



## Activevideo v. Verizon: Another Dispute Over a Patent Prosecution Bar

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Not to be outdone by the [dispute over the patent prosecution bar in Tecsec v. IBM](#), the parties in *Activevideo Networks v. Verizon* are having their own dispute over whether Verizon's in-house attorneys should be permitted access to Highly Confidential information. Activevideo has sued Verizon for patent infringement based on Verizon's FIOS tv system, and Verizon has counterclaimed for infringement based on Activevideo's interactive tv system.

In response to Activevideo's proposal that the protective order prevents in-house counsel from viewing Highly Confidential documents, Verizon [moved for entry of its protective order](#) that does permit in-house counsel with access to such documents, relying on *Volvo Penta of the Americas, Inc. v. Brunswick Corp.*, 187 F.R.D. 240 (E.D. Va. 1999) (permitting in-house counsel access to confidential information where in-house counsel was not involved in competitive decisionmaking); and *Wi-LAN, Inc. v. Acer, Inc.*, Nos. 2:07-CV-473 et al., 2009 WL 1766143, at \*5 (E.D. Tex. June 23, 2009) (rejecting exclusion of in-house attorneys from protective order because plaintiff failed to meet its burden to "identif[y] defendants' particular in-house counsel that pose a risk of disclosure" and to "demonstrate[] how defendants' in-house counsel could be considered 'competitive decision makers' "). Verizon contends that its in-house attorneys need access to such information in order to fully participate in the case, especially because these particular in-house counsel have a history of active involvement in Verizon's patent litigation, and that they are not competitive decisionmakers. Verizon notes that in a similar dispute in *TiVo Inc. v. Verizon Communications Inc., Verizon Services Corp., and Verizon Corporate Resources Group LLC*, 2:09-cv-257-DF (E.D. Tex., Marshall Division), the Eastern District of Texas ultimately permitted three of the same four counsel to view highly confidential information (although the court required Verizon to choose only two).

In its [opposition](#), Activevideo responds that its highly confidential information includes source code, technical documents, business plans, and other competitive documents that Verizon could use to its business advantage if its in-house counsel were permitted access to this information. In response to Verizon's assertion that it relies heavily on in-house counsel in patent litigation, Activevideo cites to the currently pending action *In re Certain Digital Set-Top Boxes and Components Thereof*, Inv. No. 337-TA-712 (the "ITC action"), in which the protective order does not permit Verizon's in-house lawyers access to materials designated as "confidential business information." In fact, as part of the ITC action, Verizon issued a subpoena to Activevideo, who provided highly confidential documents in response, including source code, documents, and a deposition--Activevideo thus contends that Verizon should not be permitted to make an "end-run around the protections provided by the Administrative Law Judge's protective order in the ITC action." Because the parties are competitors, Activevideo argues that the risk of harm from disclosure to in-house counsel is greater. Activevideo cites to cases holding that there is no prejudice when a party has outside counsel who has been fully involved in the case from the outset (such as *Norbrook Labs. Ltd. v. G.C. Hanford Mfg. Co.*, 2003 U.S. Dist. LEXIS 6851, 2003 WL 1956214 \*5 (N.D.N.Y. 2003) (citing *A. Hirsh Inc. v. United States*, 657 F. Supp. 1297, 1305, 11 Ct. Int'l Trade 208 (CIT 1987)), and contends that the Verizon in-house counsel are in fact competitive decisionmakers who are involved in strategic initiatives at Verizon.

Verizon's reply brief can be found [here](#).

Judge Stillman held a hearing on the motion yesterday, on October 26, 2010, but has not yet ruled.

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