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UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF TEXAS

MARSHALL DIVISION

WI-LAN, INC.,	)	Civil Action No. 2:07-CV-473 TJW
	)	
v.	)	**Consolidated with:**
	)	
ACER. INC., et al.	)	Civil Action No. 2:07-CV-474 TJW
	)	
WI-LAN, INC.,	)	**Jury Trial Requested**
	)	
v.	)	
	)	
WESTELL TECHNOLOGIES, INC., et al.	)	

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DEFENDANT INTEL'S REPLY IN SUPPORT OF ITS MOTION FOR PROTECTIVE ORDER RE PROPOSED CONSULTANTS

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I. INTRODUCTION

Six months ago, Wi-LAN agreed to the current patent prosecution bar in Paragraph 25 of the Court's Protective Order, which expressly bars the precise disclosures to technical consultants that Wi-LAN now proposes to make. Such provisions are routinely entered in protective orders in patent cases and enforced in the manner requested by Intel, due to the risk that consultants would use highly confidential information obtained in litigation in connection with ongoing patent prosecutions. Wi-LAN now attempts to renege on the deal struck between the parties on prosecution activities, by making a series of conflicting arguments concerning the scope of Paragraph 25 and incorrectly asserting that Wi-LAN is unable to find substitute consultants.

First, contrary to Wi-LAN's assertions, Paragraph 25 of the Protective Order was not intended to permit Wi-LAN's consultants to perform prosecution activities for Wi-LAN. The unambiguous language of Paragraph 25 bars Wi-LAN from employing such consultants. In fact, prior to this briefing, Wi-LAN acknowledged this to be the case by proposing a modification to the language of Paragraph 25 that would have created an exception for its currently proposed consultants. And, in contrast to the declaration Wi-LAN now submits, Wi-LAN's counsel previously confirmed while negotiating the Protective Order that Paragraph 25 should be interpreted to bar litigation consultants or experts engaged in prosecution activities for Wi-LAN, as opposed to other companies:

> **The One-Way Prosecution Bar Imposed on Wi-LAN.** As you know, your/defendants' version of the Prosecution Bar (Section 25 of the Protective Order) applies to Wi-LAN employees and experts but not to defendants' employees and experts, and thus is a one-way Prosecution Bar. . . . **Specifically, we have added language "for Wi-LAN" to the Prosecution Bar to limit the bar to Wi-LAN's technical experts/consultants engaging in prosecution activities "for Wi-LAN." . . .** Without this change, your Protective Order would prevent Wi-LAN's experts/consultants for this litigation from prosecuting **any** patent application for **any** entity **(not just Wi-LAN)**, including for themselves and entities that do not compete with defendants.

See Exh. 12 (some emphasis in original). To reach a compromise, Intel agreed to Wi-LAN's proposed revision to the prosecution bar, giving up an absolute bar on consultants having applications pending with third parties, in exchange for an absolute bar against the very consultants Wi-LAN now proposes – *i.e.,* those with patent applications pending for Wi-LAN. Wi-LAN should

not be permitted to back out of this agreement.[1]

Wi-LAN's after-the-fact interpretations of Paragraph 25 are inconsistent with the express language of that provision, Wi-LAN's prior treatment of that provision, and the authorities addressing this issue. The prosecution bar has no exceptions for non-substantive or "ministerial" prosecution activities, and as a result Wi-LAN must affirmatively propose language that would change Paragraph 25 to create an exception permitting the requested disclosures. *See* Exh. 8 at ¶ 25. Moreover, the activities that Wi-LAN characterizes as ministerial – *e.g.*, compliance with the duty of disclosure under 37 CFR 1.56 (*see* Exh. 13); providing historical information concerning the alleged invention (*see* Cote Decl. at ¶ 22) – are not ministerial but are fundamental aspects of a listed inventor's ongoing duties as a patent applicant, and create substantial opportunities for the listed inventors to interact with Wi-LAN and the USPTO to use Intel's highly confidential information during prosecution. *See Id.* at ¶ 19. Wi-LAN provides no authorities characterizing a listed inventor's duties as ministerial or permitting an exception for ministerial acts.

Second, the proposed consultants may not "recuse" or "screen" themselves from patent prosecution. The proposed consultants have signed oaths to uphold a strict duty of candor and good faith in connection with their pending applications. These individuals cannot recuse themselves from these duties – there is no authority or procedure for any such recusal. To the contrary, the USPTO's *ex parte* patent prosecution system relies on inventors to fulfill these duties throughout prosecution to ensure that patent applications – including amended claims, responses to office actions, etc. – are true to the inventor's invention. If inventors were able to unilaterally "recuse" themselves from these duties, the USPTO's primary safeguard would be defeated, and the USPTO would not even be made aware of it. Wi-LAN seeks to have this Court provide a stamp of approval on its unprecedented "recusal" approach, permitting Wi-LAN to successfully evade its prior

[1] After Intel filed its opening brief for this motion, Wi-LAN further attempted to evade this Court's Protective Order by raising this issue in co-pending proceedings in the Northern District of California, notwithstanding Wi-LAN's agreement that the provisions of this Court's Protective Order applied to those proceedings. *See* Exh. 14 at ¶ 4 (9/24/09 Stipulation and Order Regarding Third Party Discovery). The Special Master in the California action acknowledged that this issue requires this Court to interpret its Protective Order, and against Wi-LAN's requests declined to issue an order at this time pending this Court's review of Intel's motion. *See* Exh. 15.

agreement on the prosecution bar, while relying on this Court's decision to cleanse the listed inventors' corresponding violations of their duties to the USPTO. Accordingly, Wi-LAN's request requires the Court to issue an order that would facilitate Wi-LAN's breach of the USPTO's rules.

Third, Wi-LAN will not suffer undue hardship if Paragraph 25 is enforced. Although Wi-LAN claims to have engaged in substantial searching for consultants, Intel asked Wi-LAN to identify consultants it reviewed in its search, but Wi-LAN could not. *See* Exh. 16. Wi-LAN's silence on this issue suggests that Wi-LAN's search for alternate options was inadequate, and undermines the central premise of Wi-LAN's argument – *i.e.*, that it has been unable to identify alternatives to the three proposed consultants. Moreover, in just one day of searching since filing its opening brief, Intel was able to identify multiple consultants who (1) have WiMAX experience; (2) have source code experience; and (3) are free of conflicts.

Fourth, Intel will be greatly prejudiced if Wi-LAN is permitted to disclose Intel's highly confidential information to these consultants. Wi-LAN admits that these individuals will be interfacing with patent prosecutors in connection with applications in relevant subject matters. Since Wi-LAN has refused to abandon these applications, Wi-LAN's proposal presents the precise risks that numerous courts have consistently relied on to bar listed inventors on pending applications from access. Wi-LAN's proposal to permit the consultants to recuse themselves presents even greater risks, as that will permit Wi-LAN's patent counsel free license to write claims onto Intel's products without being constrained by the listed inventors' obligations to the USPTO or their knowledge concerning the limits of their alleged inventions, while Wi-LAN relies on the Court's decision to argue that its violations of the USPTO's fundamental rules were authorized.[2]

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[2] Wi-LAN's assertions that it is hampered in discovery in the California action are incorrect. Wi-LAN has been in possession of hundreds of thousands of pages of documents and substantial source code relating to Intel WiMAX products for months. Despite having access to substantial technical information concerning Intel's products, Wi-LAN made no efforts to review Intel's documents or code or even disclose any consultants for approval under the Protective Order until August. The Special Master in the California action has acknowledged Intel's compliance with Wi-LAN's discovery requests. *See, e.g.,* Exh. 15 (recent order stating that Intel was "in compliance" on certain document issues).

II. ARGUMENT

A. The Protective Order Explicitly Excludes Wi-LAN's Proposed Consultants

Contrary to Wi-LAN's assertions, the Protective Order precludes any consultant from receiving Intel's highly confidential information who is involved with "preparation or prosecution before a Patent Office of any patent, patent application, or for drafting or revising patent claims." *See* Dkt. No. 328 at ¶ 25. Wi-LAN confirmed this scope while negotiating this provision, when it agreed to a bar on litigation consultants or experts engaged in prosecution activities, so long as those activities were for Wi-LAN, as opposed to other companies. *See* Exhs. 12, 8. Wi-LAN should not be permitted to renege on its agreement, especially considering the real harm to Intel.

To support its proposed disclosures, Wi-LAN incorrectly asserts that the prosecution bar is merely a "belt-and-suspenders" provision which permits "ministerial" prosecution activities. As an initial matter, Paragraph 25 does not include any language regarding an exception for "ministerial" activities, and Wi-LAN never raised it in the months of negotiations over that provision. *See, e.g.,* Exh. 12. Moreover, Wi-LAN does not identify a single authority that has recognized such a distinction. Wi-LAN implicitly acknowledged that no such exception currently exists, when it proposed a modification to Paragraph 25 that would include an exception for "ministerial" prosecution activities. *See* Exh. 8.

In any event, a listed inventor's responsibilities under § 1.56 are not merely ministerial. The allegedly "ministerial" acts that Wi-LAN contends should be permitted – *e.g.*, communicating with prosecutors or the USPTO to provide "historical facts" of the invention, or information to predate a reference – permit the listed inventors to participate in prosecution and as such are prohibited by the Protective Order. Moreover, Wi-LAN's proposed exception permits it to unilaterally decide during the confidential patent prosecution process what prosecution activities are permitted.

B. The Proposed Consultants Cannot "Recuse" Themselves From Prosecution

Contrary to Wi-LAN's assertions, the listed inventors cannot simply recuse themselves from their duties of good faith and candor. There is no authority for such recusal. The code provisions Wi-LAN cites concern situations not at issue here, *i.e.,* where an inventor is "dead, insane, or otherwise legally incapacitated, refuses to execute an application, or cannot be found." *See* MPEP

§ 409; 37 C.F.R. 1.47. Importantly, these provisions concern the availability of an inventor to sign a patent application, as opposed to an inventor's continuing duties of good faith and candor once an application has already been filed. *See id.* Here, the proposed consultants have already filed applications and confirmed their continuing duties of good faith and candor. Wi-LAN cannot absolve the consultants of these duties, nor can Wi-LAN predict whether the USPTO will call upon the consultants to provide information concerning their alleged inventions, inventorship information, priority information, or otherwise participate in prosecution. As a result, the consultants will be in a position to influence the prosecution of the patents while in possession of highly confidential information concerning Intel's products. At a minimum, the listed inventors must ensure throughout prosecution that the statements made to the USPTO, amendments to the claims, and any other communications are true to their alleged inventions. Wi-LAN is unwilling to abandon the pending applications, and as a result, must abide by the USPTO rules and the agreed-to prosecution bar.

In disregard of USPTO rules and duties, Wi-LAN suggests that it would be acceptable for the listed inventors to simply withhold information from the USPTO, creating a "cloud of enforceability" over the patents. *See* Opp. Br. at 13. These statements, along with Wi-LAN's assertions that the duty of candor is merely "ministerial," underscores Wi-LAN's misunderstanding of the serious obligations a patent applicant has towards the USPTO, and emphasizes the need for an absolute bar against individuals involved in patent prosecution in any capacity. Wi-LAN wishes to make this Court a party to its proposed violation of the USPTO's rules, and will no doubt rely on this Court's order to argue that its "recusal" conduct was authorized.

C. Intel's Objections To Wi-LAN's Consultants Will Not Cause Wi-LAN To Suffer Undue Hardship

Contrary to Wi-LAN's assertions, the proposed consultants are not the only qualified individuals available to Wi-LAN. Although Wi-LAN claims to have engaged in substantial searching for consultants, Intel asked Wi-LAN to identify consultants it reviewed in its search, but Wi-LAN could not. *See* Exh. 16. Moreover, in just a day of searching, Intel located multiple

1 consultants without conflicts qualified to review Intel's WiMAX source code.[3] Intel offered to
2 identify examples of the numerous available consultants if Wi-LAN would provide information
3 about its expert searching, but Wi-LAN chose not to accept that invitation. *See id.* Wi-LAN's
4 silence on this issue suggests that Wi-LAN's search for alternate options was inadequate, especially
5 because Intel has been able to locate suitable alternates with modest searching.

6 **D. Intel Will Suffer Real Harm If The Proposed Disclosures Are Permitted**

7 As numerous courts have recognized, Wi-LAN's proposed disclosures create a serious risk
8 that Intel's highly confidential information will be used during prosecution to unfairly benefit Wi-
9 LAN. *See* Mot. at 5–6. Contrary to Wi-LAN's assertions, the cases enforcing patent prosecution
10 bars on listed inventors are not distinguishable. *See* Opp. at 13. In those cases, the courts relied
11 upon the status of the proposed consultant as a listed inventor with pending patent applications to bar
12 access to the defendants' confidential materials, even though the proposed consultant was potentially
13 more qualified than others in the field.[4] With respect to Wi-LAN's authorities, none of those cases
14 address specifically whether a listed inventor who is currently prosecuting pending patents for a
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18 [3] For instance, Wi-LAN refused to consider Dr. Nader F. Mir. Dr. Mir's resume states that "Wireless and Mobile Networks" is an "Area of Specialization." *See* Exh. 17 at 2. Moreover, Dr. Mir was recognized at an international
19 conference in 2008 for his work on "Wireless Networks, Mesh Networks, Mobile IP and WiMAX Technology," and in the last year alone he has given two separate talks on WiMAX at technical conferences attended by professionals in the
20 WiMAX field. *See id.* at 3, 5. Additionally, Dr. Mir is the current Technical Editor of the IEEE Communication Magazine, and since 1989 has been "a consultant for patent litigation cases in the area[] of . . . computer networks." *See*
21 *id.* at 8, . Additionally, Dr. Mir is able to read source code at issue here. *See id.* at 1. According to Wi-LAN, these are precisely the qualifications for a consultant on this matter, and Dr. Mir is only one example of many that are potentially
22 available to Wi-LAN. Despite Dr. Mir meeting Wi-LAN's own qualifications, Wi-LAN concludes without further investigation that Dr. Mir is unqualified.

23 [4] *See, e.g., Northbrook Digital LLC v. Vendio Services, Inv.*, 625 F. Supp. 2d 728, 740 (D. Minn. 2008) (barring listed
24 inventor with pending applications from acting as expert where he might improperly use confidential information "in the course of patent prosecution"); *IP Innovation LLC v. Thomson*, No. 1:03-CV-0216-JDT-TAB, 2004 WL 771233, at *3
25 (S.D. Ind. Apr. 8, 2004) (barring listed inventor with from acting as expert where "he has other patents currently pending" and "perhaps most importantly, TLC is an intellectual property licensing company involved in the
26 commercialization of intellectual property that developed by the expert in question"); *McDavid Kee Guard, Inc. v. Nike USA, Inc.*, No. 08 CV 6584, 2009 WL 1609395, at *2 (N.D. Ill. June 9, 2009) (barring listed inventor from acting as
27 expert where expert was "involved in current prosecution of the reissue application for the [patent-in-suit] as well as other Stirling patents."); *Rice v. United States*, 39 Fed. Cl. 747, 751 (Fed. Cl. 1997) (barring listed inventor who "continues to publish, consult and seek patents in the area of gas turbine technology" from acting as expert).
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party may have access to confidential information in litigation.[5] Wi-LAN's suggestion that only "competitive decision-makers" are subject to a bar (Opp. at 7) is unsupported by the authorities and conflicts with the prosecution bar's explicit prohibition on experts and consultants.

Mr. Stanwood in particular poses serious risks considering how closely he works with Wi-LAN. First, Mr. Stanwood is the listed inventor on continuations of some of the patents-in-suit between the parties. Despite Wi-LAN's characterization of Mr. Stanwood as a consultant, Wi-LAN is Mr. Stanwood's only client (according to his CV), and Wi-LAN admits to having paid him $100,000 for work performed over the last year. *See* Exh. 1 (Stanwood's CV lists "consultant . . . to Wi-LAN" as his current employment). Additionally, Mr. Stanwood is a listed inventor on several patents-in-suit and as a result is potentially an important fact witness. Further, Mr. Stanwood will likely testify for Wi-LAN at trial, and Wi-LAN will likely argue that his testimony is entitled to additional weight due to his status as a listed inventor. However, exposure to Intel's highly confidential information could improperly cause Mr. Stanwood to skew his testimony as a listed inventor on the patents-in-suit toward the accused products, resulting in great prejudice to Intel. Wi-LAN's recusal proposal does not remedy this prejudice.[6]

III. CONCLUSION

For the foregoing reasons, Intel respectfully requests that the Court grant Intel's motion for protective order.

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[5] In *Presidio Components*, there is no indication that the experts at issue were inventors on any patents or had pending applications. *See Presidio Components, Inc. v. Am. Tech. Ceramics Corp.*, No. 08cv335, 2008 U.S. Dist. LEXIS 93873 at **5–19 (S.D. Cal. Nov. 18, 2008). Likewise, the court in *Smartsignal* does not address prosecution of pending applications, but instead found that a particular consultant could have access to defendants' confidential information because the defendant waited six months to object to the consultant after the consultant was disclosed by the plaintiff. *See Smartsignal Corp. v. Expert Microsystems, Inc.*, No. 02-C-7682, 2006 U.S. Dist. LEXIS 32305, at **19–20 (N.D. Ill. May 12, 2006) (rejecting objection to expert on grounds of laches, equitable estoppel, and waiver).

[6] Wi-LAN's assertions concerning "viral spreading" of this objection are incorrect. Contrary to Wi-LAN's assertions, Intel agreed to three of Wi-LAN's other consultants that are currently reviewing Intel's source code. *See* Exh. 7. Additionally, when Intel sought additional information concerning a number of other consultants proposed by Wi-LAN to confirm they were acceptable under the Protective Order, Wi-LAN stated that it did not wish to address those consultants at this time. *See* Exh. 7 at 3. Similarly, other defendants have agreed to some of Wi-LAN's consultants, and have requested additional information concerning others. Although Wi-LAN contents that consultant objections have "gone viral," no party other than Intel has moved for a protective order, let alone on the bases that a consultant has pending applications with third-parties.

1 Dated: October 30, 2009 Respectfully submitted,
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CERTIFICATE OF SERVICE

12 The undersigned hereby certifies that counsel of record who are deemed to have consented to electronic service are being served on October 30, 2009 with a copy of **INTEL'S REPLY BRIEF**
13 **TO WI-LAN'S OPPOSITION TO MOTION FOR PROTECTIVE ORDER RE PROPOSED CONSULTANTS** via the Court's CM/ECF system per Local Rule CV-5(a)(3).
14

15 */s/ Robert M. Parker*
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