

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

TECSEC, INCORPORATED,

Plaintiff,

Case No. 1:10-cv-115-LMB/TCB

v.

JURY TRIAL DEMANDED

**INTERNATIONAL BUSINESS MACHINES
CORPORATION,**

Defendant.

**TECSEC'S OPPOSITION TO IBM'S EMERGENCY MOTION TO ENFORCE THE
STIPULATED PROTECTIVE ORDER**

TABLE OF CONTENTS

I. INTRODUCTION.....1

II. FACTUAL BACKGROUND.....1

III. ARGUMENT.....2

 A. *Deutsche Bank* Limits Patent Prosecution Bars To Competitive Decisionmaking Patent Prosecution and Then *Only* For the Subject Matter of the Litigation2

 B. The Stipulated Protective Order Limits the Patent Prosecution Bar to the Subject Matter of the Patents-in-Suit Consistent with *Deutsche Bank*4

 1. H&W Does No Patent Prosecution for TecSec.....4

 2. Limiting The Prosecution Bar to the “Same or Substantially Same Subject Matter as the Patents-in-Suit” Reduces The Risk of Inadvertent Disclosure.....5

 3. H&W Is Not Aware of Any IBM Competitor That The Specified Counsel Represent In Patent Prosecution Matters.....6

 a. The H&W Attorneys Do Not Prosecute Patents For IBM Competitors Related to the IBM Products at Issue6

 b. The H&W Attorneys Are Not Involved in Competitive Decisionmaking Related to the Products In Suit7

 c. None of the H&W Clients Listed Offer Database Management Servers, Application Servers or Devices, Cryptographic Co-Processors or Mainframes.....7

 C. IBM’s Proposed Ban Is Inconsistent with *Deutsche Bank* and Overly Broad .7

 D. TecSec’s Proposed Compromise Language.....10

IV. CONCLUSION11

TABLE OF AUTHORITIES

Cases

In re Deutsche Bank Trust Co.,
605 F.3d 1373 (Fed. Cir. 2010) 1, 2, 3, 11

Northbrook Digital, LLC v. Vendio Services, Inc.,
625 F. Supp. 2d 728 (D. Minn. 2008)..... 4

U.S. Steel Corp. v. United States,
730 F.2d 1465 (Fed. Cir. 1984) 3, 4

I. INTRODUCTION

IBM's so-called emergency motion should be denied for at least three reasons.

- IBM's reading of the Stipulated Protective Order is incorrect. The patent prosecution bar to which TecSec agreed was limited to precluding patent prosecution related to same or similar technology as the Patents-in-Suit.
- IBM's urged reading of the Stipulated Protective Order conflicts with governing precedent from the United States Court of Appeals for the Federal Circuit in *In re Deutsche Bank Trust Co.*, 605 F.3d 1373, 1378-81 (Fed. Cir. 2010). The Federal Circuit's holding applies in all patent cases and mandates that any party seeking a protective order (IBM in this case) must demonstrate that there is a risk of inadvertent disclosure and that the proposed ban is narrowly tailored to prevent only "competitive decisionmaking" and then, only as to the "subject matter of the litigation" *Id.* Defining the patent prosecution bar in terms of the "same or similar technology of the Patents-in-Suit" (which is the subject matter of this litigation) as TecSec believed the Stipulated Protective Order to do complies with that directive. IBM's proposal to focus on the breadth of information disclosed in the case does not.
- IBM's overly broad proposed definition of barred activities (*e.g.*, database software and networking software) is neither limited to competitive decisionmaking nor limited to the subject matter of this litigation. TecSec's original or its proposed compromise language should be adopted instead.

II. FACTUAL BACKGROUND

In the briefing related to TecSec's motion to compel source code access, IBM first raised with the Court its objection to H&W attorneys who have been working on this case for months (taking depositions, arguing motions in Court, etc.) from being involved in a wide range of future patent application work. IBM's attack relies on an incorrect reading of the Stipulated Protective Order that would preclude three H&W patent attorneys (Brian M. Buroker, Jeffrey S. Leaning and Steven L. Wood) from a very broad range of future patent prosecution activities for their long-standing clients who do not compete with IBM.

Previously, at the hearing on September 10, 2010, the Court ordered H&W to provide IBM with specifics on what those three H&W patent attorneys understood the Stipulated Protective Order to mean by Monday, September 13, 2010. On Saturday, September 11, 2010,

Mr. Buroker wrote IBM's counsel explaining its understanding of what the Stipulated Protective Order precluded in terms of future patent prosecution activities. *See* IBM Motion, Exhibit A.

On Wednesday, September 15, 2010, IBM filed its "Emergency Motion" requesting an immediate hearing. Late in the afternoon on the 15th, the Court conducted a telephone call with the parties. The Court indicated preliminarily that IBM's limitation language may be too broad, but that TecSec's limitation may also be too narrow. The Court invited the parties to consider a compromise. In addition, the Court invited TecSec to provide briefing on this issue by Monday, September 21 at Noon EST. This Opposition provides TecSec and H&W's Opposition to IBM's motion, explains why H&W's original prosecution bar language is consistent with governing case law and also offers an alternative compromise on the restrictions to be placed on patent attorneys in this case related to patent prosecution activities.

III. ARGUMENT

A. ***Deutsche Bank* Limits Patent Prosecution Bars To Competitive Decisionmaking Patent Prosecution and Then *Only* For the Subject Matter of the Litigation**

In *In re Deutsche Bank Trust Co. Americas*, 605 F.3d 1373 (Fed. Cir. 2010), the Federal Circuit resolved several key issues related to patent prosecution bars that are often sought in protective orders in patent infringement cases. First, as a threshold matter, the court held that Federal Circuit law governs this issue because "whether a trial lawyer should be denied access to information under a protective order because of his additional role in patent prosecution, or alternatively be barred from representing clients in certain matters before the U.S. Patent and Trademark Office ("PTO"), is an issue unique to patent law." *In re Deutsche Bank*, 605 F.3d at 1377-78.

Second, the Federal Circuit clarified that in cases such as these, IBM, as the moving party, carries the burden of showing good cause for issuance or enforcement of a protective order

patent prosecution bar. *Id.* at 1378. The determination must be made “by the facts on a counsel-by-counsel basis.” *Id.* (quoting *U.S. Steel Corp. v. United States*, 730 F.2d 1465 (Fed. Cir. 1984)). The determination “should turn on the extent to which counsel is involved in ‘competitive decisionmaking with its client.’” *Id.* The court defined competitive decisionmaking as follows:

[S]hortand for a counsel’s activities, association, and relationship with a client that are such as to involve counsel’s advice and participation in any or all of the client’s decisions (pricing, product design, etc.) made in light of similar or corresponding information about a competitor.

Id.

The Federal Circuit observed that patent prosecution is not a “one dimensional endeavor” and can encompass a variety of activities and “it is short sighted to conclude that every patent prosecution attorney is necessarily involved in competitive decisionmaking.” *Id.* In determining the scope of a prosecution bar, a Court must, “in assessing the propriety of an exemption from a patent prosecution bar . . . examine all relevant facts surrounding counsel’s actual preparation and prosecution activities, on a counsel-by-counsel basis.” *Id.* This does not end the inquiry however. “In making this determination, the court should consider such things as the extent and duration of counsel’s past history in representing the client before the PTO, the degree of the client’s reliance and dependence on that past history, and the potential difficulty the client might face if forced to rely on other counsel for the pending litigation or engage other counsel to represent it before the PTO.” *Id.* at 1381

The Federal Circuit finally held that the party seeking the imposition of the bar must show that:

the information designated to trigger the bar, the scope of activities prohibited by the bar, the duration of the bar, and the subject matter covered by the bar

reasonably reflect the risk presented by the disclosure of proprietary competitive information.

We further hold that the party seeking an exemption from a patent prosecution bar must show on a counsel-by-counsel basis: (1) that counsel's representation of the client in matters before the PTO does not and is not likely to implicate competitive decisionmaking related to the subject matter of the litigation so as to give rise to a risk of inadvertent use of confidential information learned in litigation, and (2) that the potential injury to the moving party from restrictions imposed on its choice of litigation and prosecution counsel outweighs the potential injury to the opposing party caused by such inadvertent use.

Id.

In summary, IBM needs to show that any prosecution bar is narrowly tailored to reflect the risk presented by the disclosures of proprietary competitive information. Moreover, 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.

B. The Stipulated Protective Order Limits the Patent Prosecution Bar to the Subject Matter of the Patents-in-Suit Consistent with Deutsche Bank

Consistent with *Deutsche Bank*, courts have recognized that competitive decisionmaking is much more likely to be implicated “where there is a relationship between the prosecution and the patents-in-suit’.” *Northbrook Digital, LLC v. Vendio Services, Inc.*, 625 F. Supp. 2d 728, 759-760 (D. Minn. 2008). Accordingly, a Stipulated Protective Order that ties the prosecution bar to the patents-in-suit establishes the proper balance between potential risk of inadvertent disclosure versus harm to the clients for whom the attorneys are prosecuting patent applications.

1. H&W Does No Patent Prosecution for TecSec

The patent prosecution bar must be focused on the “subject matter of the litigation” as required by *Deutsche Bank* and must balance the risk of inadvertent disclosure against other clients who have elected to utilize specific counsel at H&W to handle their patent prosecution needs. Here, the Court is not being asked to decide a typical case where the attorneys are

seeking to prosecute patents by the same client they are representing in litigation. *H&W has never done and agreed never to do any patent prosecution for TecSec.* Thus, the risk of inadvertent disclosure is already minimized.

2. Limiting The Prosecution Bar to the “Same or Substantially Same Subject Matter as the Patents-in-Suit” Reduces The Risk of Inadvertent Disclosure

Given that H&W does no prosecution for TecSec, the question is what language is reasonable for any work done for other non-party clients of H&W. When preparing the Stipulated Protective Order in this case, H&W followed *Deutsche Bank’s* guidance and limited the patent prosecution bar to work related to the patents-in-suit. Specifically, the prosecution bar requires that any attorney who has accessed “HIGHLY CONFIDENTIAL TECHNICAL - OUTSIDE COUNSEL ONLY”-designated documents or “HIGHLY CONFIDENTIAL SOURCE CODE - OUTSIDE COUNSEL ONLY”-designated documents of the other party to avoid patent prosecution activities for a limited time period in the future, and then, only on the “the same or substantially the same subject-matter as the patents in suit.”

In response to the Court’s request, TecSec and H&W’s original detailed explanation explained its interpretation of the patent prosecution bar as meaning that:

- H&W patent attorneys for the time period specified would not be involved in patent prosecution as defined in paragraph 22 of the Stipulated Protective Order related to the subject matter of this litigation, namely: 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 in:
 - any Relational Database Management System like DB2 or IDS for the time period specified in the Stipulated Protective Order.
 - any application server or SOA appliance like IBM’s Websphere and Websphere Datapower product lines for the time period specified in the Stipulated Protective Order.
 - any mainframe systems like IBM’s z Server product lines for the time period specified in the Stipulated Protective Order.

- any cryptographic co-processors or cryptographic engines like IBM's Crypto-Express 2 or Crypto-Express 3 product lines for the time period specified in the Stipulated Protective Order. ("Original Proposal").

TecSec's and H&W's reading of the Stipulated Protective Order is consistent with *Deutsche Bank* and protects IBM's interests because it is limited to the "subject matter of the litigation."

3. H&W Is Not Aware of Any IBM Competitor That The Specified Counsel Represent In Patent Prosecution Matters

The Original Proposal is appropriate because IBM has not identified to H&W a single competitor for whom it believes patent prosecution would present competitive injury related to what has been at issue in the present litigation. Indeed, IBM has repeatedly informed this Court that TecSec sued, in this case, a number of its fiercest competitors. *See, e.g.*, D.I. 143, Brief in Support of Moving Defendants' Joint Motion to Sever Misjoined Defendants at 2 ("Instead, the defendants are business competitors, who offer their own diverse products and services which include encryption technology."). Obviously, none of the co-defendants in this case are H&W patent prosecution clients.

a. The H&W Attorneys Do Not Prosecute Patents For IBM Competitors Related to the IBM Products at Issue

Further, as the Declaration and attached Appendix provided by each of Mr. Buroker, Mr. Leaning and Mr. Wood demonstrate, these three attorneys are not involved in patent prosecution activities for any IBM competitors related to the IBM products at issue in this case. These companies include a wide range of non-competitors like lawn-care companies, telecommunications providers, financial institutions, orthopedic companies and e-reader companies. Given the business of the clients listed, the risk of inadvertent disclosure of any confidential information in applications for these clients is almost non-existent.

b. The H&W Attorneys Are Not Involved in Competitive Decisionmaking Related to the Products In Suit

Moreover, none of the patent attorneys are involved in any competitive decisionmaking patent prosecution activities involving technologies that are competitive to the products at issue in this suit. Namely, the IBM products accused are database management server systems DB2 and IDS, application servers and devices WebSphere Application Server and Websphere Datapower, cryptographic engines Crypto Express 2 and 3 and certain hardware systems that incorporate those cryptographic co-processors, including the z9, z10 and z11 servers.

c. None of the H&W Clients Listed Offer Database Management Servers, Application Servers or Devices, Cryptographic Co-Processors or Mainframes

None of the companies identified on the lists for Mr. Buroker, Mr. Leaning or Mr. Wood offer database management server systems, application servers or devices, cryptographic co-processors or mainframe systems. As a result, the risk of inadvertent disclosure here is even further lessened. For that reason, the language presented above as TecSec and H&W's Original Proposal" should be adopted.

These factors demonstrate that the risk of inadvertent disclosure is significantly diminished, therefore, suggesting that TecSec and H&W's reading of the Stipulated Protective Order is more than sufficient to protect IBM in this case.

C. IBM's Proposed Ban Is Inconsistent with *Deutsche Bank* and Overly Broad

In contrast, while IBM cites to the *Deutsche Bank* case, albeit in a footnote, it fails to even attempt to meet the standard *Deutsche Bank* requires — showing on a counsel by counsel basis why the protective order should apply in the overly broad manner it proposes. IBM has not offered nor engaged in any type of assessment regarding the competitive decisionmaking engaged in by any of H&W's attorneys participating in the present case. IBM has failed to show

how its proposed subject matter descriptions purportedly covered by the prosecution bar reasonably reflects the risk present by the disclosure of IBM's proprietary competitive information. One of the problems with IBM's motion is that it assumes that it has disclosed "highly sensitive information." Other than the source code (which the named H&W attorneys have not yet reviewed until this matter is resolved and will only review limited pages to be able to review expert reports and prepare testimony in this case), IBM does not identify what exactly is so confidential that needs protection and how its broad categories are necessary to protect it.

Moreover, IBM focuses the scope of its bar on the information it has disclosed in attempting to define the scope of any prosecution bar. Indeed, IBM suggests that the prosecution bar cover *any information* it has disclosed whether that information relates to the "subject of this litigation." That is contrary to *Deutsche Bank*. Any patent prosecution bar must be focused on the "subject matter of the litigation" - not the content of IBM's document production. IBM's improper focus on its document production leads it to an overly broad description of the activities it wants to exclude H&W attorneys from handling.

Even if IBM's broad interpretation of the patent prosecution bar in the Stipulated Protective Order were correct, IBM's description of the technologies disclosed in this case is so unduly broad and burdensome to make the Stipulated Protective Order inconsistent with *Deutsche Bank*. Its broad phrasing casts much too wide of a net. Its approach would be like saying that patent lawyers involved in a patent suit against Ford over metal brake parts should be precluded from handling any patent work on any device that includes metal. In the software world, terms like database software and network software are as broad related to what is really at issue in this case as "any device that includes metal" is related to the brake example.

Many companies and technologies use databases, networks, web servers, XML and encryption keys without competing in any way with IBM. No reasonable reading of the Stipulated Protective Order would have led H&W or TecSec to understand that any patent attorneys who are litigating this case on behalf of TecSec would be precluded from being involved in patent prosecution of technology that uses “database software” and “network software” or any other of the broad general categories. At this point, the prejudice would be significant to H&W clients who have invested significantly with H&W and might be forced to engage other attorneys to handle many prosecution projects that have been ongoing for years. That is particularly true because databases and networks, for example, have become ubiquitous, used by a wide range of companies, including pharmaceutical companies for DNA inventions, auto manufacturers for emergency signaling, etc, without competing with IBM.

Likewise, Extensible Markup Language (XML) is used widely across many industries, including pharmaceutical companies, Internet ventures, financial institutions and many other software technologies, none of which compete with the IBM products at issue in this case. Similarly, everything from e-book readers to telecommunications to fiber optic television delivery systems to cellular signaling systems (*e.g.*, cell phones and cell phone relay stations) involve “networking software” and XML is a widely used language for formatting and communications. Yet, those technologies are not related to the subject matter of this litigation. Instead of these overly broad descriptions, any preclusion needs to be tethered to the “subject matter of the litigation.” IBM’s categories are floating in the ether. A ruling adopting IBM’s overly broad interpretation and terms will prejudice H&W’s other clients, H&W and the individual counsel involved because that was never the understanding when the Stipulated Protective Order was entered.

D. TecSec's Proposed Compromise Language

For all of the reasons stated above, TecSec urges adoption of its Original Proposal and certainly rejection of IBM's overly broad language. If the Court is not persuaded that TecSec's definition of the "subject matter of this litigation" in terms of the patents in suit is sufficient, then TecSec suggests that the "subject matter of this litigation" be defined using the definition of "Accused Products" from the Complaint and TecSec's discovery requests. IBM used this definition as the outer limits of relevance in this case.¹ Therefore, if the description of the Accused Products from TecSec's discovery requests was used, the prosecution bar would be defined as follows (removing the specific IBM products since H&W would obviously not be preparing patent applications for IBM for those products):

COMPROMISE LANGUAGE

TecSec and IBM attorneys shall be, for the period of two years after conclusion of this litigation, be 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):

1. The term "Accused Product" shall mean ...[IBM's specifically named products and] ... products that include the ability to perform the following functions as defined below: Sub-file Encryption, Access Control, XML Encryption, Split Key Cryptography or Encryption with Parallel Processors.

2. The term "Sub-file Encryption" means, solely for purposes of these requests, encryption of a specific sub-file (including database sub-file) or message portion, as contrasted with an entire file or message.

¹ TecSec understood IBM to be limiting its production to the Accused Products, a defined term from TecSec's original request for production of documents from April 7, 2010.

3. The term “Access Control” means, solely for purposes of these requests, limiting access to a file, sub-file, object or element, or resource, whether such access is limited according to user, group, role, credentials or application.

4. The term “XML Encryption” means, solely for purposes of these requests, encryption of a specific XML element or specific XML element content, including XML Encryption in accordance with the XML Encryption Syntax and Processing standard dated December 10, 2002, available at www.w3.org. For purposes of this definition, “XML element” is to be understood as defined in Extensible Markup Language (XML) 1.0 (Fifth Edition) W3C Recommendation dated November 26, 2008, available at www.w3.org.

5. The term “Split Key Cryptography” means, solely for purposes of these requests, any cryptographic operation, including, without limitation, encryption, decryption, cryptographic key storage, cryptographic key transmission, and cryptographic key retrieval, that utilizes a cryptographic key formed by combining at least two distinct data.

6. The term “Encryption with Parallel Processors” means, solely for purposes of these requests, any system, hardware, software or method that performs cryptographic operations, including, without limitation, encryption and decryption, concurrently by more than one processor.

IV. CONCLUSION

For all the foregoing reasons, TecSec respectfully requests that the Court deny IBM’s motion because none of the patent attorneys for H&W are involved in competitive decisionmaking related to the subject matter of this patent litigation. Alternatively, TecSec requests that the scope of the patent prosecution bar to be applied to the H&W patent attorneys be defined consistently with the *In re Deutsche Bank* decision and if necessary, that the Stipulated Protective Order be amended to reflect a scope of patent prosecution bar consistent with that holding.

Dated: September 20, 2010

Respectfully submitted,

By: /s/ Brian M. Buroker
Richard L. Wyatt, Jr. (*pro hac vice*)
Michael A. O'Shea (*pro hac vice*)
Brian M. Buroker (VSB #39581)
Michael A. Oakes (VSB #47245)
Ryan Phair (*pro hac vice*)
Hunton & Williams LLP
1900 K Street, N.W.
Washington, D.C. 20006-1109
Telephone: (202) 955-1500
Facsimile: (202) 778-2201

Thomas J. Cawley (VSB #04612)
Steven M. Sayers (VSB #23066)
Hunton & Williams LLP
1751 Pinnacle Drive, Suite 1700
McLean, Virginia 22102
Telephone: (703) 714-7400
Facsimile: (703) 714-7410

Service Email: tecsec@hunton.com

Andrew G. DiNovo (*pro hac vice*)
Jay D. Ellwanger (*pro hac vice*)
Raymond W. Mort, III (*pro hac vice*)
Adam G. Price (*pro hac vice*)
**DINOVO PRICE ELLWANGER
& HARDY LLP**
7000 N. MoPac Expressway, Suite 350
Austin, Texas 78731
Telephone: (512) 539-2626
Facsimile: (512) 539-2627

Service Email: tecsec@dpelaw.com

Attorneys for Plaintiff TecSec, Incorporated

CERTIFICATE OF SERVICE

I certify that on September 20, 2010, TecSec's Opposition to IBM's Emergency Motion to Enforce the Stipulated Protective Order was electronically filed with the Clerk of the Court using the CM/ECF system, and that this system will issue an electronic notification of filing to the following (with the exception that the Declaration of Brian M. Buroker, the Declaration of Jeffrey S. Leaning and the Declaration of Steven M. Wood were filed *in camera* pursuant to the Court's September 15, 2010 order):

Attorneys for International Business Machines Corporation:

John M. Desmarais
Desmarais LLP
230 Park Avenue
New York, NY 10169

Service Email: jdesmarais@desmaraisllp.com

Jon Hohenthauer
Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022

Elizabeth Bernard
Kirkland & Ellis LLP
655 15th Street, N.W.
Washington, D.C. 20006

Craig C. Reilly
Law Office of Craig C. Reilly
111 Oronoco Street
Alexandria, VA 22314

Service Email: IBMCounsel@kirkland.com

/s/ Brian M. Buroker

Brian M. Buroker (VSB #39581)

Hunton & Williams, LLC

1900 K Street, N.W.

Washington, D.C. 20006

Phone: (202) 955-1500

Facsimile: (202) 778-2201

bburoker@hunton.com

Attorney for TecSec, Incorporated