UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
Alexandria Division

TECSEC, INCORPORATED, *Plaintiff* *v.* INTERNATIONAL BUSINESS MACHINES CORPORATION, *et al.*, *Defendants*	)	Case No. 1:10cv115 (LMB/TCB)

DEFENDANT IBM'S MEMORANDUM IN SUPPORT OF ITS EMERGENCY MOTION TO ENFORCE

Plaintiff, TecSec, Incorporated ("TecSec"), filed a "motion to compel access to the source code" of Defendant International Business Machines Corporation ("IBM"), claiming that IBM, "in violation of the clear terms of the Stipulated Protective Order, has "obstruct[ed]" TecSec's review (Dkt. No. 319). That motion was granted in part, and denied in part (Dkt. No. 331). One of the rulings made by the Court concerned access to IBM's source code by certain outside counsel for TecSec:

> THE COURT: All right, here's what I'll do: As to TecSec's motion to compel, I'm going to allow the three Hunton & Williams attorneys to look at the source code provided that they immediately provide to IBM by close of business on Monday a letter that states the areas that they agree that they will not work on for the next two years, and I don't want it to be general, I want it to be specific, and how they're going to interpret "similar" for the purposes of this litigation and for the—***in terms of the protective order***.
>
> If IBM has a problem with that, then I expect you-all to call me, and I'll have an emergency telephone conference to take care of it on Tuesday or Wednesday. Call me on Tuesday after you've looked at it, and then I'll set it up.

(Sept. 10, 2010, *Hearing Tr*. at 33:13 – 25) (emphasis added). This emergency motion concerns that directive from the Court. While having asked for and received the entire source code for each Accused Product, and having asked for and received Highly Confidential technical

information for each of the Accused Products, TecSec now wants to narrow the patent prosecution bar to which it agreed in the *Stipulated Protective Order* (Dkt. No. 210, ¶ 22). That would both violate the *Stipulated Protective Order* and flout the Court's directive.

STATEMENT OF MATERIAL PROCEEDINGS

After the hearing, TecSec's counsel sent a letter to IBM's counsel stating TecSec's position on the scope of the patent prosecution bar (Exhibit A). IBM immediately responded to TecSec's letter with specific objections (Exhibit B). IBM also raised this issue on the weekly meet-and-confer call on Tuesday, September 14. TecSec, however, refuses to reconsider its position (Exhibit C).

Essentially, TecSec seeks a narrowing of the patent prosecution bar and are agreeing only to limit their patent prosecution work regarding "similar" technologies, as redefined by themselves, in specific applications:

> Attorneys Buroker, Leaning and Wood will not be involved in patent prosecution for applications on ["]the same or substantially the same subject-matter as the patents in suit." Specifically, we understand ***this phrase*** from the protective order 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.

(*Id*. at 2, ¶¶ 5 – 9) (emphasis added). This causes two problems.

First, this is ***the wrong phrase***, as this phrase defines the "ethical wall," not the broader patent prosecution bar. The patent prosecution bar provides that

> Persons who access "HIGHLY CONFIDENTIAL TECHNICAL – OUTSIDE COUNSEL ONLY" or "HIGHLY CONFIDENTIAL SOURCE CODE – OUTSIDE COUNSEL ONLY" materials of any Producing Party shall not, for a period of two (2) years following final resolution of this action, draft or revise patent claims, supervise or assist in the prosecution of any patent application involving ***the particular technology or information disclosed in the*** "HIGHLY CONFIDENTIAL TECHNICAL – OUTSIDE COUNSEL ONLY" or "HIGHLY CONFIDENTIAL SOURCE CODE – OUTSIDE COUNSEL ONLY" ***materials actually received from the Producing Party*** … .

(Dkt. No. 210, ¶ 22 at p. 20) (emphasis added). The scope of the patent prosecution bar is defined by "the particular technology or information disclosed in the [highly confidential] materials actually received from the Producing Party," not by the narrower scope of the asserted patent claims. The scope of the "ethical wall," by contrast, is defined by the phrase "the same or substantially the same subject-matter as the patents in suit," but the scope of the broader patent prosecution bar is not. TecSec is obviously misconstruing the scope of the patent prosecution bar which it had voluntarily agreed to in this case.

Second, even if this were the right phrase to interpret (which it is not), this ***new*** definition (*e.g.*, "technology involving the use of access control with encryption") is much too narrow. TecSec defined terms like "Access Control" very broadly during discovery and obtained Highly Confidential technical materials and source code from IBM that related to features and functions that had nothing to do with the use of, *inter alia*, "access control with encryption" or "encryption of XML documents." Moreover, the patents themselves in the "Field Of The Invention" sections clearly state that their subject-matter is much broader than TecSec's attorneys now assert. *See, e.g.,* U.S. Patent No. 5,369,702 at 1:6-7 ("The present invention relates generally to a system that can be used to restrict access to computer data."); U.S. Patent No. 6,694,433 at 1:42-47 ("The process of encryption ensures data integrity, as encrypted data that has been modified does not decrypt properly unless the proper, that is, authorized procedures are followed. It is the integrity property provided by encryption that is used by the present invention, as well as its security properties."); U.S. Patent No. 7,069,448 at 1:36-37 ("The present invention relates to cryptographic processing, parallel processing, and parallel cryptographic processing."); U.S. Patent No. 6,885,747 at 1:10-13 ("The present invention relates to cryptographic systems. In particular, the present invention relates to a system for formulating cryptographic keys used to

encrypt plaintext messages and decrypt ciphertext communications."). Narrowing these terms as ***redefined*** by TecSec ***after*** IBM has produced its highly confidential discovery materials would be both improper and competitively harmful to IBM.

IBM now seeks an order enforcing the terms of the *Stipulated Protective Order* and the Court's directive. IBM respectfully submits that the scope of the patent prosecution bar applicable to TecSec's counsel must be defined to include the following technologies that IBM has produced to TecSec in response to its repeated demands:

- database software;
- networking software;
- web server software;
- XML processing software;
- key management software; and
- encryption hardware and software.

This is the scope of "the particular technology or information disclosed in the [highly confidential and source code] materials actually received from" IBM in this case, not TecSec's ambiguous re-characterizations of its own patents. This, then, is what defines the scope of the prosecution bar in this case to protect IBM from an attorney's inadvertently relying upon IBM's highly valuable and confidential information in connection with prosecuting patent applications for the benefit of other companies to IBM's detriment.

ARGUMENT

The *Stipulated Protective Order* has three provisions governing the access to source code by outside counsel. First, the order provides that "Outside counsel of record to this action, including any attorneys, paralegals, technology specialists and clerical employees of their respective law firms assisting in the litigation," may have access (Dkt. No. 210, ¶ 13(e)(1)). This is only the beginning of the restrictions, but is significant. This requires that access be limited only to those attorneys who need to know.

Second, the *Stipulated Protective Order* states that lawyers who have access to IBM's source code and other highly confidential technical information "shall not, for a period of two (2) years following final resolution of this action, draft or revise patent claims, supervise or assist in the prosecution of any patent application ***involving the particular technology or information disclosed in the materials [including Highly Confidential technical and source code] actually received from the Producing Party***" (*Id*., ¶ 22 at p. 20) (emphasis added). This is a stipulated "patent prosecution bar."[1] Thus, the Hunton & Williams lawyers who have access to IBM's source code and other highly confidential technical information are barred from prosecuting patent applications for inventions in the art of, *inter alia*, computer encryption, database, and computer hardware and software technologies "disclosed in the materials" produced by IBM.

Third, the parties went a step further and stipulated as follows: "***To ensure compliance*** with the purpose of [the patent prosecution bar] provision, Plaintiff and Defendants shall create an ***ethical wall*** between (i) persons with access to the opposing party's highly confidential source code and other technical information and (ii) persons who prepare, prosecute, supervise, or assist in the prosecution of any patent application pertaining to the same or substantially similar subject matter of the patents-in-suit." (*Id*., ¶ 22 at pp. 21 – 22). Thus, "to ensure compliance with" the stipulated patent prosecution bar, the parties also agreed to create an "ethical wall" between members of their law firms who could, and those who could not, have access to the source code and other highly confidential technical information. The dividing line would be based upon the patent prosecution work they do—that is, whether it involves "the same or substantially similar

[1] The Court may impose a "patent prosecution bar" on litigation counsel who will have access to the opposing parties' proprietary and trade secret materials during discovery. *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 trade secrets by counsel for the receiving party. *Id*. at 1380. To avoid the fact-intensive analysis otherwise required, however, parties often stipulate to a patent prosecution bar, as was done here.

subject matter of the patents-in-suit," or not. This provision was to "ensure compliance with" the patent prosecution bar, not to limit it as TecSec now contends (Exhibit C). Limiting the scope of the patent prosecution bar to that language would limit its effect, not ensure full compliance.

The *Stipulated Protective Order* was carefully negotiated by sophisticated parties and their counsel, and then entered as an order of the Court. Now, essentially, TecSec wants to modify that stipulated order, which would be unfair. "It is 'presumptively unfair for courts to modify protective orders which assure confidentiality and upon which the parties have reasonably relied.' … Once a court enters a protective order and the parties rely on that order, it cannot be modified 'absent a showing of improvidence in the grant' of the order or 'some extraordinary circumstance or compelling need.'" *AT&T Corp. v. Sprint Corp*., 407 F.3d 560, 562 (2d Cir. 2005). TecSec shows no grounds for narrowing the scope of the patent prosecution bar to which it stipulated and on which IBM has relied during discovery. Narrowing the scope of the patent prosecution bar now would be unfair and competitively harmful to IBM.

CONCLUSION

IBM respectfully submits that the scope of the patent prosecution bar applicable to TecSec's counsel must be defined to include the following:

- database software;
- networking software;
- web server software;
- XML processing software;
- key management software; and
- encryption hardware and software.

Any narrower definition would be unfair and competitively harmful to IBM. Thus, IBM's emergency motion to enforce the *Stipulated Protective Order* should be granted.

Dated: September 15, 2010 Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of September 2010, a true and correct copy of the foregoing pleading or paper was served using the Court's CM/ECF system, with electronic notification of such filing to all counsel of record:

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