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.	

DEFENDANT AND COUNTERCLAIM-PLAINTIFF GOOGLE INC.'S OPPOSITION TO PLAINTIFF AND COUNTERCLAIM-DEFENDANT SKYHOOK WIRELESS, INC.'S MOTION FOR ENTRY OF A PROTECTIVE ORDER

I. INTRODUCTION

On May 25, 2011, Google Inc. and Skyhook Wireless, Inc. filed simultaneous Motions for Entry of a Protective Order, each with supporting Memoranda. (Dkt. Nos. 29-32.) The parties' proposed orders are largely identical, and the parties agree that any protective order entered by this court should include a Patent Prosecution Bar that would, for example, prohibit those attorneys with access to confidential information of the other party from prosecuting patents in the relevant field for one year after resolution of this case. They disagree as to how the Patent Prosecution Bar should apply in reexamination and reissue proceedings.

Google proposes to apply the Patent Prosecution Bar to those stages of reissue or reexamination proceedings that, like pre-issuance prosecution activities, affect claim scope. Exhibit A at ¶ 13.3. Under Google's proposal, however, attorneys with access to confidential information may still participate in those portions of reissue or reexamination proceedings that focus on the prior art. *Id.* Skyhook offers two alternatives. Under its first proposal, attorneys with access to confidential information may participate in all aspects of reexamination proceedings, and in non-broadening reissue proceedings—including the drafting or amendment of claims. (Skyhook's Memo. at 2, Dkt. No. 32.) Skyhook's second proposal would allow attorneys with access to confidential information to participate to the same extent in reexamination proceedings initiated by or at the behest of Google. (*Id.*)

Neither of Skyhook's proposals adequately safeguards Google's highly confidential material from the practical concerns raised in Google's Motion. Skyhook would allow its attorneys with access to Google's protected material to fully participate in reissue and reexamination proceedings, thus ignoring the widely-recognized risk of inadvertent misuse or disclosure. Skyhook contends that this risk is minimized by the "nature" of the proceedings at issue, but its analysis is flawed. The practical reality is that, despite statutory direction, reissue and reexamination proceedings sometimes do result in patent claims broader than those originally issued. Only a properly tailored protective order avoids the costly and time-consuming litigation that would result from broadened claims shaped by knowledge of Google's highly confidential material.

Skyhook's arguments are unavailing. Although Skyhook claims that it would face "substantial harm" should its litigation counsel be prevented from participating in reissue or reexamination proceedings, this ignores Google's actual proposal. Google's proposal explicitly preserves the ability of all individuals to review and analyze prior art during such proceedings, thus mitigating any potential harm, and putting the parties on even ground. In contrast, Skyhook's "compromise" proposal exacerbates the risk to Google because it would advantage

Skyhook in precisely those proceedings before the Patent and Trademark Office ("PTO") most likely to be relevant to Google's products.

Google's proposed protective order strikes the right balance, and is fair to all parties. Google thus respectfully requests that the Court enter its proposed protective order, including the prohibition on those individuals with access to the opposing party's highly confidential material from "participat[ing] in the preparation of modified or new patent claims during any reissue or reexamination proceedings." Exhibit A at ¶ 13.3.

II. SKYHOOK'S PROPOSED ORDERS INTRODUCE A REAL RISK THAT GOOGLE'S PROTECTED MATERIAL WILL BE INADVERTENTLY USED OR DISCLOSED.

By seeking to limit the use of Google's highly confidential material rather than limiting those with access to such material, Skyhook's proposed orders introduce an unacceptable level of risk that Google's highly confidential material will be improperly used or disclosed. 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. *See U.S. Steel Corp. v. United States*, 730 F.2d 1465, 1468 (Fed. Cir. 1984) (comparing inadvertent disclosure to "the thief-in-the-night" and stating that "[t]o the extent that it may be predicted, and cannot be adequately forestalled in the design of a protective order, it may be a factor in the access decision"). Skyhook largely ignores this risk, defending as adequate an agreed-upon provision that, it admits, serves only to prohibit its attorneys from "deliberately using" Google's highly confidential material "in reexamination or reissue proceedings." (Skyhook Memo. at 10.)

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 can, in practice, avoid inadvertently using that inside knowledge in the preparation of new or modified patent claims during reissue or reexamination proceedings. *See, e.g., In re Deutsche Bank Trust Co. Ams.*, 605 F.3d 1373, 1378 (Fed. Cir. 2010) ("'[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))). "[E]ven the

most rigorous efforts of the recipient of such information to preserve confidentiality in compliance with the provisions of such a protective order may not prevent inadvertent compromise." *Id.*

Google attempts to avoid this problem entirely by proposing a protective order that controls who may access its highly confidential material. Specifically, Google's proposed order prohibits individuals with such access from being involved in the preparation of new or modified patent claims. This proposal effectively eliminates the risk that Skyhook's attorneys will inadvertently use Google's protected material during reissue or reexamination proceedings. *See id.* at 1380 (recognizing that the "risk of inadvertent disclosure of competitive information learned during litigation is…much greater for…attorneys" engaged in "strategically amending or surrendering claim scope").

III. SKYHOOK'S PROPOSED ORDERS FAIL TO ACCOUNT FOR THE ECONOMIC INCENTIVES TO USE GOOGLE'S PROTECTED MATERIAL DURING REEXAMINATION AND REISSUE PROCEEDINGS.

Skyhook relies on a flawed understanding of the "nature" of reexamination and non-broadening reissue proceedings in advocating for its proposed orders. (Skyhook Memo. at 5.) Skyhook repeatedly references the narrowed claims that will result from such proceedings and concludes that the proceedings thus "create little risk of inadvertent use of confidential information." (*Id*. at 1, 5-7, 10.) This ignores the complexities and incentives of modern patent litigation.

One cannot presume that the claims resulting from a reexamination proceeding will, in fact, be narrower than the claims as originally issued. The scope of a patent's claims is a hotly contested matter in most patent litigation—no less so for claims issued via reexamination proceedings. *See, e.g., Anderson v. Int'l Eng'g and Mfg., Inc.*, 160 F.3d 1345, 1350 (Fed. Cir. 1998) (holding that claims-at-issue were impermissibly broadened during reexamination); *Thermalloy, Inc. v. Aavid Eng'g, Inc.*, 121 F.3d 691, 694 (Fed. Cir. 1997) (same); *R.H. Murphy Co. v. Ill. Tool Works, Inc.*, 292 F. Supp. 2d 259 (D. Mass. 2003) (reviewing patent claims

granted during reexamination to determine if they were broader than the claims as originally issued).

Furthermore, a patentee may attempt to use a reexamination proceeding to broaden claim scope to read directly onto a competitor's product. *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). Google should not have to face claims improperly tailored to its products through the use of confidential materials obtained only for the purposes of this litigation. Yet, Skyhook's proposed orders invite this result and leave Google with the expensive and time-consuming option of *ex post* litigation as its only manner of protection.

Reissue proceedings offer even greater potential for a patentee to broaden claim scope. In addition to the risk that a patentee will *impermissibly* broaden the patent's claims, reissue proceedings introduce the further risk associated with the *permissible* broadening of claims. *See Vectra Fitness, Inc. v. TNWK Corp.*, 162 F.3d 1379, 1380-81 (Fed. Cir. 1998) (holding that claims-at-issue were impermissibly broadened during reissue). The Patent Act explicitly allows the PTO to issue claims broader than those originally issued if "applied for within two years from the grant of the original patent." 35 U.S.C. § 251. Skyhook's patent portfolio contains eight patents issued within the last two years, as well as at least thirty-two pending applications, all of which will, if issued, be thereafter eligible for a broadening reissue.[1] *See* Exhibit B. Skyhook's agreement that "broadening amendments should fall within the prosecution bar" is therefore of little comfort. (Skyhook Memo. at 6 n.6.) Skyhook offers no practical guidelines for ensuring that individuals with access to Google's highly confidential material participate in only those reissue proceedings that are truly non-broadening. In contrast, Google's proposed

[1] Skyhook's patent portfolio may include additional patent applications which are either unpublished or for which the PTO has yet to record an assignment.

protective order avoids this risk entirely and thus offers the only sufficient protection for Google's trade secrets and highly confidential information.

Skyhook's further assertion that it lacks incentive to strategically narrow its claims to read on Google's products is unconvincing. The temptation for an individual with access to a competitor's confidential information to misuse this information to strategically shape claims during reissue and reexamination proceedings is well understood by the courts. *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) ("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") (citations omitted); *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.").

While the resulting patent would indeed be narrower in scope, there is no basis to assume that its value would be "greatly diminish[ed]." (Skyhook Memo. at 7.) In fact, the patent's value may be greatly enhanced. As issued, the claims of the Skyhook patent may be invalid—the purpose of a reexamination proceeding is to determine this very question. *See* 35 U.S.C. § 307. Thus, during any potential reexamination proceeding, Skyhook may be forced to concede patent scope in order to try to thread the needle between infringement and invalidity. *See generally Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1379 (Fed. Cir. 1998) (finding that the patentee "relinquished" claim scope during reexamination in order to maintain validity of the patent). Skyhook would undoubtedly benefit economically from shaping its claims with Google's products in mind. And they would, of course, be in mind. It is simply not realistic to suggest that attorneys actively litigating the case could ignore their own intimate knowledge of Google's products when drafting new or revised claims. Google's proposed order avoids this

impossible situation and ensures that highly confidential material is used only for purposes of this case.

IV. SKYHOOK WOULD SUFFER NO PREJUDICE SHOULD THE COURT EXTEND THE PATENT PROSECUTION BAR TO REISSUE AND REEXAMINATION PROCEEDINGS.

Google's proposal is fair to Skyhook. While it is undoubtedly true that litigants have an interest in choosing their counsel, courts regularly find it fair—and necessary—to place limits on choice of counsel. *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 patent prosecution bar); *Chan v. Intuit, Inc.*, 218 F.R.D. 659, 661-62 (N.D. Cal. 2003) (same); *In re Papst Licensing*, No. MDL 1278, 2000 WL 554219 (E.D. La. May 4, 2000) (same). Indeed, Skyhook accepts that its—and Google's—choice in counsel may be appropriately curtailed—that is the effect of the Patent Prosecution Bar Skyhook itself proposes. *See* Exhibits C & D at ¶ 13.

In contrast to the real risks faced by Google under the terms of Skyhook's proposed orders, Google's proposed order causes Skyhook little—if any—inconvenience, much less actual harm. 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 allows Skyhook to employ any attorney—including those with access to Google's highly confidential material—to participate in the review and analysis of this prior art. *See* Exhibit A at ¶ 13.3. Skyhook thus continues to enjoy the benefit of litigation counsel's "acquired expertise in the patents-in-suit," maintains the ability to promote a "consistent litigation strategy," and can minimize any potential duplication of effort. (Skyhook Memo. at 7, 9.)

V. SKYHOOK'S "COMPROMISE" PROPOSAL *INCREASES* THE RISK FACED BY GOOGLE AND THUS IS NO COMPROMISE AT ALL.

Through its "compromise" proposal, Skyhook seeks to exclude from the Patent Prosecution Bar those reexamination proceedings initiated by or at the behest of one of the parties to this action. (*Id.* at 2.) This only exacerbates the problem. Any reexamination of Skyhook's patents initiated by Google would likely involve the patents-at-issue or those involving similar technology. "It is well recognized that where related patents are being prosecuted and litigated simultaneously, a party may obtain strategic advantage by using information from the litigation in the patent prosecution." *Pall Corp.*, 655 F. Supp. 2d at 175 n.5 (internal quotation marks and citation omitted). Thus, prohibiting individuals with access to Google's highly confidential material from participating in the preparation of new or modified patent claims in a reexamination proceeding initiated by Google is "essential to prevent a potentially adverse impact upon the outcome of [the] pending litigation." *Id.* at 175.

Furthermore, the "compromise" proposal seeks to resolve a problem that does not exist. Skyhook argues that in prohibiting individuals with access to Google's highly confidential material from participating in the preparation of new or modified patent claims, Google's proposed protective order somehow disadvantages Skyhook vis-à-vis Google in a hypothetical *inter partes* reexamination initiated by Google. (Skyhook Memo. At 9.) This is irrelevant. Google's proposed protective order does not "preclude Skyhook's outside litigation counsel" from participating in such a reexamination. (*Id.*) It simply limits outside litigation counsel's participation to the review and analysis of prior art, *see* Exhibit A at ¶ 13.3, the equivalent of the involvement by Google's outside litigation counsel in the *inter partes* reexamination. *See* 35 U.S.C. § 314(b). Thus, Google's proposed protective order puts the parties on an even field, while Skyhook seeks the "tactical advantage" inherent in allowing individuals with "access to confidential information…to navigate between prior art and its infringement claims." *Shared Memory Graphics*, 2010 U.S. Dist. LEXIS 125184 at *12.

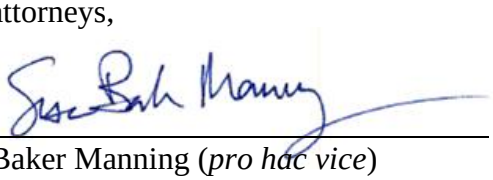
CONCLUSION

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. Skyhook's proposed protective orders, in contrast, would put its counsel in an impossible position, and introduce genuine risk to the continued protection of Google's most confidential information. Google therefore respectfully requests that the Court grant the Motion and enter Google's proposed form of protective order.

Dated: June 8, 2011

Respectfully submitted,
GOOGLE INC.,

By its attorneys,



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CERTIFICATE OF SERVICE

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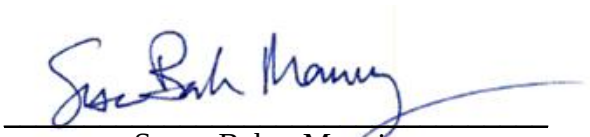

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