

UNITED STATES DISTRICT COURT
DISTRICT OF NEW MEXICO

STC.UNM,

Plaintiff,

v.

CV-2010-1077 RB/WDS

INTEL CORPORATION,

Defendant.

STC'S OPPOSITION TO AMENDING THE PROTECTIVE ORDER

Intel's motion to amend the protective order calls for entry of two extraordinary provisions. First, Intel's request that STC's expert not be allowed to use the key technical documents in his home town is without precedent of any court, and can only be viewed as lawyer-created obstruction for STC to efficiently prepare its case. Second, Intel's five year prosecution-bar is again without any precedent, redundant of existing law, and extremely prejudicial to STC's attorneys and experts. The Court should deny the motion.

I. Intel's Technical Documents

This is a complicated and technical case, which requires specialized counsel, and highly-qualified technical experts. STC has hired lawyers from Albuquerque and Chicago. Intel, for its part, has hired lawyers from Albuquerque, San Francisco and Phoenix. The technical expert that STC anticipates that it will call to testify at trial teaches at the University of Texas and resides in Austin, Texas. Other experts and

fact witnesses will be scattered throughout the country. Simply put, discovery and trial preparation in this matter will require a nation-wide, coordinated effort.

The underlying technical documents that are the subject of this motion are referred to as “GDS files” and “process flows.” Because STC recognizes the sensitive nature of those documents, it has agreed to certain restrictions regarding how those documents may be used in this matter. For example, STC has agreed to not send the documents to a third party vendor for copying (Protective Order [CD 63], at ¶9(a)), STC has agreed to keep a log of when and who accesses the documents (¶9(e)), STC has agreed to not make copies of the documents prior to 72 hours before a deposition (¶9(c)), STC has agreed to not make copies of the documents prior to 48 hours prior to a court filing (¶9(d)), and STC has agreed to meet and confer with Intel on the use of the documents as demonstratives at trial (*Id.*). In short, there can be no question that STC, and its counsel, appreciate the sensitive nature of the documents.

Despite all of these agreed to restrictions, the very nature of this case will require that the subject documents to leave the respective lawyers’ offices. Indeed, the agreed to terms of the protective order contemplate that STC’s counsel will necessarily travel with documents from the initial inspection (¶9(b)), make copies of the documents for depositions (¶9(c)), necessarily travel with the documents to depositions (*Id.*), use the documents at trial (¶9(d)), necessarily travel with the documents to trial (*Id.*), and, of course, file such documents with court with, *e.g.*, summary judgment motions (*Id.*). Thus, even though the documents will be guarded

under lock and key, the simple fact is that the documents will not stay in the lawyers' offices in Albuquerque, San Francisco, Phoenix, and Chicago for every day of this case. The location of the inspections, the location of the lawyers' offices, the location of the witnesses' depositions, and the location of the court house itself will require the documents to travel.

1. Intel's Obstructionist Tactics

In light of the above, Intel's refusal to allow STC's expert to access the documents in his home town is nothing more than an obstructionist tactic. STC's expert, Dr. Chris Mack, lives in Austin. Should STC only be allowed to keep a copy of the key technical documents at its attorneys' offices in Chicago, Dr. Mack will have to travel to Chicago to study the documents to write his report, and prepare for his deposition and trial. Dr. Mack, of course, has teaching obligations throughout the pendency of this litigation. Requiring Dr. Mack to make multiple, piecemeal trips to and from Chicago to get meaningful time with the documents upon which he is to testify would create unnecessary prejudice to STC. Moreover, this will be a significant and unnecessary expense to STC to pay for Dr. Mack's travel to and lodging in Chicago.

2. Prior Precedent Favors STC

Further, there exists precedent for STC's request. Prior to filing this suit against Intel, STC enforced the same patent against Samsung and Taiwan Semiconductor Company at the U.S. Int'l Trade Commission. Exh. A [Pedersen Dec.] ¶2. In that proceeding Intel's current counsel, Kecker and Van Nest, represented TSMC. *Id.* ¶3.

The parties to that case agreed to similar provisions for the inspection of the GDS files, *e.g.*, on a stand-alone computer at a secure site, etc. *Id.* ¶4. Moreover, both Samsung and TSMC agreed that Dr. Mack could retain a second copy of the key technical documents in his home office. *Id.* ¶5. In order to satisfy Samsung's and TSMC's sensitivities, Dr. Mack procured a safe which he used to store the documents, which he would, of course, use in this case. *Id.* ¶6.¹

During the extended meet and confer process over this issue, Intel maintained that it could not agree to provide STC's expert with copies of the key technical documents because "Intel had never done that before." STC has been not, however, been able to locate any case where Intel's restriction was challenged, and a court found it to be proper.

Moreover, STC notes that some of the more high-volume patent litigation districts have provided litigants with form protective orders that provide model language for this issue. For example, the Northern District of California's model protective order, which Intel relies upon as authoritative for its position on the prosecution bar (Section II below), requires the receiving party to keep copies in a secured, locked area, but it does not require that the copies be kept in the lawyers offices. The model language further specifies that copies can be made for the preparation of expert reports.

¹ Moreover, STC's expert, Dr. Mack, has an appreciation for the sensitive nature of Intel's information as he has, in the past, provided technical assistance to semiconductor manufacturers including Intel without incident.

The Receiving Party shall maintain all paper copies of any printed portions of the source code in a secured, locked area. . . . The Receiving Party shall only make additional paper copies if such additional copies are (1) necessary to prepare court filings, pleadings, or other papers (including a testifying expert's expert report), (2) necessary for deposition, or (3) otherwise necessary for the preparation of its case. ...

Exh. B, at ¶9(e). Additionally, a judge in the Eastern District of Texas, another high volume patent district, has issued a model protective order for source code inspections that explicitly provides for the experts to keep copies of the printouts a locked secure area in their offices.

If the receiving Party's outside counsel, consultants, or experts obtain printouts or photocopies of Source Code Material, the receiving Party shall ensure that such outside counsel, consultants, or experts keep the printouts or photocopies in a secured locked area *in the offices of such outside counsel, consultants, or expert*.

Exh. C, at ¶10(j).

3. The Subject Documents Only Involve a Small Portion of the Entire Manufacturing Process

Intel's demand for the restrictions upon STC's expert is completely unnecessary because STC will only be printing a *small fraction* of the information that its expert will be viewing at the secure site. As set forth in STC's reply brief for its motion to compel, the printed material that STC will ultimately acquire by no means will even come close to providing a beginning-to-end recipe for how to manufacture an Intel semiconductor.²

² Intel repeats its arguments that its products are subject to export controls. Motion, at 2-3. As explained in its reply brief to its motion to compel, STC is trying this case in the state of New Mexico, and has no intention of exporting any Intel documents

4. STC's Proposed Language

In light of the above, STC proposes that the Court adopt the following language for paragraph 9(f).

(f) All copies of documents produced under this paragraph 9 must be kept in a secured location at the offices of the Receiving Party's Outside Counsel and/or its technical experts at all times.

II. The Current Prosecution Bar is Adequate

Intel's request for a five year prosecution bar is redundant to existing law and extremely prejudicial to STC's attorneys and experts.

1. A Five Year Bar is Redundant to Existing Law

Intel's motion fails to identify any precedent where a court has approved a five year restriction upon the scope of an attorney's practice. The reason that no precedent exists, is because any such restriction would be redundant to existing law. The United States is a first to invent, and not a first to file country. That means that an individual is not allowed to obtain a patent for an invention that someone else has already developed, regardless of whether the other person filed for a patent. *See* 35 USC 102(a) & (g). In this case, that means that STC's attorneys and experts could not lawfully obtain patent protection that covers any of the technology of which they learn through their inspection of Intel's documentation.

to any of the countries that the State Department has listed as state sponsors of terrorism, including, Burma, Cuba, Iran, Libya, North Korea, Sudan or Syria.

Assuming Intel's worst case scenario – where a lawyer in this case drafts patent claims to cover Intel's R&D – Intel would actually have no risk to patent infringement, and the offending individual would be severely punished under the law. For example, in the event that the tainted patent was enforced, Intel would have a multitude of recourses, including at least:

- Invalidating the patent for inequitable conduct of knowingly obtaining patent protection for the invention of another (35 U.S.C. §§102, 115);
- Attorney fees under for an exceptional case (35 U.S.C. §285); and
- Contempt of court for violating the existing protective order in this case based on a solid paper trail of the inspection. *See* Prot. Order [CD 63], at 3 (“Designated Material . . . shall be used by a Receiving Party solely for the purpose of this litigation and not for any other purpose, including, without limitation, any business or commercial purpose, . . .”).

As such, Intel is already adequately protected under existing law against the very unlikely scenario that it conjectures in its motion papers.³

2. A Five Year Bar is Attorney Created Obstruction

Should the Court adopt Intel's modification to the prosecution bar, STC's litigation counsel, who are also patent lawyers, and expert, who consults in the semiconductor industry, would be restricted in their practice and consulting for the next half decade. Because Intel's unprecedented request is only redundant of

³ As explained in STC's related motion to compel, Intel grossly mischaracterizes the scope of the sought-after discovery. Intel suggests that it will have to turn over all of its trade secrets concerning its research and development associated with its 14 and 10 nm products. This is not true. STC is only requesting discovery into one discrete area of the manufacturing process, *i.e.*, the use of double patterning. Indeed, for its other products the parties have agreed that Intel will produce documents to show where it utilizes double patterning. Exh. D, at 4-5 (Responses to RFPs 1 and 2).

existing law, it should be viewed for what it is: a tactic to deter STC's lawyers and technical expert from working on a case that would restrict their future careers. This case should be decided on the merits, and not attorney-created obstacles to participation in the discovery process.

3. Paragraph 10(b) Should be Deleted From the Protective Order

Accordingly, STC requests that the Court delete the placeholder paragraph 10(b) from the current protective order in its entirety.

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Deron B. Knoner
KELEHER & MCLEOD, P.A
201 Third Street NW, 12th Floor
PO Box AA
Albuquerque, New Mexico 87103
(505) 346-4646

Respectfully submitted,

/s/ Steven R. Pedersen
Rolf O. Stadheim
Joseph A. Grear
George C. Summerfield
Keith A. Vogt
Steven R. Pedersen
STADHEIM & GREAR, LTD.
400 N. Michigan Avenue, Suite 2200
Chicago, Illinois 60611
(312) 755-4400

Attorneys for Plaintiff STC.UNM

Certificate of Service: I hereby certify that on April 18, 2011, I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF system which will send notification of such filing via electronic mail to all counsel of record.

/s/ Steven R. Pedersen