



Tecsec v. IBM: How Broadly do Courts Interpret Patent Prosecution Bars in Protective Orders?

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In this rather contentious litigation (click [here](#) for previous discussion of this case), IBM recently made an [emergency motion](#) (reply brief is [here](#)) asking the Court to enforce a patent prosecution bar set forth in the Protective Order to which the parties had previously agreed. Ordinarily, a patent prosecution bar in a protective order provides that any outside counsel who review highly confidential information from the other side may not, for a period of time, prosecute patents that involve the technology at issue. *See, e.g., In re Deutsche Bank Trust Co.*, 605 F.3d 1373, 1378-81 (Fed. Cir. 2010). A patent prosecution bar is intended to protect a producing party from "the risk of inadvertent disclosure or competitive use" of its highly confidential information by counsel for the receiving party. *Id.*

The issue in this case involved a patent prosecution bar on outside counsel who received access to IBM's source code for the accused software products. The protective order provided for a two-year bar on prosecution of any patent application involving "the particular technology or information disclosed" in the highly confidential information. Tecsec interpreted that provision to mean "technology involving use of access control with encryption, technology related to encryption of XML documents, generating of split keys and parallel processing of encrypted data." IBM disagreed, asserting that the bar is defined by the "particular technology or information," and is not, as Tecsec contends, defined by the narrower scope of the asserted claims of the patents-in-suit.

Relying on *In re Deutsche Bank* (in which the Federal Circuit held that Federal Circuit law governs this issue because it is unique to patent law), Tecsec [asserted](#) that the Federal Circuit required that the party seeking to enforce the bar show that any prosecution bar is narrowly tailored to reflect the risk presented by the disclosures of proprietary competitive information, and that in considering the scope, the court may make sure that any bar exempts activities that do not involve competitive decisionmaking related to the subject matter of the litigation. Accordingly, Tecsec argued that it was proper to limit the bar to the "same or substantially related subject matter as the patents-in-suit."

The Court [granted-in-part and denied-in-part](#) IBM's motion, ultimately adopting the following compromise offered by Tecsec: "TecSec and IBM attorneys shall be, for the period of two years after conclusion of this litigation, precluded from participating in any competitive decisionmaking patent application work for any patent application that has its patent claims directed to features identified from the Accused Products (defined in TecSec's discovery requests in this case)..." Tecsec's discovery requests defined the features by which Tecsec sought to specifically limit the prosecution bar. But in this compromise, rather than limiting the bar only to the patents-in-suit and the technology disclosed therein, the Court tied the prosecution bar to the IBM accused products, which according to Tecsec, IBM itself had defined as the outer bounds of relevance for the case.

The parties do not reference the recently decided case of [Xerox v. Google, C. A. No. 10-136-JJF-MPT](#) (D. Del. Sept. 8, 2010) (memorandum order). In that case, the court concluded that trial counsel could advise a plaintiff patentee on amending its claims, which were subject to patent reexamination before the USPTO, even when trial counsel had access to defendants' confidential information disclosed during litigation. Following *In re Deutsche Bank*, the court concluded that the potential harm in denying plaintiff advice from its trial counsel outweighed the risk of the plaintiff's competitive use of the defendants' confidential information. For a more in-depth discussion of Xerox, see this [post](#) at the [Reexamination Center Blog](#), and this [post](#) at the [Delaware IP Law Blog](#).

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