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The Honorable Mary Pat Thyng
United States District Court
844 King Street
Wilmington, Delaware 19801

VIA ELECTRONIC FILING

Re: Xerox Corp. v. Google, Inc., et al., C. A. No. 10-136-LPS-MPT

Dear Judge Thyng:

Xerox Corp. (“Xerox”) respectfully submits this additional briefing concerning the disputed reexamination provision of the Protective Order. In that provision, Defendants seek to bar Xerox trial counsel who have seen Defendants’ confidential information from providing advice to Xerox or to Xerox reexamination counsel concerning claim language during reexaminations of the patents-in-suit initiated by or on behalf of Defendants.

This letter addresses two issues: (1) the extent to which Defendants’ proposed reexamination bar reasonably reflects a risk of disclosure and improper use of proprietary competitive information; and (2) the balancing of Defendants’ alleged confidentiality interest against the harm to Xerox in denying or imposing restrictions on Xerox’s counsel of choice. Xerox submits that Defendants have not shown good cause for their proposed bar since there is no cognizable risk to Defendants, and the bar would unfairly harm Xerox by denying it the full benefit of trial counsel’s advice and extensive knowledge of the patents-in-suit.

I. The Positions of the Parties

As Xerox stated during the August 19 telephone hearing, its trial counsel will not represent Xerox before the Patent and Trademark Office (“PTO”) in connection with reexaminations of the patents-in-suit. Instead, Xerox will retain separate reexamination counsel, who would be responsible for communications with the PTO and for drafting any claim amendments. Consistent with the agreed-upon provisions of the Protective Order, Xerox trial counsel would *not* disclose any confidential information to Xerox or to reexamination counsel.

The parties agree that, regardless of exposure to confidential information, the Protective Order permits Xerox trial counsel to provide advice on how to distinguish existing claims of the patents-in-suit over prior art references raised in reexamination. *See* Defs. Reply Br. at 1. However, Defendants’ proposed language would bar Xerox trial counsel from advising on any claim amendments made to effectuate such distinctions over the prior art—even though such amendments can result only in claims either coextensive with or narrower than the existing claims, and therefore cannot result in any new infringement allegations.

II. There Is No Reasonable Relationship between Defendants’ Proposed Reexamination Bar and the Risk of Disclosure of Proprietary Competitive Information

A. The Deutsche Bank Test

In *In re Deutsche Bank Trust Co. Americas*, 605 F.3d 1373 (Fed. Cir. 2010), the Federal Circuit held that “a party seeking imposition of a patent prosecution bar must show that the information designated to trigger the bar, the scope of activities prohibited by the bar, the duration of the bar, and the subject matter covered by the bar reasonably reflect the risk presented by the disclosure of proprietary competitive information.” *Id.* at 1381. The court stressed that such determinations should be made on a case-by-case basis after consideration of all relevant facts. *Id.*

Deutsche Bank discussed a bar on patent prosecution only; it did not consider important distinctions between patent prosecution and reexamination, particularly when reexamination is a strategic choice by a defendant in an infringement action. Nonetheless, the general test above may be applied to Defendants’ proposed reexamination bar.¹ And, under that test, Defendants’ proposed bar is unreasonable.

B. Information Triggering the Bar

In *Deutsche Bank*, the Federal Circuit explained that when “evaluating whether to grant a patent prosecution bar in the first instance, a court must be satisfied that the kind of information that will trigger the bar is relevant to the preparation and prosecution of patent applications before the PTO.” *Id.* In particular, the Federal Circuit noted that “information related to new inventions and technology under development, especially those that are not already the subject of pending patent applications, may pose a heightened risk of inadvertent disclosure by counsel involved in *prosecution-related* competitive decisionmaking” *Id.* at 1381 (emphasis added).

Here, Defendants’ proposed reexamination bar would be triggered by exposure to any of Defendants’ confidential information. Defendants have not, to our knowledge, disclosed information related to new inventions and new technologies, and certainly have not tailored their reexamination bar to be triggered by such material. In any event, in a reexamination, as opposed to patent prosecution, a defendant’s information is “basically irrelevant”. *Kenexa Brassring Inc. v. Taleo Corp.*, Civ. A. No. 07-521-SLR, 2009 WL 393782, at *2 (D. Del. Feb. 18, 2009). Reexamination is a strictly limited proceeding assessing only the patentability of existing claims on the basis of particular prior art references. *See* 35 U.S.C. §§ 302, 311. The only determination is whether the claims are valid in light of those references. As Judge Robinson recognized, information concerning the Defendants’ products is irrelevant to that determination. Defendants’ bar thus fails the first prong of the *Deutsche Bank* test.

¹ In *Deutsche Bank*, the Federal Circuit went on to announce a balancing test to determine whether individual counsel should be exempt from a prosecution bar. *See Deutsche Bank*, 605 F.3d at 1380-81. Here, the issue is not whether certain counsel should be exempt from a *prosecution* bar—Xerox has never sought any such exemption—but whether Defendants can meet their burden of showing good cause for a *reexamination* bar in the first place.

C. Scope of Prohibited Activities, Subject Matter and Duration

Under Defendants' proposed reexamination bar, "individual attorneys with knowledge of Defendants' confidential information [would] be prohibited from influencing the amendment or drafting of claims during [reexamination] proceedings." Defs. Reply Br. at 1. But because the risks accompanying claim drafting during prosecution are not present in reexamination, Defendants cannot meet their burden under *Deutsche Bank* to show that any other aspects of their proposed bar—scope of prohibited activities, subject matter and duration—are reasonable.

The facts in *Deutsche Bank*, while quite different from the facts here, illustrate the distinction between prosecution and reexamination. In *Deutsche Bank*, the plaintiff had sued the defendants on three patents. *Id.* at 1376. After filing suit, the plaintiff continued to prosecute nineteen pending applications, all related to the asserted patents and involving the same subject matter as the litigation. *Id.* Because of this battery of pending applications, the plaintiff had extensive latitude to broaden and develop its intellectual property rights in parallel with the litigation. The plaintiff could add broader claims whose scope was limited only by the existing specifications. And the plaintiff could always file entirely new applications with new material added to the specifications—material that could then support even broader sets of claims.

Consequently, in patent prosecution, the risk to a defendant of disclosure of its confidential information is substantial. Because brand-new, broader claims can be added during patent prosecution, a plaintiff could use a defendant's confidential information to fashion new claims that would, in turn, support new, tailor-made infringement allegations. A plaintiff could even misappropriate and patent "new inventions and technology under development", *Deutsche Bank*, 605 F.3d at 1381, disclosed in the defendant's confidential information. Either way, a plaintiff could use the defendant's confidential information to create new intellectual property rights and hence new claims of patent infringement.

Such "prosecution-related" risks are entirely absent from this case. First, the Protective Order already bars Xerox trial counsel who have accessed Defendants' confidential information from participating in prosecution of new or pending applications. *See* Xerox's Opening Brief ("XBr."), Exh. D at 13-15, ¶ 2. Second, as noted above, in contrast to the flexible and open-ended nature of patent prosecution, reexamination is a strictly limited proceeding. Although claims can be amended in reexamination to make them patentable over the prior art, unlike in patent prosecution, such amended claims can *never* be broader than the original claims. *See* 35 U.S.C. § 305 ("No proposed amended or new claim enlarging the scope of a claim of the patent will be permitted in a reexamination proceeding . . ."); *see also* 35 U.S.C. § 314(a) (same for *inter partes* reexamination); *Kenexa*, 2009 WL 393782 at *2. Consequently, *no* product that did not infringe a reexamined patent before reexamination could *ever* infringe that patent following reexamination.² Thus, the risk of permitting a plaintiff's counsel to access a defendant's confidential information as that counsel prepares claim language—the drafting of new claims tailor-made for new infringement assertions—is wholly lacking in reexaminations.

² Indeed, whether something could infringe the reexamined patent while not infringing the original patent is precisely the test used by the Federal Circuit to determine whether claims have been impermissibly broadened. *See Predicate Logic, Inc. v. Distributive Software, Inc.*, 544 F.3d 1298, 1303 (Fed. Cir. 2008).

Furthermore, during prosecution of new applications, a plaintiff's counsel could amend the specification to add new matter whose content could be influenced by the defendant's confidential information. *See* 35 U.S.C. § 111; MPEP § 201.08. That new matter, in turn, could be used to support the introduction of new, broader patent claims. But in reexamination, new matter cannot be added to the specification. *See* MPEP, App. R § 1.530(j). To the extent claims are narrowed to distinguish them over prior art—*i.e.*, by adding additional details to the claims—those details must *already exist* in the specification. *See* 35 U.S.C. §§ 305, 314(a); MPEP, App. R § 1.530(e). They cannot be imported from the defendant's confidential information, again precluding new infringement assertions.

The only “risk” Defendants cite to justify a bar encompassing reexamination activities is the potential inability to evade infringement liability. Defendants complain that when and if claim narrowing is necessary to distinguish claims over prior art, Xerox trial counsel with access to confidential information might prevent Xerox reexamination counsel from drafting overly narrow claims that would no longer read on Defendants' products. Notwithstanding, Xerox is entitled to patent protection for any patent claim as long as it is supported by the existing specification and is novel and nonobvious over the prior art. Accordingly, slightly less narrow claims, fully supported by the existing specification, that would continue to read on Defendants' products constitute legitimate intellectual property rights, and Xerox should be entitled to prevent Defendants from infringing those rights. Defendants should not be able to use this Court's Protective Order as a shield for continued infringement. Because they do not aim to prevent any valid risks to Defendants, the prohibited activities, subject matter and duration³ of the proposed bar are unreasonable.

III. Xerox Would Be Unfairly Prejudiced by Defendants' Proposed Reexamination Bar

Since Defendants cannot point to any valid risk from Xerox trial counsel providing advice concerning reexamination claim drafting, they cannot show good cause for the imposition of their proposed bar. Moreover, Xerox would be substantially and unreasonably prejudiced if Defendants can voluntarily extend this litigation into the reexamination arena, but use the Protective Order to prevent Xerox from receiving complete advice from its trial counsel.

Unlike patent prosecution, which is both initiated and controlled by the patentee, the reexaminations at issue here, whether *ex parte* or *inter partes*, will be voluntarily initiated by Defendants. Their trial counsel can participate fully in the drafting of the reexamination requests. In an *ex parte* reexamination, their counsel can participate fully in drafting the reply to Xerox's statement on reexamination. 35 U.S.C. § 304. And in an *inter partes* reexamination, their trial counsel can participate fully in drafting a response to every communication Xerox makes to the PTO. 35 U.S.C. § 314(b). Thus, as Judge Robinson noted, when Defendants themselves file the reexamination request, the reexamination becomes “part and parcel of the instant case.” *Kenexa*, 2009 WL 393782 at *2. Having chosen to expand this litigation to

³ Because the reexamination bar lasts for one year after the conclusion of this case (including appeals), *see* XBr. Exh. D at 13, ¶ 2.A, and because any reexaminations initiated by Defendants would likely conclude before that time (particularly if Defendants obtain a stay), the practical effect of Defendants' proposed bar would be completely to prevent Xerox trial counsel from providing advice concerning reexamination claim language.

include reexamination,⁴ Defendants should not deprive Xerox of the full advice of its own trial counsel, especially since there is no risk to any validly protected interest of Defendants.

As both the Federal Circuit and this Court have recognized, Xerox has a strong interest in receiving advice from counsel of its choice. *See In re Yamaha Corp.*, 62 F.3d 1431, 1995 WL 412843, at *3 (Fed. Cir. 1995) (party has a strong interest “in being able to select counsel of its choice in [that] specialized, technical case”); *Elonex I.P. Holdings, Ltd. v. Apple Computer, Inc.*, 142 F. Supp. 2d 579, 584 (D. Del. 2001) (party found to have a strong interest in retaining counsel with “extensive familiarity with the factual and legal issues in [a] complex patent case”). Over time, Xerox trial counsel have developed extensive familiarity with the patents-in-suit, as well as with the interplay between the claim language, on the one hand, and prior art on the other. In reexamination, Xerox should be able to rely fully on the expertise of its trial counsel to avoid increasing costs and duplicating effort.

Thus, to the extent narrowing claim amendments becomes necessary to distinguish the asserted claims over the prior art pressed by Defendants, Xerox trial counsel should be able to comment on claim language drafted by reexamination counsel. Otherwise, Xerox’s right under the Protective Order to have its trial counsel provide advice on prior art will be substantially vitiated. And, because Xerox trial counsel may also have to defend the validity of reexamined claims in this action, trial counsel should be able to provide input concerning the very language it will later have to explain and defend before a jury. Reexamination counsel, who are PTO lawyers, not trial lawyers, are not well situated to advise on jury-related issues.

Defendants may argue that certain Xerox trial counsel can simply abstain from accessing Defendants’ confidential information to preserve their ability to participate in the reexaminations. In practice, however, such an arrangement would be completely unworkable and prejudicial, as it would force trial counsel to choose between participating in the infringement side of the case, or in the reexamination/validity side of the case. Both issues will need to be addressed in briefs, discovery responses, expert reports and in trial preparation, as well as in the court mediations scheduled for early next year. Xerox’s trial counsel must be able to direct a comprehensive, consistent litigation strategy encompassing both issues, and hence should not be forced into such an unworkable choice.

IV. Conclusion

Because Defendants’ confidential information has no relevance to reexamination proceedings, the proposed reexamination bar cannot pass the threshold test of *Deutsche Bank*. Further, there is no risk to Defendants’ legitimately protectable interests, and the bar would substantially prejudice Xerox by denying it the full benefit of its trial counsel’s advice and input in what is, for all intents and purposes, an extension of the litigation. Therefore, Xerox submits that Defendants have not shown good cause for the proposed reexamination bar, and Xerox respectfully requests that the Court permit Xerox trial counsel to provide full advice on claim amendments that might become necessary during reexaminations of the patents-in-suit.

⁴ *Grayzel v. St. Jude Med. Inc.*, Civ. A. No. 05-1126, 162 Fed. Appx. 954, 958-59 (Fed. Cir. Dec. 23, 2005), a non-precedential Federal Circuit decision cited by Defendants, is inapposite. In that case, the plaintiff himself chose to initiate a reexamination of his own patents.

Respectfully,

/s/ Andrew C. Mayo

Andrew C. Mayo

JGD/dmf

cc: Richard L. Horwitz, Esquire (via electronic mail)
Jack B. Blumenfeld, Esquire (via electronic mail)