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VIA ELECTRONIC FILING

The Honorable Judge Mary Pat Thynge
J. Caleb Boggs Federal Building
844 N. King Street,
Unit 8, Room 2124
Wilmington, DE 19801-3555

> Re: *Xerox Corporation v. Google Inc., et al.,*
> C.A. No. 10-136-JJF/MPT

Dear Magistrate Judge Thynge:

In accordance with the Court's order setting a teleconference at 11:00 a.m. August 19, and an attendant briefing schedule, Defendants Google Inc., YouTube LLC, Yahoo! Inc. and Right Media LLC respectfully submit the following letter brief outlining the parties' disputes related to the protective order in this case.

Application of prosecution bar to claim drafting in reexaminations of the patents-in-suit

The parties have agreed to a limited one-year patent prosecution bar provision applicable to "prosecution activity" involving the subject matter of the patents-in-suit. Defendants contend that this provision should prohibit Xerox's litigation counsel from drafting replacement or amended patent claims, or otherwise providing advice or counsel as to claim drafting, in parallel reexamination proceedings involving the patents-in-suit.[1] Plaintiff disagrees. (D.I. 67, Ex. A at ¶ 2.C.)

Courts commonly bar participation in claim drafting activity by attorneys with knowledge of an accused infringer's confidential information, notwithstanding the presence of separate protective order provisions that prohibit the use of such information outside that litigation, because courts recognize that such attorneys should not be asked to perform the impossible task of compartmentalizing their minds to shield their claim drafting activity and advice from their existing knowledge of the confidential workings of a target system gained in litigation. That rationale is stronger than ever where the patent claims being prosecuted are related to claims that have actually been asserted against that target system. Courts have also recognized that this rationale retains its force when the attorney is considering in the reexamination context how to narrow a claim to avoid a prior art reference without also undermining a purported infringement position relative to the target system. *See, e.g., Visto*

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[1] One or more petitions for reexamination involving the patents in suit is expected to be filed within the next two to three weeks.

Corp. v. Seven Networks, Inc., 2006 U.S. Dist. LEXIS 91453, at *22-23 (E.D. Tex. Dec. 19, 2006). *See also Methode Electronics, Inc. v. Delphi Automotive Sys. LLC*, 2009 U.S. Dist. LEXIS 107137, at *12-13 (E.D. Mich. Nov. 17, 2009).

In opposing Defendants' request, Plaintiff points to a decision by Judge Robinson declining to apply a prosecution bar provision to reexamination proceedings. *Kenexa Brassring Inc. v. Taleo Corp.*, Civ. No. 07-521-SLR, 2009 WL 393782, at *1 (D. Del. Feb. 18, 2009). In *Kenexa*, the court reasoned that the need for such an application is obviated by the Patent Office's rules prohibiting a patentee from broadening its claims during reexamination to secure greater patent coverage. Defendants submit that this distinction is misplaced. Regardless of whether claims are being narrowed, an attorney who participates in the drafting of claims cannot be expected to avoid "using" highly relevant confidential information about the target system gleaned from the litigation. This is the rationale for every prosecution bar, and it is equally applicable to reexamination – as this Court has previously recognized. In *Amberwave Systems Corp. v. Intel Corp.*, 05-301-KAJ (D. Del. 2006), Judge Jordan limited communications between Plaintiff's litigation and reexamination counsel to factual communications relating to knowledge regarding the prior art, and made such communications subject to discovery. (Ex. A hereto at 26-29.)

Defendants' proposal strikes a fair balance between Xerox's desire for efficient representation of counsel and Defendants' interest in preventing misuse of their confidential information. Further, unlike the proposal rejected by Judge Robinson in *Kenexa Brassring* (and consistent with Judge Jordan's ruling in *Amberwave*), Defendants' proposal would allow Xerox's litigation counsel to participate in reexamination of the patents-in-suit, so long as individual attorneys who have accessed Defendants' confidential information refrain from drafting claims, or providing advice with respect to claim drafting, in connection with such proceedings.

Treatment of Source Code

The second dispute concerns the treatment of Defendants' source code. The parties have agreed that Plaintiff's source code inspection should take place on a non-networked computer in the offices of Defendants' outside counsel, using the software review tools reasonably requested by Plaintiff. The parties have likewise agreed that, to ease the burden on Plaintiff in preparing its case, Plaintiff should be permitted to print and take away source code as reasonably necessary.

Plaintiff, however, has refused to agree to any limits on how much source code Plaintiff may print and carry away. Instead, under Plaintiff's proposed arrangement, it may effectively bypass the on-site source code review procedure by requesting unlimited paper copies of the code. (D.I. 67, Ex. A at ¶ 1.C.2.d-e.) This defeats the purpose of the agreed-upon procedure.

Defendants have proposed a reasonable alternative that has been agreed to and adopted by the Court in another recent District of Delaware patent case involving Defendant Google. *Personalized User Model v. Google*, 1:09-cv-525-JJF, D.I. 38 at 17-18 (D. Del. 2010). Under this arrangement, Defendants must turn over up to 1,500 pages of source code upon request. Once Plaintiff's requests exceed 1,500 printed pages, Defendants may object to further requests as excessive – but must still turn over the requested print-outs while the Court takes up the matter. It is only once the requests exceed 3,000 printed pages that Defendants may seek relief

and withhold further print-outs while the Court hears Defendants' objection. (D.I. 67, Ex. A at ¶ 1.C.2.e.)

Plaintiff objects on the ground that Defendants' suggested provision permits Defendants to withhold source code print-outs once the 3,000-page threshold is reached, thus supposedly disrupting Plaintiff's review. This argument fails for several reasons. First, to protect its highly proprietary trade secret information, Defendants need a means to ensure that the bulk of Plaintiff's source code review actually takes place in the controlled environment established by the protective order, and that Plaintiff cannot offsite the review by forcing Defendants to produce unlimited amounts of code that can then be transported around the country in printed, unencrypted form. Under Plaintiff's proposal, Defendants are unable to seek relief from an unreasonable demand for printed source code without either producing it (and thus doing the exact damage that the requested relief would seek to prevent) or violating the protective order.

Second, Plaintiff has never explained why it could ever possibly need <u>3,000 pages</u> of printed source code from each Defendant in addition to its access to the source code computers. The fact that Plaintiff has objected to Defendants' proposal without a substantive explanation itself demonstrates that Defendants have good reason for concern.

Finally, even when Plaintiff's requests exceed 3,000 pages, Plaintiff's experts are free to continue their inspection of Defendants' source code and are allowed to request additional source code printouts. Such requests must be obliged by Defendants unless Defendants formally object to the Court. This is itself a safeguard against any obstructive conduct by Defendants. In any event, even if Defendants choose to lodge an objection and withhold requested source code, the inspection process will not grind to a halt. Plaintiff will still have access to the more than 3,000 pages of code it has already printed out, as well as <u>all</u> of the code on the review computers. Plaintiff may also continue to request print-outs, since Defendants must have a cognizable basis – that they can justify to this Court – each time they object to a request.

Plaintiff's position on the final protective order issue shows that Plaintiff is attempting to have its cake and eat it too. One of the reasons the stipulated protective order permits Plaintiff to print source code is so that Plaintiff may question Google witnesses regarding the source code at depositions, and mark the print-outs as confidential exhibits. However, Plaintiff will not agree to reasonable limits on how much source code it can print – and <u>also</u> insists on Defendants making its full source code production available at depositions in electronic form, effectively creating yet another venue for source code inspection. (D.I. 67, Ex. A at ¶ 1.C.2.k.(4).) The use of computers at depositions also presents logistical difficulties in building a clear record, since a source code computer cannot be marked as an exhibit, and specific portions of the source code cannot be unambiguously referenced by Bates number.[2]

The requirement that source code inspection take place on a non-networked computer in an agreed location is intended to ensure that Defendants' most valuable and guarded trade secrets remain in their control while permitting Plaintiff the access that it needs to develop its case. Plaintiff should not be permitted to circumvent that procedure.

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[2] Notwithstanding the logistical problems it would present, Defendants offered a compromise whereby they would agree to provide source code computers at depositions if Plaintiff would agree to the proposed page limitations on source code print-outs. Plaintiff refused.

Respectfully,

/s/ *Richard L. Horwitz*

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Enclosure
cc: Counsel of Record (By Electronic Filing)
     Clerk of the Court (By Hand Delivery)