UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SKYHOOK WIRELESS, INC., Plaintiff, v. GOOGLE INC., Defendant.	CIVIL ACTION NO. 1:10-cv-11571-RWZ
GOOGLE INC., Counterclaim-Plaintiff, v. SKYHOOK WIRELESS, INC., Counterclaim-Defendant.	

MEMORANDUM OF LAW IN SUPPORT OF DEFENDANT AND COUNTERCLAIM-PLAINTIFF GOOGLE, INC.'S MOTION FOR ENTRY OF A PROTECTIVE ORDER

I. INTRODUCTION

All parties recognize that this litigation will require them to divulge trade secrets or other confidential technical and business information. Both sides recognize that a protective order is necessary, and that it should limit the use and dissemination of each side's confidential technical and business information. Both sides agree that any person reviewing another party's highly confidential material should be barred from engaging in "Prosecution Activity." However, the parties do not agree on the scope of this bar. Plaintiff Skyhook Wireless, Inc. ("Skyhook"), agrees that "Prosecution Activity" should include the prosecution of patent applications, but insists that it should not include any aspect of reissue or reexamination proceedings involving

previously-issued patents. In contrast, defendant Google Inc. ("Google") requests that "Prosecution Activity" be defined to encompass those stages of reissue or reexamination proceedings that, like pre-issuance prosecution activities, effect claim scope. Google therefore seeks a prosecution bar that would allow those attorneys with access to confidential information to be involved in addressing prior art issues that arise during reissue or reexamination proceedings, but would prohibit them from being involved in the preparation of new or modified patent claims.

It is not enough for the protective order in this case to prohibit generally the use of confidential information for non-litigation purposes. Attorneys are human, and courts recognize that even the most well-intentioned person can have enormous difficulty in mentally compartmentalizing information. Simply put, people know what they know. Skyhook proposes that its attorneys be permitted to access and analyze Google's highly confidential material, but is silent as to how those same attorneys could possibly perform the mental gymnastics necessary to avoid using that inside knowledge in the preparation of new or modified patent claims during reissue or reexamination proceedings. Under Skyhook's position, there is a significant risk that Skyhook attorneys would use Google's highly confidential material—at minimum, inadvertently—in shaping new or modified claims of Skyhook's patents through reissue or reexamination proceedings. That risk of substantial prejudice to Google is unwarranted, and adequately addressed only by the provisions of Google's proposed protective order.

Therefore, Google respectfully moves the Court to enter its proposed form of protective order, which is, except for the few differences discussed below, identical to that agreed to by Skyhook. *See* Exhibits A (Google's proposed protective order), B (markup showing the differences between Google's proposed protective order and Skyhook's first proposed protective order), & C (markup showing the differences between Google's proposed protective order and Skyhook's second proposed protective order). By extending the "Prosecution Activity" bar to the preparation of new or modified patent claims during any reissue or reexamination proceeding, Google's proposed protective order goes much further toward ensuring that

Google's highly confidential material is used only for purposes of this case, and not to otherwise advantage Skyhook in the marketplace.

II. STATEMENT OF FACTS

The parties have agreed to nearly all details of a protective order. The only outstanding issue is the extent to which a person with access to another party's highly confidential material may take part in reissue or reexamination proceedings.

The parties have long agreed on the need for a prosecution bar in this case. In an effort to define its scope, Google initially proposed to include pre-issuance prosecution activities, as well as all aspects of reissue and reexamination proceedings within the "Prosecution Activity" barred by the protective order.[1] *See* Exhibit D. Skyhook agreed that individuals with access to the opposing party's highly confidential material should be barred from pre-issuance prosecution activities, but objected to extending the bar to reissue and reexamination proceedings. *See* Exhibit E. Under Skyhook's proposal, attorneys with access to Google's highly confidential information would be able to participate in all aspects of reissue and reexamination proceedings, including activities directly related to the language and scope of the claims. In an effort to balance each side's concerns, and in the hope of avoiding motion practice, Google offered a compromise: extend the "Prosecution Activity" bar to only those aspects of reissue and reexamination proceedings involving the preparation of new or modified patent claims. *See* Exhibit F. The proposal is captured in Paragraph 13.3 of Google's proposed protective order:

> 13.3. Prosecution Activity shall mean: (1) prepare and/or prosecute any patent application (or portion thereof), whether design or utility, and either in the United States or abroad on behalf of a patentee or assignee of patentee's rights; (2) prepare patent

[1] Reissue proceedings are governed by 35 U.S.C. §§ 251 and 252, and allow a patentee to correct errors affecting the validity and enforceability of an issued patent. *See* MARTIN J. ADELMAN ET AL., CASES AND MATERIALS ON PATENT LAW 674 (2d ed. 2003). Reexamination proceedings are governed by 35 U.S.C. §§ 302-307 and 35 USC §§ 311-318, and allow the Patent and Trademark Office to reconsider the validity of a patent at the request of the patentee or a third party. *See id.*

> claim(s) on behalf of a patentee or assignee of patentee's rights, including but not limited to participate in the preparation of modified or new patent claims during any reissue or reexamination proceedings on behalf of a patentee or assignee of patentee's rights; or (3) provide advice, counsel or suggestions regarding, or in any other way influencing, claim scope and/or language, embodiment(s) for claim coverage, claim(s) for prosecution, or products or processes for coverage by claim(s) on behalf of a patentee or assignee of patentee's rights. For the avoidance of doubt, participation in the analysis of a patent as originally issued or of Prior Art for the purpose of any reissue or reexamination proceeding on behalf of a patentee or assignee of patentee's rights shall not constitute Prosecution Activity. Nothing in this paragraph shall prevent any attorney from sending Prior Art or non-confidential discovery or Court filings (including, without limitation, interrogatory responses, contentions, summary judgment briefing, expert reports, and claim construction materials) to an attorney involved in patent prosecution for purposes of ensuring that such Prior Art is submitted to the U.S. Patent and Trademark Office (or any similar agency of a foreign government) to assist a patent applicant in complying with its duty of candor. "Prior art" shall be construed in accordance with the meaning given that term in Title 35 of the United States Code, and interpretations thereof provided by the federal judiciary.[2]

Google's proposal thus maintains the ability of individuals with access to another party's highly confidential material to review and analyze prior art as part of any reissue or reexamination proceeding. Skyhook insists that its attorneys should *both* be able to review Google's highly confidential business information and also be involved in shaping the scope of Skyhook's patent claims. *See* Exhibit G. This is unreasonable and, thus, the issue remains unresolved despite Google's good faith efforts. *See* Exhibit H.

III. ONLY GOOGLE'S PROPOSED PROTECTIVE ORDER ADEQUATELY PROTECTS HIGHLY CONFIDENTIAL MATERIAL.

Access to highly confidential material by attorneys involved in the preparation of new or modified patent claims during any reissue or reexamination proceedings is an important issue to Google. Google would be profoundly prejudiced if its highly confidential material were used to aid a competitor in its efforts to reshape the scope of its patent monopoly, or otherwise block

[2] Text proposed by Google to which Skyhook does not agree is underlined.

competition from the marketplace. The protective order entered in this case therefore must ensure that Skyhook and its counsel will not, even unintentionally, use Google's highly confidential material to prepare new or modified patent claims that might purport to cover the very products at issue in this case.

A. Counsel With Access To Highly Confidential Material Should Be Prohibited From Preparing New Or Modified Patent Claims During Any Reissue Or Reexamination Proceedings.

The Court has broad discretion to fashion a protective order that will prevent the disclosure of confidential information, or to limit its dissemination. The Federal Rules of Civil Procedure provide:

> The court may, for good cause, issue an order to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense including...requiring that a trade secret or other confidential research, development, or commercial information not be revealed or be revealed in only a specific way....

FED. R. CIV. P. 26(c)(1)(g). The party seeking the protective order has the burden to demonstrate good cause. *See Anderson v. Cryovac, Inc.*, 805 F.2d 1, 7 (1st Cir. 1986); *see also In re Deutsche Bank Trust Co. Ams.*, 605 F.3d 1373, 1378 (Fed. Cir. 2010) (requiring party seeking a patent prosecution bar to establish good cause). Here, the burdens are equal in that both sides are seeking entry of a protective order.[3] The court is to balance the parties' interests. *See Gill v. Gulfstream Park Racing Ass'n, Inc.*, 399 F.3d 391, 400 (1st Cir. 2005).

Courts recognize that the inadvertent use or disclosure of confidential information is a real risk that can be addressed in the design of a protective order.

> Inadvertence, like the thief-in-the-night, is no respecter of its victims. Inadvertent or accidental disclosure may or may not be predictable. To the extent that it may be predicted, and cannot be

[3] The parties are by agreement today each filing simultaneous motions for entry of a protective order. Each side's proposed form of protective order differs only with respect to the disputed scope of the prosecution bar.

> adequately forestalled in the design of a protective order, it may be a factor in the access decision.

U.S. Steel Corp. v. United States, 730 F.2d 1465, 1468 (Fed. Cir. 1984). As the Federal Circuit has recognized, one common structural mechanism for guarding against inadvertent use or disclosure of confidential information is to limit not just the use of that information, but who may access it. Google's proposal is in keeping with precedent that even well-intentioned individuals often cannot compartmentalize their knowledge in a way that adequately protects confidential information. *See, e.g., Deutsche Bank*, 605 F.3d at 1378 ("'[I]t is very difficult for the human mind to compartmentalize and selectively suppress information once learned, no matter how well-intentioned the effort may be to do so.'" (quoting *FTC v. Exxon Corp.*, 636 F.2d 1336, 1350 (D.C. Cir. 1980))). Every prosecution bar limits, to a certain degree, which counsel may act on behalf of a party with respect to certain issues. Courts recognize this, and where parties to a lawsuit are commercial competitors, courts balance the risk to the moving party of "inadvertent disclosure or competitive use…against the potential harm to the opposing party from restrictions imposed on that party's right to have the benefit of counsel of its choice." *Deutsche Bank*, 605 F.3d at 1380.

Parties frequently agree—and where they do not, courts frequently require—that counsel with access to the confidential information of a competitor not be involved in related patent prosecution. *See, e.g., Abbott GMBH & Co. v. Centocor Ortho Biotech, Inc.*, No. 4:09-CV-11340 (FDS) (D. Mass. filed May 13, 2010) (entering stipulated protective order including prosecution bar); *United States v. Pani*, No. 08-CR-40034-FDS (D. Mass. filed Mar. 3, 2010) (entering protective order including prosecution bar); *Chan v. Intuit, Inc.*, 218 F.R.D. 659, 661-62 (N.D. Cal. 2003) (preventing patent prosecution counsel from participating in prosecution of patents for period of two years after the conclusion of the action); *In re Papst Licensing*, No. MDL 1278, 2000 WL 554219 (E.D. La. May 4, 2000) (requiring attorney to refrain from patent prosecution for one year after the conclusion of the litigation, including appeals).

Several courts have interpreted general patent prosecution bars to prohibit involvement in reissue and reexamination proceedings. *See, e.g., Grayzel v. St. Jude Med., Inc.*, 162 Fed. App'x. 954, 966 (Fed. Cir. 2005) (unpublished and non-precedential) (interpreting protective order limiting use of confidential information "only for purposes in connection with this litigation" to prohibit participation in reexamination proceedings)[4]; *Visto Corp. v. Seven Networks, Inc.*, No. 2:03-CV-333-TJW, 2006 U.S. Dist. LEXIS 91453, at *22 (E.D. Tex. Dec. 19, 2006) (interpreting protective order barring outside counsel from "prosecution of any new or currently pending patent applications" to include reexamination proceedings).

The competitive decision-making exercised by those involved in reissue and reexamination proceedings warrants inclusion of such proceedings within the "Prosecution Activity" bar. In *Deutsche Bank*, the Federal Circuit upheld the competitive decision-making test as the proper standard for application of a patent prosecution bar. *See* 605 F.3d at 1378-79. In doing so, the appellate court foresaw increased "risk of inadvertent disclosure of competitive information learned during litigation" when attorneys with access to such information are involved with "strategically amending or surrendering claim scope." *Id.* at 1380. This is the precise activity that Google seeks to prohibit through its proposed protective order. *See Methode Elecs., Inc. v. Delphi Auto. Sys., L.L.C.*, No. 09-13078, 2009 WL 3875980, at *4 (E.D. Mich. Nov. 17, 2009) (referring to counsel's participation in reexamination proceedings as "evidence of competitive decisions made by him").

Reissue and reexamination proceedings hold much the same risk as traditional pre-issuance patent prosecution. The reexamination process affords the patent owner the opportunity to add or amend claims. *See* 35 U.S.C. §§ 305, 314(a) (2011). A person with access to Google's

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[4] While the Federal Circuit's unpublished *Grayzel* opinion is not precedential, it is persuasive. *See generally Booker v. Mass. Dept. of Pub. Health*, 612 F.3d 34, 42 n.8 (1st Cir. 2010) (relying on unpublished opinions of other Circuit Courts of Appeal for their persuasive value). The risk that confidential information gained during the course of litigation may inform claim drafting during a reexamination or reissue proceeding is real and warrants protection.

highly confidential material might shape the new or amended claims in an effort to make them read directly on Google's products. *See Shared Memory Graphics, LLC v. Apple, Inc.*, No. C-10-2475 VRW (EMC), 2010 U.S. Dist. LEXIS 125184, at *11 (N.D. Cal. Nov. 12, 2010) (stating "in reexamination…a patent owner may well choose to restructure claims in a manner informed by the alleged infringer's confidential information gleaned from litigation"); *Pall Corp. v. Entegris, Inc.*, 655 F. Supp. 2d 169, 173 (E.D.N.Y. 2008) (recognizing that "the ability to 'tinker' with an existing patent can…adversely impact ongoing litigation"); *Xerox Corp. v. Google, Inc.*, 270 F.R.D. 182, 184 (D. Del. 2010) ("Defendants raise a legitimate concern that their confidential information could be competitively misused in strategically narrowing plaintiff's patent claims during reexamination.").[5] Therefore, Skyhook attorneys who choose to access Google's highly confidential business information should be barred from preparation of new or modified patent claims during any reissue or reexamination proceeding, no less than during any other phase of prosecution.

B. Entry Of Google's Proposed Protective Order Would Not Unduly Prejudice Skyhook In Its Choice Of Counsel.

Under any form of protective order that adequately protects Google's highly confidential material, Skyhook will be put to a choice. It will have to decide whether it wishes to have certain individuals review and analyze Google's highly confidential material, or whether it

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[5] Certain courts have taken the view that persons with access to the confidential information of a competitor may participate in reexamination or reissue proceedings because any new or confirmed claims are not to be broader than the claims as originally issued. *See, e.g., Vasudevan Software, Inc. v. IBM*, No. C09-05897 RS (HRL), 2010 U.S. Dist. LEXIS 100835, at *11-*12 (N.D. Cal. Sept. 14, 2010). That view is overly narrow. Sophisticated practitioners understand that patent scope is often hotly contested. *See, e.g., R.H. Murphy Co. v. Illinois Tool Works, Inc.*, 292 F. Supp. 2d 259 (D. Mass. 2003). It cannot be presumed that whether a new or revised claim impermissibly enlarges the scope of the claims as issued is a straightforward matter. *See, e.g., Quantum Corp. v. Rodime PLC*, 851 F. Supp. 1382, 1386 (D. Minn. 1994) (noting that patentee allegedly intentionally broadened its claim scope through reexamination to read onto a competitor's product), *aff'd*, 65 F.3d 1577 (Fed. Cir. 1995). No defendant should have to face claims that are tailored to its products based on its confidential information. Google's proposed compromise language avoids this risk.

prefers to employ them to prepare new or modified patent claims during a reissue or reexamination proceeding.

It is not difficult to imagine why Skyhook might perceive an advantage in being able to use lawyers with inside knowledge of its competitor's products to prepare new or modified patent claims during a reissue or reexamination proceeding. But it is beyond imagining why denial of such an advantage would be unfair to Skyhook. Google's proposal allows Skyhook to employ any attorney—including those with access to Google's highly confidential material—to participate in the review and analysis of prior art raised during reissue and reexamination proceedings, a compromise approved by several other courts. *See Document Generation Corp. v. Allscripts, LLC*, No. 6:08-CV-479, 2009 WL 1766096, at *1 (E.D. Tex. June 23, 2009) (entering protective order prohibiting those persons with access to confidential information from prosecuting a reexamination proceeding); *Hochstein v. Microsoft Corp.*, No. 04-73071, 2008 WL 4387594, at *3 (E.D. Mich. Sept. 24, 2008) (amending protective order to allow litigation counsel to take part in reexamination proceedings only after counsel pledged not to "draft new claims or amend existing claims during the reexamination"). Reissue and reexamination proceedings are "limited proceeding[s] assessing only the patentability of existing claims against specific prior art references." *Xerox*, 270 F.R.D. at 184. Google's proposed protective order maintains Skyhook's choice of counsel in this regard.

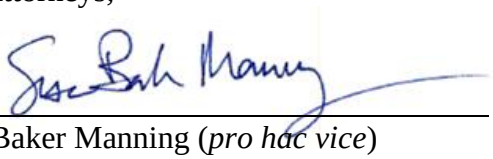
IV. CONCLUSION

Google's proposed protective order ensures that its highly confidential material will not be used, even inadvertently, to advantage Skyhook in the marketplace, while adequately preserving Skyhook's choice of counsel. Google therefore respectfully requests that the Court grant its Motion and enter its proposed protective order.

Dated: May 25, 2011

Respectfully submitted,
GOOGLE INC.,

By its attorneys,



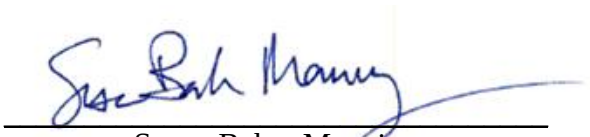
Susan Baker Manning (*pro hac vice*)
susan.manning@bingham.com
Robert C. Bertin (*pro hac vice*)
r.bertin@bingham.com
BINGHAM McCUTCHEN LLP
2020 K Street, NW
Washington DC 20006-1806, U.S.A.
202.373.6000

David M. Magee (BBO No. 652399)
david.magee@bingham.com
BINGHAM McCUTCHEN LLP
One Federal Street
Boston, MA 02110-1726, U.S.A.
617.951.8000

William F. Abrams (*pro hac vice*)
william.abrams@bingham.com
BINGHAM McCUTCHEN LLP
1900 University Avenue
East Palo Alto, CA 94303-2223, U.S.A.
650.849.4400

CERTIFICATE OF SERVICE

I hereby certify that this documents filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants on May 25, 2011.



Susan Baker Manning
susan.manning@bingham.com