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**IN THE UNITED STATES DISTRICT COURT
 FOR THE NORTHERN DISTRICT OF CALIFORNIA
 OAKLAND DIVISION**

PQ LABS, INC.,

Plaintiff,

v.

YANG QI, ZAAGTECH INC., JINPENG LI,
 and HAIPENG LI,

Defendants.

Case No.: 12-CV-00450-CW

**STIPULATED PROTECTIVE ORDER FOR
 LITIGATION INVOLVING PATENTS,
 HIGHLY SENSITIVE CONFIDENTIAL
 INFORMATION, AND/OR TRADE
 SECRETS**

1. PURPOSES AND LIMITATIONS

Disclosure and discovery activity in this action are likely to involve production of confidential, proprietary, or private information for which special protection from public disclosure and from use for any purpose other than prosecuting this litigation may be warranted. Accordingly, the parties hereby stipulate to and petition the court to enter the following Stipulated Protective Order. The parties acknowledge that this Order does not confer blanket protections on all disclosures

1 or responses to discovery and that the protection it affords from public disclosure and use extends
2 only to the limited information or items that are entitled to confidential treatment under the applicable
3 legal principles. The parties further acknowledge, as set forth in Section 14.4, below, that this
4 Stipulated Protective Order does not entitle them to file confidential information under seal; Civil
5 Local Rule 79-5 and General Order 62 set forth the procedures that must be followed and the
6 standards that will be applied when a party seeks permission from the court to file material under
7 seal.

8 2. DEFINITIONS

9 2.1 Challenging Party: a Party or Non-Party that challenges the designation of information
10 or items under this Order.

11 2.2 "CONFIDENTIAL" Information or Items: information (regardless of how it is
12 generated, stored or maintained) or tangible things that qualify for protection under Federal Rule of
13 Civil Procedure 26(c).

14 2.3 Counsel (without qualifier): Outside Counsel of Record and House Counsel (as well as
15 their support staff).

16 2.4 Designated House Counsel: House Counsel who seek access to "HIGHLY
17 CONFIDENTIAL – ATTORNEYS' EYES ONLY" information in this matter.

18 2.5 Designating Party: a Party or Non-Party that designates information or items that it
19 produces in disclosures or in responses to discovery as "CONFIDENTIAL" or "HIGHLY
20 CONFIDENTIAL – ATTORNEYS' EYES ONLY" or "HIGHLY CONFIDENTIAL – SOURCE
21 CODE."

22 2.6 Disclosure or Discovery Material: all items or information, regardless of the medium
23 or manner in which it is generated, stored, or maintained (including, among other things, testimony,
24 transcripts, and tangible things), that are produced or generated in disclosures or responses to
25 discovery in this matter.

26 2.7 Expert: a person with specialized knowledge or experience in a matter pertinent to the
27 litigation who (1) has been retained by a Party or its counsel to serve as an expert witness or as a
28 consultant in this action, (2) is not a past or current employee of a Party or of a Party's competitor,

1 and (3) at the time of retention, is not anticipated to become an employee of a Party or of a Party's
2 competitor.

3 2.8 "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" Information or Items:
4 extremely sensitive "Confidential Information or Items," disclosure of which to another Party or
5 Non-Party would create a substantial risk of serious harm that could not be avoided by less restrictive
6 means.

7 2.9 "HIGHLY CONFIDENTIAL – SOURCE CODE" Information or Items: extremely
8 sensitive "Confidential Information or Items" representing computer code and associated comments
9 and revision histories, formulas, engineering specifications, or schematics that define or otherwise
10 describe in detail the algorithms or structure of software or hardware designs, disclosure of which to
11 another Party or Non-Party would create a substantial risk of serious harm that could not be avoided
12 by less restrictive means.

13 2.10 House Counsel: attorneys who are employees of a party to this action. House Counsel
14 does not include Outside Counsel of Record or any other outside counsel.

15 2.11 Non-Party: any natural person, partnership, corporation, association, or other legal
16 entity not named as a Party to this action.

17 2.12 Outside Counsel of Record: attorneys who are not employees of a party to this action
18 but are retained to represent or advise a party to this action and have appeared in this action on behalf
19 of that party or are affiliated with a law firm which has appeared on behalf of that party.

20 2.13 Party: any party to this action, including all of its officers, directors, employees,
21 consultants, retained experts, and Outside Counsel of Record (and their support staffs).

22 2.14 Producing Party: a Party or Non-Party that produces Disclosure or Discovery Material
23 in this action.

24 2.15 Professional Vendors: persons or entities that provide litigation support services (e.g.,
25 photocopying, videotaping, translating, preparing exhibits or demonstrations, and organizing, storing,
26 or retrieving data in any form or medium) and their employees and subcontractors.

2.16 Protected Material: any Disclosure or Discovery Material that is designated as “CONFIDENTIAL,” or as “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY,” or as “HIGHLY CONFIDENTIAL – SOURCE CODE.”

2.17 Receiving Party: a Party that receives Disclosure or Discovery Material from a Producing Party.

3. SCOPE

The protections conferred by this Stipulation and Order cover not only Protected Material (as defined above), but also (1) any information copied or extracted from Protected Material; (2) all copies, excerpts, summaries, or compilations of Protected Material; and (3) any testimony, conversations, or presentations by Parties or their Counsel that might reveal Protected Material. However, the protections conferred by this Stipulation and Order do not cover the following information: (a) any information that is in the public domain at the time of disclosure to a Receiving Party or becomes part of the public domain after its disclosure to a Receiving Party as a result of publication not involving a violation of this Order, including becoming part of the public record through trial or otherwise; and (b) any information known to the Receiving Party prior to the disclosure or obtained by the Receiving Party after the disclosure from a source who obtained the information lawfully and under no obligation of confidentiality to the Designating Party. Any use of Protected Material at trial shall be governed by a separate agreement or order.

4. DURATION

Even after final disposition of this litigation, the confidentiality obligations imposed by this Order shall remain in effect until a Designating Party agrees otherwise in writing or a court order otherwise directs. Final disposition shall be deemed to be the later of (1) dismissal of all claims and defenses in this action, with or without prejudice; and (2) final judgment herein after the completion and exhaustion of all appeals, rehearings, remands, trials, or reviews of this action, including the time limits for filing any motions or applications for extension of time pursuant to applicable law.

5. DESIGNATING PROTECTED MATERIAL

5.1 Exercise of Restraint and Care in Designating Material for Protection. Each Party or Non-Party that designates information or items for protection under this Order must take care to limit

1 any such designation to specific material that qualifies under the appropriate standards. To the extent
2 it is practical to do so, the Designating Party must designate for protection only those parts of
3 material, documents, items, or oral or written communications that qualify – so that other portions of
4 the material, documents, items, or communications for which protection is not warranted are not
5 swept unjustifiably within the ambit of this Order.

6 Mass, indiscriminate, or routinized designations are prohibited. Designations that are shown
7 to be clearly unjustified or that have been made for an improper purpose (e.g., to unnecessarily
8 encumber or retard the case development process or to impose unnecessary expenses and burdens on
9 other parties) expose the Designating Party to sanctions.

10 If it comes to a Designating Party's attention that information or items that it designated for
11 protection do not qualify for protection at all or do not qualify for the level of protection initially
12 asserted, that Designating Party must promptly notify all other parties that it is withdrawing the
13 mistaken designation.

14 5.2 Manner and Timing of Designations. Except as otherwise provided in this Order (see,
15 e.g., second paragraph of Section 5.2(a) below), or as otherwise stipulated or ordered, Disclosure or
16 Discovery Material that qualifies for protection under this Order must be clearly so designated before
17 the material is disclosed or produced.

18 Designation in conformity with this Order requires:

19 (a) for information in documentary form (e.g., paper or electronic documents, but
20 excluding transcripts of depositions or other pretrial or trial proceedings), that the Producing Party
21 affix the legend "CONFIDENTIAL" or "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES
22 ONLY" or "HIGHLY CONFIDENTIAL – SOURCE CODE" to each page that contains protected
23 material. If only a portion or portions of the material on a page qualifies for protection, the Producing
24 Party also must clearly identify the protected portion(s) (e.g., by making appropriate markings in the
25 margins) and must specify, for each portion, the level of protection being asserted.

26 A Party or Non-Party that makes original documents or materials available for inspection
27 need not designate them for protection until after the inspecting Party has indicated which material it
28 would like copied and produced. During the inspection and before the designation, all of the material

1 made available for inspection shall be deemed “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES
2 ONLY.” After the inspecting Party has identified the documents it wants copied and produced, the
3 Producing Party must determine which documents, or portions thereof, qualify for protection under
4 this Order. Then, before producing the specified documents, the Producing Party must affix the
5 appropriate legend (“CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES
6 ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE”) to each page that contains Protected
7 Material. If only a portion or portions of the material on a page qualifies for protection, the Producing
8 Party also must clearly identify the protected portion(s) (e.g., by making appropriate markings in the
9 margins) and must specify, for each portion, the level of protection being asserted.

10 (b) for testimony given in deposition or in other pretrial or trial proceedings, that the
11 Designating Party identify on the record, before the close of the deposition, hearing, or other
12 proceeding, all protected testimony and specify the level of protection being asserted. When it is
13 impractical to identify separately each portion of testimony that is entitled to protection and it appears
14 that substantial portions of the testimony may qualify for protection, the Designating Party may
15 invoke on the record (before the deposition, hearing, or other proceeding is concluded) a right to have
16 up to 21 days to identify the specific portions of the testimony as to which protection is sought and to
17 specify the level of protection being asserted. Only those portions of the testimony that are
18 appropriately designated for protection within the 21 days shall be covered by the provisions of this
19 Stipulated Protective Order. Alternatively, a Designating Party may specify, at the deposition or up to
20 21 days afterwards if that period is properly invoked, that the entire transcript shall be treated as
21 “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY.”

22 Parties shall give the other parties notice if they reasonably expect a deposition, hearing or
23 other proceeding to include Protected Material so that the other parties can ensure that only
24 authorized individuals who have signed the “Acknowledgment and Agreement to Be Bound”
25 (Exhibit A) are present at those proceedings. The use of a document as an exhibit at a deposition shall
26 not in any way affect its designation as “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL –
27 ATTORNEYS’ EYES ONLY.”
28

1 Transcripts containing Protected Material shall have an obvious legend on the title page that
2 the transcript contains Protected Material, and the title page shall be followed by a list of all pages
3 (including line numbers as appropriate) that have been designated as Protected Material and the level
4 of protection being asserted by the Designating Party. The Designating Party shall inform the court
5 reporter of these requirements. Any transcript that is prepared before the expiration of a 21-day
6 period for designation shall be treated during that period as if it had been designated “HIGHLY
7 CONFIDENTIAL – ATTORNEYS’ EYES ONLY” in its entirety unless otherwise agreed. After the
8 expiration of that period, the transcript shall be treated only as actually designated.

9 (c) for information produced in some form other than documentary and for any other
10 tangible items, that the Producing Party affix in a prominent place on the exterior of the container or
11 containers in which the information or item is stored the legend “CONFIDENTIAL” or “HIGHLY
12 CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE
13 CODE”. If only a portion or portions of the information or item warrant protection, the Producing
14 Party, to the extent practicable, shall identify the protected portion(s) and specify the level of
15 protection being asserted.

16 5.3 Inadvertent Failures to Designate. If timely corrected, an inadvertent failure to
17 designate qualified information or items does not, standing alone, waive the Designating Party’s right
18 to secure protection under this Order for such material. Upon timely correction of a designation, the
19 Receiving Party must make reasonable efforts to assure that the material is treated in accordance with
20 the provisions of this Order.

21 6. CHALLENGING CONFIDENTIALITY DESIGNATIONS

22 6.1 Timing of Challenges. Any Party or Non-Party may challenge a designation of
23 confidentiality at any time. Unless a prompt challenge to a Designating Party’s confidentiality
24 designation is necessary to avoid foreseeable, substantial unfairness, unnecessary economic burdens,
25 or a significant disruption or delay of the litigation, a Party does not waive its right to challenge a
26 confidentiality designation by electing not to mount a challenge promptly after the original
27 designation is disclosed.
28

1 6.2 Meet and Confer. The Challenging Party shall initiate the dispute resolution process
2 by providing written notice of each designation it is challenging and describing the basis for each
3 challenge. To avoid ambiguity as to whether a challenge has been made, the written notice must
4 recite that the challenge to confidentiality is being made in accordance with this specific paragraph of
5 the Protective Order. The parties shall attempt to resolve each challenge in good faith and must begin
6 the process by conferring directly (in voice to voice dialogue; other forms of communication are not
7 sufficient) within 14 days of the date of service of notice. In conferring, the Challenging Party must
8 explain the basis for its belief that the confidentiality designation was not proper and must give the
9 Designating Party an opportunity to review the designated material, to reconsider the circumstances,
10 and, if no change in designation is offered, to explain the basis for the chosen designation. A
11 Challenging Party may proceed to the next stage of the challenge process only if it has engaged in
12 this meet and confer process first or establishes that the Designating Party is unwilling to participate
13 in the meet and confer process in a timely manner.

14 6.3 Judicial Intervention. If the Parties cannot resolve a challenge without court
15 intervention, the Designating Party shall file and serve a motion to retain confidentiality under Civil
16 Local Rule 7 (and in compliance with Civil Local Rule 79-5 and General Order 62, if applicable)
17 within 21 days of the initial notice of challenge or within 14 days of the parties agreeing that the meet
18 and confer process will not resolve their dispute, whichever is earlier. Each such motion must be
19 accompanied by a competent declaration affirming that the movant has complied with the meet and
20 confer requirements imposed in the preceding paragraph. Failure by the Designating Party to make
21 such a motion including the required declaration within 21 days (or 14 days, if applicable) shall
22 automatically waive the confidentiality designation for each challenged designation. In addition, the
23 Challenging Party may file a motion challenging a confidentiality designation at any time if there is
24 good cause for doing so, including a challenge to the designation of a deposition transcript or any
25 portions thereof. Any motion brought pursuant to this provision must be accompanied by a competent
26 declaration affirming that the movant has complied with the meet and confer requirements imposed
27 by the preceding paragraph.
28

1 The burden of persuasion in any such challenge proceeding shall be on the Designating Party.
2 Frivolous challenges and those made for an improper purpose (e.g., to harass or impose unnecessary
3 expenses and burdens on other parties) may expose the Challenging Party to sanctions. Unless the
4 Designating Party has waived the confidentiality designation by failing to file a motion to retain
5 confidentiality as described above, all parties shall continue to afford the material in question the
6 level of protection to which it is entitled under the Producing Party's designation until the court rules
7 on the challenge.

8 7. ACCESS TO AND USE OF PROTECTED MATERIAL

9 7.1 Basic Principles. A Receiving Party may use Protected Material that is disclosed or
10 produced by another Party or by a Non-Party in connection with this case only for prosecuting,
11 defending, or attempting to settle this litigation. Such Protected Material may be disclosed only to the
12 categories of persons and under the conditions described in this Order. When the litigation has been
13 terminated, a Receiving Party must comply with the provisions of Section 15 below (FINAL
14 DISPOSITION).

15 Protected Material must be stored and maintained by a Receiving Party at a location and in a
16 secure manner that ensures that access is limited to the persons authorized under this Order.

17 7.2 Disclosure of "CONFIDENTIAL" Information or Items. Unless otherwise ordered by
18 the court or permitted in writing by the Designating Party, a Receiving Party may disclose any
19 information or item designated "CONFIDENTIAL" only to:

20 (a) the Receiving Party's Outside Counsel of Record in this action, as well as
21 employees of said Outside Counsel of Record to whom it is reasonably necessary to disclose the
22 information for this litigation and who have signed the "Acknowledgment and Agreement to Be
23 Bound" that is attached hereto as Exhibit A;

24 (b) the officers, directors, and employees (including House Counsel) of the Receiving
25 Party to whom disclosure is reasonably necessary for this litigation and who have signed the
26 "Acknowledgment and Agreement to Be Bound" (Exhibit A);
27
28

(c) Experts (as defined in this Order) of the Receiving Party to whom disclosure is reasonably necessary for this litigation and who have signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A);

(d) the court and its personnel;

(e) court reporters and their staff, professional jury or trial consultants, and Professional Vendors to whom disclosure is reasonably necessary for this litigation and who have signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A);

(f) during their depositions, witnesses in the action to whom disclosure is reasonably necessary and who have signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A), unless otherwise agreed by the Designating Party or ordered by the court. Pages of transcribed deposition testimony or exhibits to depositions that reveal Protected Material must be separately bound by the court reporter and may not be disclosed to anyone except as permitted under this Stipulated Protective Order; and

(g) the author or recipient of a document containing the information or a custodian or other person who otherwise possessed or knew the information.

7.3 Disclosure of “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” and “HIGHLY CONFIDENTIAL – SOURCE CODE” Information or Items. Unless otherwise ordered by the court or permitted in writing by the Designating Party, a Receiving Party may disclose any information or item designated “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” only to:

(a) the Receiving Party’s Outside Counsel of Record in this action, as well as employees of said Outside Counsel of Record to whom it is reasonably necessary to disclose the information for this litigation and who have signed the “Acknowledgment and Agreement to Be Bound” that is attached hereto as Exhibit A;

(b) Designated House Counsel of the Receiving Party (1) who has no involvement in competitive decision-making, (2) to whom disclosure is reasonably necessary for this litigation, (3) who has signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A), and (4) as to whom the procedures set forth in Paragraph 7.4(a)(1), below, have been followed;

(c) Experts of the Receiving Party (1) to whom disclosure is reasonably necessary for this litigation, (2) who have signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A), and (3) as to whom the procedures set forth in Paragraph 7.4(a)(2), below, have been followed;

(d) the court and its personnel;

(e) court reporters and their staff, professional jury or trial consultants, and Professional Vendors to whom disclosure is reasonably necessary for this litigation and who have signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A); and

(f) the author or recipient of a document containing the information or a custodian or other person who otherwise possessed or knew the information.

7.4 Procedures for Approving or Objecting to Disclosure of “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” Information or Items to Designated House Counsel or Experts.

(a)(1) Unless otherwise ordered by the court or agreed to in writing by the Designating Party, a Party that seeks to disclose to Designated House Counsel any information or item that has been designated “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” pursuant to Paragraph 7.3(b) first must make a written request to the Designating Party that (1) sets forth the full name of the Designated House Counsel and the city and state of his or her residence, and (2) describes the Designated House Counsel’s current and reasonably foreseeable future primary job duties and responsibilities in sufficient detail to determine if House Counsel is involved, or may become involved, in any competitive decision-making.

(a)(2) Unless otherwise ordered by the court or agreed to in writing by the Designating Party, a Party that seeks to disclose to an Expert (as defined in this Order) any information or item that has been designated “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” pursuant to Paragraph 7.3(c) first must make a written request to the Designating Party that (1) identifies the general categories of “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” information that the Receiving Party seeks permission to disclose to the Expert, (2) sets forth the full name of the Expert and the city and state of his or her primary residence, (3) attaches a copy

1 of the Expert's current resume, (4) identifies the Expert's current employer(s), (5) identifies each
2 person or entity from whom the Expert has received compensation or funding for work in his or her
3 areas of expertise or to whom the expert has provided professional services, including in connection
4 with a litigation, at any time during the preceding five years, and (6) identifies (by name and number
5 of the case, filing date, and location of court) any litigation in connection with which the Expert has
6 offered expert testimony, including through a declaration, report, or testimony at a deposition or trial,
7 during the preceding five years.

8 (b) A Party that makes a request and provides the information specified in the
9 preceding respective paragraphs may disclose the subject Protected Material to the identified
10 Designated House Counsel or Expert unless, within 14 days of delivering the request, the Party
11 receives a written objection from the Designating Party. Any such objection must set forth in detail
12 the grounds on which it is based.

13 (c) A Party that receives a timely written objection must meet and confer with the
14 Designating Party (through direct voice to voice dialogue) to try to resolve the matter by agreement
15 within seven days of the written objection. If no agreement is reached, the Party seeking to make the
16 disclosure to Designated House Counsel or the Expert may file a motion as provided in Civil Local
17 Rule 7 (and in compliance with Civil Local Rule 79-5 and General Order 62, if applicable) seeking
18 permission from the court to do so. Any such motion must describe the circumstances with
19 specificity, set forth in detail the reasons why the disclosure to Designated House Counsel or the
20 Expert is reasonably necessary, assess the risk of harm that the disclosure would entail, and suggest
21 any additional means that could be used to reduce that risk. In addition, any such motion must be
22 accompanied by a competent declaration describing the parties' efforts to resolve the matter by
23 agreement (i.e., the extent and the content of the meet and confer discussions) and setting forth the
24 reasons advanced by the Designating Party for its refusal to approve the disclosure.

25 In any such proceeding, the Party opposing disclosure to Designated House Counsel or the
26 Expert shall bear the burden of proving that the risk of harm that the disclosure would entail (under
27 the safeguards proposed) outweighs the Receiving Party's need to disclose the Protected Material to
28 its Designated House Counsel or Expert.

1 8. PROSECUTION BAR

2 Absent written consent from the Producing Party, any individual who receives access to
3 “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL –
4 SOURCE CODE” information shall not be involved in the prosecution of patents or patent
5 applications relating to the subject matter highly confidential technical information to be produced,
6 including without limitation the patents asserted in this action and any patent or application claiming
7 priority to or otherwise related to the patents asserted in this action, before any foreign or domestic
8 agency, including the United States Patent and Trademark Office (“the Patent Office”). For purposes
9 of this paragraph, “prosecution” includes directly or indirectly drafting, amending, advising, or
10 otherwise affecting the scope or maintenance of patent claims. To avoid any doubt, “prosecution” as
11 used in this paragraph does not include representing a party challenging a patent before a domestic or
12 foreign agency (including, but not limited to, a reissue protest, *ex parte* reexamination or *inter partes*
13 reexamination). This Prosecution Bar shall begin when access to “HIGHLY CONFIDENTIAL –
14 ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” information is
15 first received by the affected individual and shall end one (1) year after final termination of this
16 action.

17 9. SOURCE CODE

18 (a) To the extent production of source code becomes necessary in this case, a
19 Producing Party may designate source code as “HIGHLY CONFIDENTIAL – SOURCE CODE” if it
20 comprises or includes confidential, proprietary or trade secret source code.

21 (b) Protected Material designated as “HIGHLY CONFIDENTIAL – SOURCE
22 CODE” shall be subject to all of the protections afforded to “HIGHLY CONFIDENTIAL –
23 ATTORNEYS’ EYES ONLY” information including the Prosecution Bar set forth in Paragraph 8,
24 and may be disclosed only to the individuals to whom “HIGHLY CONFIDENTIAL –
25 ATTORNEYS’ EYES ONLY” information may be disclosed, as set forth in Paragraphs 7.3 and 7.4,
26 with the exception of Designated House Counsel.

27 (c) Any source code produced in discovery shall be made available for inspection, in a
28 format allowing it to be reasonably reviewed and searched, during normal business hours or at other

1 mutually agreeable times, at an office of the Producing Party's counsel or another mutually agreed
2 upon location. The source code shall be made available for inspection on a secured computer in a
3 secured room without Internet access or network access to other computers, and the Receiving Party
4 shall not copy, remove, or otherwise transfer any portion of the source code onto any recordable
5 media or recordable device. The Producing Party may visually monitor the activities of the Receiving
6 Party's representatives during any source code review, but only to ensure that there is no
7 unauthorized recording, copying, or transmission of the source code.

8 (d) The Receiving Party may request paper copies of limited portions of source code
9 that are reasonably necessary for the preparation of court filings, pleadings, expert reports, or other
10 papers, or for deposition or trial, but shall not request paper copies for the purposes of reviewing the
11 source code other than electronically as set forth in Paragraph (c) in the first instance. The Producing
12 Party shall provide all such source code in paper form including bates numbers and the label
13 "HIGHLY CONFIDENTIAL – SOURCE CODE." The Producing Party may challenge the amount
14 of source code requested in hard copy form pursuant to the dispute resolution procedure and
15 timeframes set forth in Paragraph 6 whereby the Producing Party is the "Challenging Party" and the
16 Receiving Party is the "Designating Party" for purposes of dispute resolution.

17 (e) The Receiving Party shall maintain a record of any individual who has inspected
18 any portion of the source code in electronic or paper form. The Receiving Party shall maintain all
19 paper copies of any printed portions of the source code in a secured, locked area. The Receiving Party
20 shall not create any electronic or other images of the paper copies and shall not convert any of the
21 information contained in the paper copies into any electronic format. The Receiving Party shall only
22 make additional paper copies if such additional copies are (1) necessary to prepare court filings,
23 pleadings, or other papers (including a testifying expert's expert report), (2) necessary for deposition,
24 or (3) otherwise necessary for the preparation of its case. Any paper copies used during a deposition
25 shall be retrieved by the Producing Party at the end of each day and must not be given to or left with
26 a court reporter or any other individual.
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10. PROTECTED MATERIAL SUBPOENAED OR ORDERED PRODUCED IN OTHER LITIGATION

If a Party is served with a subpoena or a court order issued in other litigation that compels disclosure of any information or items designated in this action as “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” that Party must:

(a) promptly notify in writing the Designating Party. Such notification shall include a copy of the subpoena or court order;

(b) promptly notify in writing the party who caused the subpoena or order to issue in the other litigation that some or all of the material covered by the subpoena or order is subject to this Protective Order. Such notification shall include a copy of this Stipulated Protective Order; and

(c) cooperate with respect to all reasonable procedures sought to be pursued by the Designating Party whose Protected Material may be affected.

If the Designating Party timely seeks a protective order, the Party served with the subpoena or court order shall not produce any information designated in this action as “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” before a determination by the court from which the subpoena or order issued, unless the Party has obtained the Designating Party’s permission. The Designating Party shall bear the burden and expense of seeking protection in that court of its confidential material – and nothing in these provisions should be construed as authorizing or encouraging a Receiving Party in this action to disobey a lawful directive from another court.

11. A NON-PARTY’S PROTECTED MATERIAL SOUGHT TO BE PRODUCED IN THIS LITIGATION

(a) The terms of this Order are applicable to information produced by a Non-Party in this action and designated as “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE.” Such information produced by Non-Parties in connection with this litigation is protected by the remedies and relief provided by this

Order. Nothing in these provisions should be construed as prohibiting a Non-Party from seeking additional protections.

(b) In the event that a Party is required, by a valid discovery request, to produce a Non-Party's confidential information in its possession, and the Party is subject to an agreement with the Non-Party not to produce the Non-Party's confidential information, then the Party shall:

1. promptly notify in writing the Requesting Party and the Non-Party that some or all of the information requested is subject to a confidentiality agreement with a Non-Party;

2. promptly provide the Non-Party with a copy of the Stipulated Protective Order in this litigation, the relevant discovery request(s), and a reasonably specific description of the information requested; and

3. make the information requested available for inspection by the Non-Party.

(c) If the Non-Party fails to object or seek a protective order from this court within 14 days of receiving the notice and accompanying information, the Receiving Party may produce the Non-Party's confidential information responsive to the discovery request. If the Non-Party timely seeks a protective order, the Receiving Party shall not produce any information in its possession or control that is subject to the confidentiality agreement with the Non-Party before a determination by the court. Absent a court order to the contrary, the Non-Party shall bear the burden and expense of seeking protection in this court of its Protected Material.

12. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL

If a Receiving Party learns that, by inadvertence or otherwise, it has disclosed Protected Material to any person or in any circumstance not authorized under this Stipulated Protective Order, the Receiving Party must immediately (a) notify in writing the Designating Party of the unauthorized disclosures, (b) use its best efforts to retrieve all unauthorized copies of the Protected Material, (c) inform the person or persons to whom unauthorized disclosures were made of all the terms of this Order, and (d) request such person or persons to execute the "Acknowledgment and Agreement to Be Bound" that is attached hereto as Exhibit A.

13. INADVERTENT PRODUCTION OF PRIVILEGED OR OTHERWISE PROTECTED MATERIAL

When a Producing Party gives notice to Receiving Parties that certain inadvertently produced material is subject to a claim of privilege or other protection, the obligations of the Receiving Parties are those set forth in Federal Rule of Civil Procedure 26(b)(5)(B). This provision is not intended to modify whatever procedure may be established in an e-discovery order that provides for production without prior privilege review. Pursuant to Federal Rule of Evidence 502(d) and (e), insofar as the parties reach an agreement on the effect of disclosure of a communication or information covered by the attorney-client privilege or work product protection, the parties may incorporate their agreement in the stipulated protective order submitted to the court.

14. MISCELLANEOUS

14.1 Right to Further Relief. Nothing in this Order abridges the right of any person to seek its modification by the court in the future.

14.2 Right to Assert Other Objections. By stipulating to the entry of this Protective Order no Party waives any right it otherwise would have to object to disclosing or producing any information or item on any ground not addressed in this Stipulated Protective Order. Similarly, no Party waives any right to object on any ground to use in evidence of any of the material covered by this Protective Order.

14.3 Export Control. Disclosure of Protected Material shall be subject to all applicable laws and regulations relating to the export of technical data contained in such Protected Material, including the release of such technical data to foreign persons or nationals in the United States or elsewhere. The Producing Party shall be responsible for identifying any such controlled technical data, and the Receiving Party shall take measures necessary to ensure compliance.

14.4 Filing Protected Material. Without written permission from the Designating Party or a court order secured after appropriate notice to all interested persons, a Party may not file in the public record in this action any Protected Material. A Party that seeks to file under seal any Protected Material must comply with Civil Local Rule 79-5 and General Order 62. Protected Material may only be filed under seal pursuant to a court order authorizing the sealing of the specific Protected Material

1 at issue. Pursuant to Civil Local Rule 79-5 and General Order 62, a sealing order will issue only upon
2 a request establishing that the Protected Material at issue is privileged, protectable as a trade secret,
3 or otherwise entitled to protection under the law. If a Receiving Party's request to file Protected
4 Material under seal pursuant to Civil Local Rule 79-5(d) and General Order 62 is denied by the court,
5 then the Receiving Party may file the Protected Material in the public record pursuant to Civil Local
6 Rule 79-5(e) unless otherwise instructed by the court.

7 15. FINAL DISPOSITION

8 Within 60 days after the final disposition of this action, as defined in Paragraph 4, each
9 Receiving Party must return all Protected Material to the Producing Party or destroy such material.
10 As used in this subdivision, "all Protected Material" includes all copies, abstracts, compilations,
11 summaries, and any other format reproducing or capturing any of the Protected Material. Whether the
12 Protected Material is returned or destroyed, the Receiving Party must submit a written certification to
13 the Producing Party (and, if not the same person or entity, to the Designating Party) by the 60-day
14 deadline that (1) identifies (by category, where appropriate) all the Protected Material that was
15 returned or destroyed and (2) affirms that the Receiving Party has not retained any copies, abstracts,
16 compilations, summaries or any other format reproducing or capturing any of the Protected Material.
17 Notwithstanding this provision, Counsel are entitled to retain an archival copy of all pleadings,
18 motion papers, trial, deposition, and hearing transcripts, legal memoranda, correspondence,
19 deposition and trial exhibits, expert reports, attorney work product, and consultant and expert work
20 product, even if such materials contain Protected Material. Any such archival copies that contain or
21 constitute Protected Material remain subject to this Protective Order as set forth in Section 4
22 (DURATION).

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1 IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD.
2

3 *Pursuant to Civil Local Rule 5-1(i)(3), the filer hereby attests that concurrence in the filing of this*
4 *document has been obtained from each signatory below as indicated by "/s/".*

5 Dated: February 6, 2013

By: /s/ Kevin Viau

Otto O. Lee

Kevin Viau

INTELLECTUAL PROPERTY LAW GROUP LLP

12 South First Street, 12th Floor

San Jose, California 95113

Telephone: (408) 286-8933

Facsimile: (408) 286-8932

Attorneys for Plaintiff PQ LABS, INC.

11 Dated: February 6, 2013

By: /s/ Perry J. Narancic

Perry J. Narancic

LEXANALYTICA, PC

1730 S El Camino Real, Suite 270

San Mateo, CA 94402

Telephone: (650) 814-7688

Attorneys for Defendants

17 PURSUANT TO STIPULATION, IT IS SO ORDERED.
18

19 Dated: 2/7/2013


HON. CLAUDIA WILKEN
United States District Judge

EXHIBIT A

ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

I, _____ [print or type full name], of _____
[print or type full address], declare under penalty of perjury that I have read in its entirety and understand the
Stipulated Protective Order that was issued by the United States District Court for the Northern District of
California on _____ [date] in the case of *PQ Labs, Inc. v. Yang Qi, et al.*, Case No. 12-CV-00450-
CW, I agree to comply with and to be bound by all the terms of this Stipulated Protective Order and I
understand and acknowledge that failure to so comply could expose me to sanctions and punishment in the
nature of contempt. I solemnly promise that I will not disclose in any manner any information or item that is
subject to this Stipulated Protective Order to any person or entity except in strict compliance with the
provisions of this Order.

I further agree to submit to the jurisdiction of the United States District Court for the Northern District
of California for the purpose of enforcing the terms of this Stipulated Protective Order, even if such
enforcement proceedings occur after termination of this action.

I hereby appoint _____ [print or type full name] of _____
_____ [print or type full address and telephone number] as my California agent for
service of process in connection with this action or any proceedings related to enforcement of this Stipulated
Protective Order.

Date: _____

City and State where sworn and signed: _____

Printed name: _____
[printed name]

Signature: _____
[signature]

CERTIFICATE OF SERVICE

I certify that on February 6, 2013, I electronically filed the foregoing STIPULATED PROTECTIVE ORDER using the Court's CM/ECF system, which will provide service of such filing by email to the following parties:

Perry J. Narancic, Esq.
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San Mateo, CA 94402
pjn@lexanalytica.com

Attorney for Defendants Yang Qi, ZaagTech Inc., Jinpeng Li, and Haipeng Li

By: /s/ Kevin Viau
Kevin Viau