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4 UNITED STATES DISTRICT COURT  
5 NORTHERN DISTRICT OF CALIFORNIA

6 MARC OPPERMAN, et al.,

7 Plaintiffs,

8 v.

9 PATH, INC., et al.,

10 Defendants.

Case No. 13-cv-00453-JST

**ORDER RE: JOINT LETTER BRIEF  
REGARDING PROTECTIVE ORDER  
DISPUTE**

Re: ECF No. 429

THIS DOCUMENT RELATES TO ALL  
CASES

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14 Before the Court is the parties' Joint Letter Brief Regarding Protective Order Dispute, ECF  
15 No. 429. In it, the parties dispute whether the prosecution bar the Court previously approved with  
16 respect to Defendants in this case should apply to Plaintiffs' counsel who are admitted to practice  
17 before the U.S. Patent and Trademark Office ("USPTO").

18 **I. BACKGROUND**

19 To understand the present dispute, it is useful to examine the history of the prosecution bar  
20 contained in the existing order.

21 On September 27, 2013, the parties submitted competing letter briefs concerning their  
22 dispute over whether the protective order in this action should include a patent prosecution bar for  
23 persons who obtain access to Defendants' confidential technical data. ECF Nos. 376, 377.

24 Plaintiffs opposed the inclusion of a bar on the grounds that (1) the Defendants' proposed bar was  
25 overly broad; (2) patent prosecution bars are not common in consumer class actions;  
26 (3) Defendants did not seek the inclusion of a bar in other related cases besides the Opperman  
27 action; and (4) the inclusion of the bar would "inequitably impede" their ability to retain experts  
28 and prosecute this action. ECF No. 376.

1           The Court granted Defendants’ request to include a prosecution bar, but only as to the  
2 Defendants inter se. The Court rejected Defendants’ request that the bar apply to Plaintiffs’  
3 counsel, finding that Defendants had not “met their burden to establish that an unacceptable risk of  
4 inadvertent disclosure exists with respect to Plaintiffs.” ECF No. 390 at 4. The Court based this  
5 conclusion on two subsidiary conclusions. First, the Court stated, “it is clear from the parties’  
6 submissions that there is no danger that Plaintiffs’ counsel will be involved in patent prosecution  
7 activities. Indeed, Defendants admit that ‘[t]here is no indication that any of plaintiffs’ counsel are  
8 members of the patent bar.’” ECF No. 390 at 4. Second, the Court concluded that Defendants had  
9 failed to explain why the objections procedure delineated in paragraph 7.4 of the stipulated  
10 protective order did not adequately mitigate the risk that inadvertent disclosures of the  
11 Defendants’ confidential information would occur with respect to experts who were involved in  
12 competitive decision-making. Id.

13           As to the prosecution bar provision that would apply to Defendants, the Court held that the  
14 language of the proposed bar was not “sufficiently specific in describing the kind of information  
15 that will trigger the bar.” Id. at 3. The Court ordered Defendants to submit a revised proposed  
16 prosecution bar for the Court’s review. Defendants’ revised proposed prosecution bar provides:

17           This provision applies only to Defendants and individuals retained  
18 by, employed by, or affiliated with a Defendant. Absent the written  
19 consent of the Designating Party, any individual who, pursuant to  
20 section 7.3 of this Order, receives access to “CONFIDENTIAL –  
21 OUTSIDE COUNSEL ONLY” technical information of the  
22 Designating Party shall not be involved, directly or indirectly, in any  
23 of the following activities: (i) advising on, consulting on, preparing,  
24 prosecuting, drafting, editing, and/or amending patent applications,  
25 specifications, claims, and/or responses to office actions, or  
26 otherwise affecting the scope of claims in patents or patent  
27 applications relating to the subject matter of the “CONFIDENTIAL  
28 – OUTSIDE COUNSEL ONLY” technical information he or she  
received before any foreign or domestic agency, including the  
United States Patent and Trademark Office; and (ii) the acquisition  
of patents (including patent applications), or the rights to any such  
patents or patent applications with the right to sublicense, relating to  
the subject matter of the “CONFIDENTIAL – OUTSIDE  
COUNSEL ONLY” technical information he or she received. These  
prohibitions are not intended to and shall not preclude counsel from  
participating in proceedings on behalf of a Party challenging the  
validity of any patent, but are intended, inter alia, to preclude  
counsel from participating directly or indirectly in reexamination,  
inter partes review, covered business method review, or reissue

1 proceedings on behalf of a patentee. These prohibitions shall  
2 commence when “CONFIDENTIAL – OUTSIDE COUNSEL  
3 ONLY” technical information or items are first received by the  
4 affected individual, and shall end two (2) years after the final  
5 resolution of this action, including all appeals. For the avoidance of  
6 doubt, “technical information” for the purposes of this section  
7 (“PROSECUTION BAR”) does not include information or items  
8 comprising marketing and sales data, commercially sensitive  
9 information, information relating to future business plans, future  
10 product development information, commercial agreements, or trade  
11 secrets, except to the extent that they contain technical data of  
12 potential consequence to the above-described activities.

13 ECF No. 405.

14 Following the Court’s Order, the parties filed a joint case management statement alerting  
15 the Court that two of Plaintiffs’ counsel — Carl Schwenker and Nick Carlin — are, in fact,  
16 admitted to practice before the USPTO. The instant joint letter brief was filed December 20,  
17 2013. ECF No. 429. In it, Defendants request that the first sentence of the revised proposed  
18 prosecution bar be amended to read: “This provision applies only to: (i) Defendants and  
19 individuals retained by, employed by, or affiliated with a Defendant; and (ii) any Plaintiff’s  
20 Counsel licensed to practice before the United States Patent and Trademark Office.”

21 **II. MOTION FOR RECONSIDERATION**

22 Plaintiffs urge the Court to treat Defendants’ request as a motion for reconsideration  
23 pursuant to Civil Local Rule 7-9, and argue that Defendants have failed to establish the discovery  
24 of new facts and the exercise of reasonable diligence required for the Court to grant  
25 reconsideration. In support of that argument, Plaintiffs argue that previous filings in this case  
26 alerted Defendants that two of Plaintiffs’ counsel are members of the patent bar.

27 First, Plaintiffs point to the March 22, 2013 Declaration of Carl F. Schwenker in Support  
28 of Plaintiffs’ Oppositions to Defendants’ Administrative Motion and Motions for Severance, in  
paragraph two of which Mr. Schwenker stated: “I am a member in good standing in the State Bar  
of Texas . . . . I am also a member in good standing in the Bars for the United States Court of  
Appeals for the Ninth Circuit, the United States Court of Appeals for the Federal Circuit, the  
United States District Courts for the Northern District of Texas, the Southern District of Texas and  
the Western District of Texas, and the United States Patent & Trademark Office.” (emphasis

1 added). Second, Plaintiffs point to their October 4, 2013 Submission Re Organization of  
2 Plaintiffs' Counsel, which Plaintiffs characterize as filed "well before" the Court's prosecution bar  
3 Order, issued eleven days later. The October 4, 2013 submission was filed after Defendants' letter  
4 brief concerning the prosecution bar. Finally, Plaintiffs argue that the roster of patent attorneys is  
5 publicly available online.

6 Plaintiffs' argument that Defendants have failed to establish the discovery of new facts is  
7 unpersuasive. Plaintiffs' "disclosures" were hardly designed to bring the issue to Defendants'  
8 attention.<sup>1</sup> For example, the October 4, 2013 disclosure, which was filed after briefing was  
9 completed on the prosecution bar dispute, was buried on pages 14 and 26 of a 113-page document  
10 pertaining to the organization of Plaintiffs' counsel. ECF No. 382. It is not surprising that  
11 Defendants failed to read this document, which did not directly concern them, with an eye toward  
12 protecting their intellectual property rights. Nor should Defendants have been expected to acquire  
13 information from the USPTO's roster that was both readily available to Plaintiffs and plainly  
14 material to the discovery dispute the parties were briefing before the Court. Litigation by "gotcha"  
15 is inconsistent with counsel's obligation to be candid with opposing counsel and the Court, and  
16 places at risk counsel's credibility with the Court.

17 Moreover, Plaintiffs' letter brief actually endorsed the mistaken view that none of  
18 Plaintiffs' counsel are members of the patent bar. The letter brief stated only that Plaintiffs were  
19 concerned that a bar would "imped[e] their ability to obtain appropriate industry experts." ECF  
20 No. 376 at 3. Plaintiffs also implied that, at that time, none of Plaintiffs' counsel were then  
21 members of the patent bar:

22           Additionally, the "subject matter" of the purported confidential  
23           material is vaguely described, at best, and over the course of the  
24           litigation could mutate to be construed to include anything relating  
25           to, for example, iPhones, mobile devices, apps, or even entire fields  
26           of computer hardware and software. This would severely limit the  
27           universe of potential experts and consultants and, potentially,  
28           attorneys that Plaintiffs could utilize in this case.

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<sup>1</sup> In addition, the course of the parties' dispute over the prosecution bar leaves some doubt as to the quality of the efforts the parties undertook to meet and confer prior to seeking judicial intervention.

1 Id. (emphasis added).

2 In its prior Order, the Court stated, “First, it is clear from the parties’ submissions that  
3 *there is no danger that Plaintiffs’ counsel will be involved in patent prosecution activities.* Indeed,  
4 Defendants admit that “[t]here is no indication that any of plaintiffs’ counsel are members of the  
5 patent bar.” ECF No. 390 at 4 (emphasis added). Plaintiffs permitted not only the Defendants,  
6 but also the Court, to proceed on the erroneous assumption that no Plaintiffs’ attorney was a  
7 member of the patent bar. Had the Court been aware of the true facts — and the Plaintiffs knew it  
8 was not aware of the true facts — the Court would have issued a different order.<sup>2</sup> The Court will  
9 therefore reexamine the issue as Defendants request.

10 **III. LEGAL STANDARD**

11 “[T]he determination of whether a protective order should include a patent prosecution bar  
12 is a matter governed by Federal Circuit law.” In re Deutsche Bank Trust Co. Americas, 605 F.3d  
13 1373, 1378 (Fed. Cir. 2010). The determination of whether a party seeking the inclusion of a  
14 prosecution bar requires a two-step inquiry: courts first look at the risk of inadvertent disclosure,  
15 and then examine the potential injury from such disclosure. See Intel v. VIA, 198 F.R.D. 525,  
16 529-31 (N.D. Cal. 2000).

17 The party seeking a patent prosecution bar must show that “an unacceptable opportunity  
18 for inadvertent disclosure exists.” Deutsche Bank, 605 F.3d at 1378. Whether this risk for  
19 disclosure exists is determined “by the facts on a counsel-by-counsel basis.” Id. “[T]he counsel-  
20 by-counsel determination should turn on the extent to which counsel is involved in ‘competitive  
21 decisionmaking’ with its client.” Id. The Federal Circuit has described competitive  
22 decisionmaking as “a counsel’s activities, association, and relationship with a client that are such  
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24 <sup>2</sup> Plaintiffs also imply that the Defendants knew the real facts but stated otherwise to the Court.  
25 See ECF No. 429 at 6 (arguing that even after Plaintiffs’ disclosures concerning Schwenker and  
26 Carlin’s patent bar membership, “to persuade the Court that their proposed bar would have  
27 minimal impact, Defendants decided to state that “[t]here is no indication that any of plaintiffs’  
28 counsel are members of the patent bar.”) The suggestion that Defendants knew that Schwenker  
and Carlin were members of the patent bar but decided not to mention that fact when they were  
seeking a patent prosecution bar defies logic and common sense.

1 as to involve counsel’s advice and participation in any or all of the client’s decisions (pricing,  
2 product design, etc.) made in light of similar or corresponding information about a competitor.”  
3 U.S. Steel Corp. v. United States, 730 F.2d 1465, 1468 n.3 (Fed. Cir. 1984).

4 If the Court finds that the requesting party has established an unacceptable opportunity for  
5 inadvertent disclosure, any counsel resisting application of the bar must show: “(1) that counsel's  
6 representation of the client in matters before the PTO does not and is not likely to implicate  
7 competitive decisionmaking related to the subject matter of the litigation so as to give rise to a risk  
8 of inadvertent use of confidential information learned in litigation, and (2) that the potential injury  
9 to the moving party from restrictions imposed on its choice of litigation and prosecution counsel  
10 outweighs the potential injury to the opposing party caused by such inadvertent use.” Deutsche  
11 Bank, 605 F.3d at 1381. The Court must then balance the risk of inadvertent disclosure “against  
12 the potential harm to the opposing party from restrictions imposed on that party’s right to have the  
13 benefit of counsel of its choice.” Id. at 1380.

14 **IV. DISCUSSION**

15 As an initial matter, the Court must address the revisions to the prosecution bar that  
16 Defendants have submitted for the Court’s review. In its prior Order, the Court rejected the bar as  
17 worded because the Court found “that the language of the proposed bar is not sufficiently specific  
18 in describing the kind of information that will trigger the bar.” ECF No. 390 at 3. See Deutsche  
19 Bank, 605 F.3d at 1381 (“[F]inancial data and other sensitive business information, even if  
20 deemed confidential, would not normally be relevant to a patent application and thus would not  
21 normally be expected to trigger a patent prosecution bar.”). Defendants’ revised prosecution bar  
22 adequately addresses the Court’s concerns by excluding from it as a trigger the disclosure of  
23 “information or items comprising marketing and sales data, commercially sensitive information,  
24 information relating to future business plans, future product development information, commercial  
25 agreements, or trade secrets, except to the extent that they contain technical data of potential  
26 consequence to the above-described activities.”

27 However, Defendants’ revised prosecution bar contains other revisions the Court did not  
28 authorize. For example, the revised proposed prosecution bar contains a more specific statement

1 of what constitutes “prosecution,” which includes “the acquisition of patents . . . or the rights to  
2 any such patents or patent applications with the right to sublicense . . . .” Those definitions were  
3 not contained in the prosecution bar reviewed by the Court, and they depart from this Court’s  
4 model protective order as well.

5 The Court need not address Plaintiffs’ arguments concerning the merits of these revisions  
6 because they were not authorized by the Court. Instead, with the exception of the further  
7 definition of “technical information,” the Court rejects the revisions and will order Defendants to  
8 submit a revised version that conforms to the terms of the Court’s prior Order and, where  
9 appropriate, the Court’s model protective order.

10 Having addressed the scope of the prosecution bar, the Court finds that Defendants have  
11 met their burden to establish an unacceptable risk of inadvertent disclosure, as both Mr.  
12 Schwenker and Mr. Carlin are admitted to practice before the USPTO and actively represent  
13 clients in the same area of technology that is the subject of this litigation. Under the narrowed  
14 prosecution bar required by the Court, “the information designated to trigger the bar, the scope of  
15 activities prohibited by the bar, the duration of the bar, and the subject matter covered by the bar  
16 reasonably reflect the risk presented by the disclosure of proprietary competitive information.”  
17 Deutsche Bank, 605 F.3d at 1381.

18 The burden now shifts to those counsel resisting application of the prosecution bar to show  
19 that their representation of clients in matters before the USPTO (1) “does not and is not likely to  
20 implicate competitive decisionmaking related to the subject matter of the litigation so as to give  
21 rise to a risk of inadvertent use of confidential information learned in litigation,” and (2) that the  
22 potential injury to the objecting counsel and their clients outweighs the potential injury to  
23 Defendants from inadvertent disclosure. Deutsche Bank, 605 F.3d at 1381. Neither Mr.  
24 Schwenker nor Mr. Carlin have made any such showing. The Court therefore finds that the risk of  
25 disclosure outweighs the “potential harm to [Plaintiffs] from restrictions imposed on [their] right  
26 to have the benefit of counsel of [their] choice.”

27 However, Defendants’ proposed prosecution amendment to the prosecution bar extends it  
28 to “any Plaintiff’s Counsel licensed to practice before the United States Patent and Trademark

1 Office.” That proposal conflicts with the Federal Circuit’s admonition that the risk of inadvertent  
2 disclosure must be established with specific facts. Here, the only facts Defendants have adduced  
3 relate to Mr. Schwenker and Mr. Carlin. The Court will only impose the prosecution bar with  
4 respect to those counsel. Any further expansion of the prosecution bar can result only from a  
5 separate evidentiary finding.

6 **V. CONCLUSION**

7 For the foregoing reasons, the Court will apply a prosecution bar to Mr. Schwenker and  
8 Mr. Carlin. Defendants shall file a revised prosecution bar consistent with the terms of this Order  
9 and the Court’s prior Order within fourteen days of the date of this Order. The prosecution bar  
10 shall not take effect until and unless the Court approves the revised language.

11 **IT IS SO ORDERED.**

12 Dated: January 9, 2014

  
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JON S. TIGAR  
United States District Judge

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