PROTECTIVE ORDER - 1

No.

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Princeton Digital Corporation ("PDIC") served Microsoft Corporation ("Microsoft") with a subpoena pursuant to which Confidential Information is likely to be disclosed or produced.

Microsoft asserts that public dissemination and disclosure of Confidential Information could severely injure or damage it and could place it at a competitive disadvantage;

Counsel for PDIC is presently without sufficient information to accept the representation(s) made by Microsoft as to the confidential, proprietary, and/or trade secret nature of such Confidential Information; and

To protect the respective interests of Microsoft and to facilitate the progress of disclosure and discovery pursuant to PDIC's subpoena, the following Order should issue:

IT IS THEREFORE ORDERED THAT:

1. Any document, electronically stored information ("ESI"), or thing being produced or disclosed by Microsoft that Microsoft reasonably and in good faith believes constitutes or discloses a trade secret or other proprietary or confidential business, technical, sales, marketing, financial, or other commercial information that Microsoft would not disclose to third parties or that it would cause third parties to maintain in confidence, Microsoft may designate such document, ESI, or thing "Confidential" (collectively "Confidential Information"). Hereinafter, for purposes of this Order, the term "document" or "Document" also includes ESI.

Confidential Information may further include, but is not limited to: technical information such as product design and operation and manufacturing techniques or processing information, trade secrets, formulas, research and development information, source code, object code, sales and cost information, pricing information, patent license agreements, information that was generated in connection with, or reveals the content of, patent licensing negotiations, information that Microsoft has treated as confidential and is not subject to public disclosure, information within the definition of trade secret as set forth in Section 1(4) of the Uniform

Trade Secrets Act (1985), and any other information that would qualify as confidential pursuant to Rule 26(c) of the Federal Rules of Civil Procedure or any other legal standard.

Confidential Information shall not include information or material that (a) was, is, or becomes public in a manner other than by violation of this Order; (b) is acquired by PDIC from a third party having the right to disclose such information or material; (c) was already lawfully possessed by PDIC before the disclosure by Microsoft; or (d) was independently developed by PDIC by personnel who did not receive or have access to Microsoft's Confidential Information.

- 2. **Protected Documents.** Documents, discovery responses, and any other physical object containing Confidential Information produced by a Designating Party are referred to herein collectively as "Protected Documents."
- 3. **Designation.** Protected Documents designated as "CONFIDENTIAL" may include, but are not limited to, confidential technical, marketing, business and trade information unknown to the public. Protected Documents designated as "OUTSIDE COUNSEL ONLY" shall include, but are not limited to, highly confidential and sensitive information related to research, development, design, sales, marketing, manufacturing or other activities that Microsoft reasonably and in good faith believes is so highly sensitive that its disclosure to persons other than those specified in ¶ 6 could reasonably be expected to result in injury to Microsoft. Protected Documents designated as "CONFIDENTIAL-OUTSIDE COUNSEL ONLY-SOURCE CODE" shall include Confidential Information described in Exhibit C. The identification of Protected Documents with any of these designations is referred to herein as "Confidential Designation" or "Designated Under This Protective Order."

Microsoft may make Confidential Designations on such Protected Documents for which Microsoft believes in good faith that there is a right to confidential treatment under Rule 26 of the Federal Rules of Civil Procedure or this Order consistent with the designation level. Microsoft represents that such information does exist, and that it has historically maintained such informational confidential in the ordinary course of business, and will continue to do so.

If it comes to Microsoft's attention that Protected Documents that it designated for protection do not qualify for protection at all, or do not qualify for the level of protection initially asserted, Microsoft must promptly notify PDIC that it is withdrawing the mistaken designation.

- 4. **General Use and Disclosure of Confidential Information.** Confidential Information, whether embodied in a Protected Document or not, shall not be used or revealed, shown, disseminated, copied, or in any way communicated to anyone by PDIC for any purpose whatsoever, except as provided herein.
- 5. **Use and Disclosure of "CONFIDENTIAL" Documents.** Protected Documents designated as "CONFIDENTIAL" and any information contained therein may be revealed or shown only for purposes of the underlying litigation to the following persons or entities:
 - a. This Court and its personnel;
 - b. The Court presiding over the underlying litigation and its personnel;
 - c. Outside Counsel for PDIC (as used herein, "Outside Counsel" shall mean attorneys retained to represent any party in this miscellaneous action and the underlying litigation);
 - d. Employees of such Outside Counsel (excluding experts, consultants, and investigators) assigned to and necessary to assist such counsel in the preparation and trial of this litigation;
 - e. Employees of PDIC who are reasonably necessary for development and presentation of the claims or defenses in the underlying litigation;
 - f. Employees of any professional photocopy service or graphics design service, legal interpreters or translators, or jury consultants (including mock jurors, focus group members, and the like) used by Outside Counsel;
 - g. Court reporters taking testimony in this miscellaneous action and the underlying litigation and their necessary stenographic, videographic, and clerical personnel;
 - h. Any author or recipient (actual or reasonably believed) of such Protected Documents designated as "CONFIDENTIAL";

- i. Personnel of third party vendors engaged by PDIC or by Outside Counsel to assist in (i) the coding, imaging, or other management of documents produced in discovery in the underlying litigation; (ii) the preparation of demonstrative exhibits or other visual aids for presentation at a hearing or trial; or (iii) jury research and analysis, provided that such personnel of third party vendors shall not be employees of a party;
- j. Any independent consultant, investigator, or expert retained by, or at the direction of, PDIC or its Outside Counsel to assist in the preparation for the underlying litigation or to testify at trial or other hearing, provided that the Protected Documents or any information contained therein disclosed to the independent consultant, investigator, or expert pertain to the expected consultation or testimony of such person. The Protected Documents may be shown to assistants and staff associated with and acting under the supervision of such independent consultant, investigator, or expert; and
- k. To Outside Counsel for the defendants in the underlying litigation and employees of the defendants in the underlying litigation who are reasonably necessary for development and presentation of the claims or defenses in the underlying litigation. If "Confidential" documents are disclosed to Outside Counsel or defendants' employees in the underlying litigation, such disclosure shall be done pursuant to an appropriate protective order entered in the underlying litigation and subject to the same, equivalent, or more restrictive confidentiality designation as the designation chosen by Microsoft pursuant to this Order.
- Protected Documents designated as "OUTSIDE COUNSEL ONLY" and any information contained therein may be revealed or shown only for purposes of the underlying litigation to the following persons or entities:

Use and Disclosure of "OUTSIDE COUNSEL ONLY" Documents.

- a. This Court and its personnel;
- b. The Court presiding over the underlying litigation and its personnel;
- c. Outside Counsel for PDIC
- d. Employees of such Outside Counsel (excluding experts, consultants, and investigators) assigned to and necessary to assist such counsel in the preparation and trial of this litigation;

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- e. Employees of any professional photocopy service or graphics design service, legal interpreters or translators, or jury consultants (including mock jurors, focus group members, and the like) used by counsel;
- f. Court reporters taking testimony in this miscellaneous action and the underlying litigation and their necessary stenographic, videographic, and clerical personnel;
- g. Any author or recipient (actual or reasonably believed) of such Protected Documents designated as "CONFIDENTIAL";
- h. Personnel of third party vendors engaged by PDIC or by Outside Counsel for a party to assist in (i) the coding, imaging, or other management of documents produced in discovery in the underlying litigation; (ii) the preparation of demonstrative exhibits or other visual aids for presentation at a hearing or trial; or (iii) jury research and analysis, provided that such personnel of third party vendors shall not be employees of a party;
- i. Any independent consultant, investigator, or expert retained by, or at the direction of, PDIC or its Outside Counsel to assist in the preparation for this litigation or to testify at trial or other hearing, provided that the Protected Documents or any information contained therein disclosed to an independent consultant, investigator, or expert pertain to the expected consultation or testimony of such person. The Protected documents may be shown to assistants and staff associated with and acting under the supervision of such independent consultant, investigator, or expert; and
- j. To Outside Counsel for the defendants in the underlying litigation. If "Outside Counsel Only" documents are disclosed to Outside Counsel in the underlying litigation, such disclosure shall be done pursuant to an appropriate protective order entered in the underlying litigation and subject to the same, equivalent, or more restrictive confidentiality designation as the designation chosen by Microsoft pursuant to this Order.
- 7. **Filings With This Court.** Protected Documents that have been designated "CONFIDENTIAL", "OUTSIDE COUNSEL ONLY" and/or "CONFIDENTIAL-OUTSIDE COUNSEL ONLY-SOURCE CODE" under this Protective Order may be filed as sealed documents with this Court and in the underlying litigation. Such Protected Documents shall be filed in accordance with the Local Rules of this Court and the court presiding over the underlying litigation, and shall include on a cover page one of the following statements, whichever is appropriate:

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expiration of such period, all documents, things, materials or information in a deposition shall be treated as "OUTSIDE COUNSEL ONLY." If any party designates testimony to be given at a deposition "CONFIDENTIAL", "OUTSIDE COUNSEL ONLY" and/or "CONFIDENTIAL-OUTSIDE COUNSEL ONLY-SOURCE CODE" during the deposition, all persons not qualified to receive such information shall leave the deposition for that portion of the testimony.

- 10. **Disclosure to Author, Recipient, or Producing Party.** Nothing herein is intended in any way to restrict the ability of counsel to use "CONFIDENTIAL", "OUTSIDE COUNSEL ONLY" and/or "CONFIDENTIAL-OUTSIDE COUNSEL ONLY-SOURCE CODE" material in examining or cross-examining any employee, future employee, agent, expert or consultant of Microsoft, or any person who authored, received or is a named recipient of or otherwise has actual prior knowledge of the "CONFIDENTIAL", "OUTSIDE COUNSEL ONLY" and/or "CONFIDENTIAL-OUTSIDE COUNSEL ONLY-SOURCE CODE" material.
- 11. **Source Code.** The discovery of Source Code shall be governed by the provisions set forth in the Protocol for the Discovery of Source Code, attached as Exhibit C.
- 12. **Reservation of Power by Court.** The Court reserves the power and authority to remove documents and materials from the scope of this Order if it finds documents or materials designated by the parties do not constitute material properly described as protectable by Fed. R. Civ. P. 26(c) or this Order.
- subpoena of Confidential Information. In the event PDIC receives a subpoena or other process or order or discovery request to produce any Confidential Information or Protected Documents in another, unrelated legal proceeding, from a non-party to this miscellaneous action or the underlying litigation, PDIC (i) shall promptly notify counsel for Microsoft of the subpoena or other process or order or discovery request, and (ii) shall not produce the information until Microsoft has had reasonable time (at least fourteen (14) days) to object or take other appropriate steps to protect the information. Microsoft shall have the burden of defending against such subpoena or other process or order or discovery request.

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- 14. **Continuing Jurisdiction.** After termination of the underlying litigation, the provisions of this Order shall continue to be binding until further Order of this Court, except with respect to those documents and information that become a matter of public record. This Court retains and shall have continuing jurisdiction over the parties for enforcement of the provisions of this Order following termination of the underlying litigation.
- 15. **Duty to Return Documents and Things.** Within sixty (60) days after the entry of a final non-appealable judgment or order concluding the underlying litigation or the complete settlement of all claims asserted against all parties in the underlying litigation, PDIC and all other parties to the underlying litigation who received Protected Documents designated "CONFIDENTIAL", "OUTSIDE COUNSEL ONLY" and/or "CONFIDENTIAL-OUTSIDE COUNSEL ONLY-SOURCE CODE" shall destroy the Protected Documents or return the Protected Documents to the counsel for Microsoft. Outside Counsel for PDIC and any other party to the underlying litigation shall provide written certification of compliance with this provision to counsel for Microsoft within ninety (90) days after the entry of a final nonappealable judgment or order concluding this action or the complete settlement of all claims asserted against all parties in the above-captioned action. The party receiving such Protected Documents shall not use such Protected Documents or any information contained therein for any purpose whatsoever other than the litigation between the parties in the underlying litigation, and shall not under any circumstances sell, offer for sale, advertise, or publicize such Protected Documents or any information contained therein. Notwithstanding the foregoing, counsel of record in this and the underlying litigation may retain their attorney work product and all papers filed with any court that include any Confidential Information or Protected Documents.
- 16. **Scope of Order.** This Order shall be binding upon the parties and their attorneys, successors, executors, personal representatives, administrators, heirs, legal representatives, assigns, subsidiaries, divisions, employees, agents, independent contractors, or other persons or organizations over which they have control.

1	DATED this day of	, 2012
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3	Haited Citter District Lade	
4	United States District Judge	
5	Presented by:	
6	SAVITT BRUCE & WILLEY LLP	
7	SAVIII DRUCE & WILLEY LLP	
8	By: /s/ Duncan E. Manville	
	David N. Bruce, WSBA #15237	_
9	Duncan E. Manville, WSBA #30304	
10	1425 Fourth Avenue, Suite 800 Seattle, Washington 98101-2272	
11	Telephone: 206.749.0500	
12	Facsimile: 206.749.0600 Email: dbruce@jetcitylaw.com	
	Email: dmanville@jetcitylaw.com	
13	Attorneys for Princeton Digital Image Corporation	
14	Tationicy's for Timecton Digital image corp	oration .
15	OF COUNSEL:	
16		
17	DUANE MORRIS LLP	
18	Gregory M. Luck, P.C.	Jeffrey S. Pollack
	Thomas W. Sankey, P.C.	30 South 17 th Street
19	Wesley W. Yuan Diana M. Sangalli	Philadelphia, PA 19103-4196 Telephone: 215.979.1299
20	1330 Post Oak Blvd, Suite 800	Facsimile: 215.689.4942
21	Houston, Texas 77056-3166 Telephone: 713.402.3900	Email: jspollack@duanemorris.com
22	Facsimile: 713.583.3901	
	Email: gmluck@duanemorris.com Email: twsankey@duanemorris.com	
23	Email: twsankey@duanemorris.com Email: wwyuan@duanemorris.com	
24	Email: dmsangalli@duanemorris.com	
25		
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No.

1425 Fourth Avenue Suite 800

Seattle, Washington 98101-2272 (206) 749-0500

Seattle, Washington 98101-2272 (206) 749-0500

No.

UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON AT SEATTLE

PRINCETON DIGITAL IMAGE CORPORATION.

Movant,

v.

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MICROSOFT CORPORATION,

Respondent.

NO.

[Original action pending in U.S. District Court for the Eastern District of Texas, PDIC v. Canon, Case No. 2:10-cv-29 JRG]

EXHIBIT C

PROTOCOL FOR THE DISCOVERY OF SOURCE CODE

A. <u>Definitions</u>

1. "Source Code": Any human-readable programming language text that defines software, firmware, or electronic hardware descriptions. Text files containing source code shall hereinafter be referred to as "Source Code Files." Source Code Files include, but are not limited to, files containing source code in C, C++, Java, assembler, VHDL, Verilog, digital signal processor (DSP) and other similar programming languages. Source Code Files further include "make" and "build" files, link files, scripts, and other human-readable text files used in the generation and/or building of software directly executed on a microprocessor, microcontroller, or DSP.

EXHIBIT C - 1 No.

2. "CONFIDENTIAL-OUTSIDE COUNSEL ONLY-SOURCE CODE":

Confidential Information that (i) may be designated OUTSIDE COUNSEL ONLY under the Protective Order and (ii) contains Source Code.

Scope

3. Unless otherwise provided herein, Confidential Information designated CONFIDENTIAL-OUTSIDE COUNSEL ONLY-SOURCE CODE will be subject to all of the definitions, provisions and restrictions governing Confidential Information designated OUTSIDE COUNSEL ONLY under the Protective Order.

Access To Designated Source Code Material

- 4. Unless otherwise ordered by the Court or permitted in writing by the Designating Party, PDIC may disclose any Confidential Information designated "CONFIDENTIAL-OUTSIDE COUNSEL ONLY-SOURCE CODE" ("Designated Source Code Material") only to the following persons and under the following conditions:
 - Any author, recipient (actual or reasonably believed) of such Designated Source a. Code Material:
 - Outside Counsel for PDIC: b.
 - Employees of such Outside Counsel (excluding experts, consultants, and c. investigators) assigned to and necessary to assist such counsel in the preparation and trial of the underlying litigation;
 - d. Independent consultants, investigators, or experts retained by, or at the direction of, PDIC or its Outside Counsel to whom disclosure is reasonably necessary for the underlying litigation and who have signed the Confidentiality Agreement annexed hereto as Exhibit A;
 - This Court and the court presiding over the underlying litigation; e.
 - f. Any designated arbitrator, mediator, or master who is assigned to hear the underlying litigation (or any part thereof), and his or her staff, who have signed the Confidentiality Agreement annexed hereto as Exhibit B; and
 - Court reporters taking testimony in this miscellaneous action and the underlying g. litigation and their necessary stenographic, videographic, and clerical personnel.

- 5. Where materials are Designated Source Code Material, this section shall apply thereto in addition to the other provisions of this Protective Order. PDIC and Microsoft agree that, at Microsoft's option, in lieu of or in addition to providing such materials on computer readable storage media, Microsoft may produce such materials by making them available on a computer provided by Microsoft at the offices of its outside counsel, Shook, Hardy & Bacon LLP, located in Washington, DC ("the designated facility"). If Microsoft elects to produce such materials at a the designated facility, it shall be responsible for all costs and expenses associated with the designated facility. Such materials shall be made available for inspection by the persons to whom disclosure is authorized pursuant to this Protective Order, at a mutually convenient time at the designated facility.
- 6. In the event that Microsoft produces the Designated Source Code Material at the designated facility on a computer (the "Source Code Computer"), Microsoft shall be obligated to install such tools or programs necessary to review and search the code produced on the platform provided by Microsoft.
- 7. Microsoft shall make available a laser printer with commercially reasonable printing speeds for on-site printing during inspection of Designated Source Code Material.

 PDIC may print out Designated Source Code Material for use by its attorneys and independent consultants, investigators or experts. Each page must be marked with the CONFIDENTIAL-OUTSIDE COUNSEL ONLY-SOURCE CODE designation and production-numbered in a manner agreed upon by Microsoft and PDIC.
- 8. In the event that Microsoft elects to produce the Designated Source Code Material on a computer readable storage media in lieu of production at the designated facility, Microsoft shall produce the Designated Source Code Material in a format that is readable and searchable by a standard source code review tool or program. In the event that access to the Designated Source Code Material on the computer readable storage medium restricted, such as by encryption or password protection, Microsoft shall separately provide all necessary

information (e.g., decryption key, password) to access and read the Designated Source Code Material at the same time that Microsoft produces the computer readable storage medium.

- 9. In the event that excerpts of Designated Source Code Material are included in a pleading, exhibit, expert report, discovery document, deposition transcript, or Court document, such documents shall be designated CONFIDENTIAL-OUTSIDE COUNSEL ONLY-SOURCE CODE.
- 10. Access to and review of the Designated Source Code Material shall be strictly for the purpose of investigating the claims and defenses at issue in the underlying litigation. No person shall review or analyze any Designated Source Code Material for purposes unrelated to this case, nor may any person use any knowledge gained as a result of reviewing Designated Source Code Material in this case in any other pending or future dispute, proceeding, or litigation.
- 11. The United States District Court for the Western District of Washington is responsible for the interpretation and enforcement of this Order's Protocol for the Discovery of Source Code. All disputes concerning Designated Source Code Material produced under the protection of this Order shall be resolved by the United States District Court for the Western District of Washington. Every individual who receives any Designated Source Code Material agrees to subject himself or herself to the jurisdiction of this Court for the purpose of any proceedings related to performance under, compliance with, or violation of this Order's Protocol for the Discovery of Source Code.
- 12. The Court reserves the right, upon Motion or upon its own Motion, to amend or modify this Order's Protocol for the Discovery of Source Code for good cause shown.

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