

UNILOC 2017 LLC v. APPLE, INC., Appeal Nos. 2019-1922, 2019-1923, 2019-1925, 2019-1926 (Fed. Cir. July 9, 2020). Before Mayer, Prost, and Taranto. Appealed from N.D. Cal. (Judge Alsup).

Background:

Uniloc sued Apple for patent infringement. Apple filed a motion to dismiss the case, and Uniloc filed an opposition to the motion to dismiss. Uniloc also filed a motion to seal most of the materials in the parties' briefs and twenty-three exhibits in their entirety. The materials and exhibits included certain facts that were already known to the public, such as quotations from case law and a list of Uniloc's active patent cases. Uniloc filed three short declarations to support the sealing requests, asserting that the materials and exhibits contained "sensitive, confidential, and proprietary information" related to licensing terms and business plans.

The district court denied the motion to seal, stating that Uniloc had not provided compelling reasons to seal such a broad range of material, which amounted to a majority of the exhibits and large swaths of the briefs and declarations, and that as a result the motion did not comply with Local Rule 79-5, which requires that motions to seal be narrowly tailored.

Uniloc then filed a motion for leave to seek reconsideration and a revised motion to seal, stating that it was willing to make public more than ninety percent of what it had previously attempted to seal, and that third parties (Uniloc licensees) would also be harmed by disclosure of the material in question. In response, the district court denied the motion for leave and the revised motion to seal, holding that Uniloc should have submitted a proper request the first time. Furthermore, Uniloc had failed to sufficiently explain why even the more narrowly defined motion to seal was justified. Uniloc appealed.

Issues/Holdings:

(1) Did the district court abuse its discretion in denying the motion to seal and denying the motion for reconsideration with regard to Uniloc's own allegedly confidential information? No, affirmed.

(2) Was the district court's ruling improper with regard to the third parties who could be affected by disclosure of their allegedly confidential information? Yes, vacated and remanded.

Discussion:

(1) Regarding Uniloc's information, Uniloc failed to comply with the district court's Local Rule 79-5, which requires that motions to seal be narrowly tailored. The Federal Circuit reviews a district court's interpretation of its own local rules with "broad deference." Uniloc's motion to seal was overly broad and the supporting declarations included only conclusory statements. Indeed, Uniloc "sought sealing of entire documents based on no more than perfunctory assertions that the documents in question 'contain[ed] sensitive, confidential and proprietary information.'" Thus, the district court did not abuse its discretion.

(2) Regarding the third parties' information, the district court did not make sufficient factual findings to allow the Federal Circuit to balance the public's right of access against the third parties' interest in shielding their financial and licensing information from public view.