IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

MIRROR WORLDS, LLC, Plaintiff, v. APPLE INC., Defendant.	Civil Action No. 6:08-CV-88 LED JURY TRIAL DEMANDED
APPLE INC., Counterclaim Plaintiff, v. MIRROR WORLDS LLC, MIRROR WORLDS TECHNOLOGIES, INC. Counterclaim Defendants.	

APPLE INC.'S MOTION REGARDING THE PARTIES' PROSECUTION BAR DISPUTE

Apple Inc. and Mirror Worlds, LLC dispute one issue relating to the Protective Order that has been entered in this case: whether the prosecution bar agreed to by the parties should extend to reexamination proceedings. It should, because allowing litigation counsel to access highly confidential information and then participate in reexamination proceedings creates exactly the same problem as allowing participation in patent prosecutions: the potential misuse of confidential information in the drafting or amending of claims.

As Judge Ward explained in *Visto Corp. v. Seven Networks, Inc.*, the purpose of a prosecution bar "is to prevent outside counsel from using, even inadvertently, confidential

information obtained in the lawsuit for purposes outside the lawsuit (*e.g.* drafting claims during patent prosecution)." 2006 U.S. Dist. Lexis 91453, at *22 (E.D. Tex. Dec. 19, 2006). Without a prosecution bar, counsel would be permitted to write new patent claims while possessing detailed and highly confidential technical information about the design and function of a defendant's products. Counsel are of course entitled to rely on *public* information in their efforts to craft claims that avoid prior art while still covering a competing product. However, allowing counsel with highly confidential information to be involved in drafting or amending claims creates a serious risk that claims will be drafted, even unintentionally, to cover confidential future products or confidential aspects of existing products.

Exactly the same risk exists in the context of reexamination. Patentee's counsel participating in reexamination proceedings could draft and/or amend claims in light of the highly confidential technical information they possess about a defendant's product. Thus, prosecution bars should extend to cover patentee's counsel's participation in reexamination proceedings.

This conclusion has been recognized and adopted in this District. In *Visto*, Judge Ward rejected the plaintiff's argument that a prosecution bar should not extend to reexamination proceedings. *Id.*; *see also*, *Microunity Sys. Eng'g, Inc.*, Civ. No. 2-04-cv-120-TJW [D.I. 156], (E.D. Tex. Aug. 17, 2005) (finding that the prosecution bar "applies equally to reexaminations as it does to new applications") (attached hereto as Exh. A). This stands to reason, because the few differences between new patent prosecution and reexamination further reinforce the need for a bar. First, unlike new patent prosecutions, the relevant reexaminations typically involve prosecution of the patents-in-suit. *See*, *Visto*, 2006 U.S. Dist. Lexis 91453, at *22 (noting that the reexamination at issue is "part of the prosecution history of the very patent asserted in the case"). This highlights the need for applying the prosecution bar to reexaminations. Second, while amendments made during new patent prosecutions can both expand and narrow the scope of claims, amendments made during reexaminations can only narrow claims. *See*, 35 U.S.C. §§ 305, 314. But, as recognized by Judge Ward, this does not affect the need for a bar, because

narrowed claims are just as susceptible to being drafted based on confidential information as expanded claims:

> The purpose of the prosecution bar is to prevent outside counsel from using, even inadvertently, confidential information obtained the lawsuit for purposes outside the lawsuit (*e.g.* drafting claims during patent prosecution). **This is true even if the result of the reexamination is narrower claim language**.

Id. at *22-23 (emphasis supplied). In sum, the *Visto* and *Microunity* decisions show that reexaminations should be subject to a prosecution bar for the same reasons as new patents.

This conclusion is widely accepted. For example, a recent presentation at the annual Association of Corporate Patent Counsel Meeting on January 26, 2009—described as a "neutral 'Swiss' approach of presenting all sides of an issue and incorporating comments from "judges, senior officials from the PTO, patent litigators, patent prosecutors, academics, bloggers and interested members of the public"—addressed this issue. Sterne, *et al.*, "Reexamination Practice with Concurrent District Court or USITC Patent Litigation," APCA Meeting, January 26, 2009, at n.1 (attached hereto as Exh. B). The unequivocal position was taken that protective orders should bar drafting claims in reexamination, and that it would be "dangerously unfair" otherwise:

> As a general matter, no party having access to a party's highly confidential technical information under a protective order should be allowed to draft or supervise the drafting of pending claims in applications or claims under reexamination in the same technical space. Obviously, in-depth knowledge of a competitor's highly confidential technical information, combined with the ability to amend claims, would often convey a dangerously unfair advantage to the recipient of such information.

Id. at 16. This report plainly supports the decisions in this district finding that reexaminations were subject to a prosecution bar for the same reasons as new patents.

For these reasons, the Court should order that the prosecution bar in the Agreed Protective Order extends to participation in reexamination proceedings where counsel could be

involved in drafting or amending of claims. Apple's accompanying Proposed Order accomplishes this by adding the following language to the existing Protective Order: "This bar is intended to preclude counsel form participating directly or indirectly in reexamination proceedings on behalf of a patentee, where counsel could be involved in crafting claims, but is not intended to preclude counsel from participating in reexamination proceedings on behalf of a Party challenging the validity of a patent, where counsel cannot be involved in crafting claims."

II. Conclusion

For the reasons explained above, the Court should grant Apple's Motion.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a) on this fifth day of June, 2009. As of this date, all counsel of record that have consented to electronic service are being served with a copy of this document through the Court's CM/ECF system under Local Rule CV-5(a)(3)(A).

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