013). The majority properly applied this precedent when it rejected the district court's reliance on the public's general interest in the valuation of patents and the terms of patent licenses. (Maj. at 6, 8.) Likewise, the *Samsung* Court found that the public had "minimal interest" in "particular financial information . . . [that] is not necessary to the public's understanding of the case." *Samsung*, 727 F.3d at 1226. The majority again properly applied this precedent when it criticized the district court for unsealing information that was "not necessary for resolving this case." (Maj. at 8.)

Accordingly, remand was appropriate under *Samsung* because the district court's findings did not support the breadth of its unsealing order. The district court found that the "dates and dollar amounts" of Uniloc's patent licenses went to the "heart" of a dispute about Uniloc's constitutional standing. (Appx35.) It held this because a key issue in the Apple's standing-related motion was whether Uniloc generated $20 million in licensing revenue in a particular timeframe. (Appx35; Maj. at 8.) Even if true, however, that finding would not support the district court's decision to unseal the ***identities*** of every licensee, which neither the parties nor the district court had suggested were relevant. Nor would it support the district court's unsealing of information about licenses executed outside of the relevant timeframe—which includes most of the licensing information the district court unsealed. The panel majority thus correctly remanded because the district court's reasoning about "dates and dollar amounts" for certain licenses did not support "opening up all the licenses that the court granted access to." (Maj. at 8.)

Lastly, EFF and Amici argue that the panel majority disregarded Ninth Circuit law. (EFF Br. at 8; Amici Br. at 10.) Not so. The panel majority accurately restated the applicable Ninth Circuit law in its

decision by acknowledging the need to show "compelling reasons" to seal material attached to a dispositive motion. (Maj. at 5 (citing *Kamakana v. City & Cnty. of Honolulu*, 447 F.3d 1172, 1179 (9th Cir. 2006).) It then directed the district court to carry out a proper analysis under that law by instructing the district court to comply with the prior order, which applied that standard. (Maj. at 8.) Although Amici fault the panel for not mentioning for a second time "the burden on Uniloc or third party licensees to provide specific justifications" to support sealing, the panel had no need to do so. As Amici admit, the prior order already made this burden clear. (Amici Br. at 8 (citing *Uniloc I*, 964 F.3d at 1362).) The panel incorporated that burden when it directed the district court to follow that prior order.

The panel majority correctly applied its own precedent and that of the Ninth Circuit. No rehearing or *en banc* review is needed.

C. The Majority's Decision Correctly Analyzes the Public's Right of Access

Throughout their respective briefs, EFF and Amici argue that the panel majority mischaracterized the public's right of access under Ninth Circuit law. (EFF Br. at 5–9; Amici Br. at 2–7.) EFF and Amici mistake the majority's rejection of the district court's analysis as an endorsement

of its relevance. In truth, the panel majority applied Ninth Circuit law exactly as EFF and Amici argue it.

In its petition, EFF contends that the panel majority "focused on an irrelevant question—whether the public has a general right to patent licensing information." (EFF Br. at 5.) EFF is right that this question is irrelevant, but wrong to attribute this error to the majority. To the contrary, this was precisely the majority's point: the ***district court*** erred by analyzing sealing based on this irrelevant question. (Maj. at 6.) Instead of analyzing the public's right of access to promote the public's understanding of the judicial system, the district court improperly assessed the public's interest in "inspecting the valuation of the patent rights" reflected in patent licenses. (Appx34.) Because it focused on the wrong interest, the district court did not correctly balance the public's right of access against the third parties' interests in protecting their trade secrets and avoiding competitive harm in future licensing negotiations. Remand was appropriate so the proper analysis could be done.

EFF makes the same error when it argues that the proper analysis is to "look at the role the documents containing that information play in the judicial process" rather than "the particular information" they

contain. (EFF Br. at 7–8.) Again, the panel majority performed exactly the analysis that EFF asks be done. The majority rejected the district court's analysis of the particular information contained in the sealed material, such as the public's purported interest in the "valuation" or "terms and conditions" of patent licenses. (Maj. at 6–7.) The majority then looked to the role that the sealed material played in the judicial process and found that the district court unsealed, without a clearly articulated basis, more information than was necessary for the public to understand the decision on the merits. (*Id.* at 8 (referring to "individual licensing details that are not necessary for resolving this case").) The majority again applied the law exactly as EFF insists it should be.

Similarly, Amici argue that the presumption in favor of public access "is grounded in the judiciary's duty to promote transparency in the legal system." (Amici Br. at 3.) Once again, this was the majority's point: the public interest is in understanding the judicial process, not in obtaining knowledge of the "full extent of the terms and conditions" involved with patent licensing. (Maj. at 7.) The panel majority rightly rejected the district court's apparent attempt to set a higher bar for sealing patent license information. But it did not establish a lower one.

In essence, EFF and Amici argue that the public's right of access to patent licensing information is ***no less*** than its interest in any other type of information attached to a dispositive motion. (EFF Br. at 2; Amici Br. at 5.) This is true, but the panel majority did not hold otherwise. Instead, the panel majority determined that the public's right of access to patent licensing information is ***no greater*** than its interest in any other type of information attached to a dispositive motion. (Maj. at 6.) These positions are not inconsistent. Rather, they are two ways of articulating the correct law: the public's right of access to patent licensing information is ***no different*** than its interest in any other type of information attached to a dispositive motion. Because this is the correct law as EFF and Amici themselves admit, EFF's petition for rehearing or *en banc* review should be denied. (*See* EFF Br. at 7–8.)

D. The Majority's Treatment of the Fortress Memorandum Is Consistent with *Uniloc I* and Does Not Warrant Rehearing *En Banc*

At the end of its petition, EFF takes issue with how the panel majority addressed a single document: the "Fortress investment memorandum." (EFF Br. at 13.) EFF contends that the panel majority contradicted the prior holding of *Uniloc I* by "undermin[ing] the district

court's authority to enforce its local rules." (*Id.*) EFF misunderstands both the holding of *Uniloc I* and the panel's decision.

In *Uniloc I*, this Court upheld the district court's application of its local rules and affirmed the unsealing of ***Uniloc's*** information on the grounds that Uniloc failed to comply with those rules. 964 F.3d at 1363. It went on to state, however, that ***third party*** information should be treated differently because "[s]uch third parties were not responsible for Uniloc's filing of an overbroad sealing request." *Id.* at 1363–64.

The panel majority adhered to the same rationale when it held that "any procedural failings of ***Uniloc and Fortress*** cannot justify unsealing the information of ***third parties***." (Maj. at 8 (emphases added).) As the panel correctly noted, the Fortress memorandum "contained Fortress's investment criteria ***and*** other third-party licensing information." (*Id.* at 3 (emphasis added).) Just as Uniloc's procedural failings in *Uniloc I* could not justify unsealing third-party information, the failings of Uniloc and Fortress could not justify unsealing the portion of the memorandum containing third-party information. (*Id.* at 8.) The majority correctly applied its precedent from *Uniloc I* to direct the district court to balance "the interests of the third parties" (964 F.3d at 1364) against "the public's

interest in seeing individual licensing details" contained in the memorandum, despite the procedural shortcomings of Uniloc and Fortress. (Maj. at 8.)

In any event, EFF is wrong to insist that the panel majority's treatment of one part of a single document warrants *en banc* consideration. (EFF Br. at 1 (identifying enforcement of procedural elements of local rules as a "precedent-setting question[] of exceptional importance").) The panel's analysis of this document is limited to the document itself, and its instruction to the district court is tailored to reviewing the specific content within it. No broader principle of law or matter of substantial importance is implicated by this very circumscribed directive on remand.

II. CONCLUSION AND STATEMENT OF RELIEF SOUGHT

This Court should deny EFF's petition for rehearing or rehearing en banc.

Dated: April 13, 2022

Respectfully submitted,

/s/ Doug J. Winnard

MICHAEL T. PIEJA
ALAN E. LITTMANN
DOUG J. WINNARD
GOLDMAN ISMAIL TOMASELLI
BRENNAN & BAUM L.L.P.
22 South Wacker Dr., 22nd Floor
Chicago, Illinois 60606
Telephone: (312) 681-6000
Facsimile: (312) 881-5191
mpieja@goldmanismail.com
alittmann@goldmanismail.com
dwinnard@goldmanismail.com

Counsel for Defendant-Appellee Apple Inc.

FORM 19. Certificate of Compliance with Type-Volume Limitations **Form 19**
July 2020

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATIONS

Case Number: 2021-1568, -1569, -1570, -1571, -1573

Short Case Caption: Uniloc USA, Inc. v. Apple Inc.

Instructions: When computing a word, line, or page count, you may exclude any items listed as exempted under Fed. R. App. P. 5(c), Fed. R. App. P. 21(d), Fed. R. App. P. 27(d)(2), Fed. R. App. P. 32(f), or Fed. Cir. R. 32(b)(2).

The foregoing filing complies with the relevant type-volume limitation of the Federal Rules of Appellate Procedure and Federal Circuit Rules because it meets one of the following:

☑ the filing has been prepared using a proportionally-spaced typeface and includes 2,455 words.

☐ the filing has been prepared using a monospaced typeface and includes _____ lines of text.

☐ the filing contains _____ pages / _____ words / _____ lines of text, which does not exceed the maximum authorized by this court's order (ECF No. _____).

Date: 04/13/2022

Signature: /s/ Doug J. Winnard

Name: Doug J. Winnard