

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

**In the Matter of**

**CERTAIN EQUIPMENT FOR  
COMMUNICATIONS NETWORKS,  
INCLUDING SWITCHES, ROUTERS,  
GATEWAYS, BRIDGES, WIRELESS ACCESS  
POINTS, CABLE MODEMS, IP PHONES, AND  
PRODUCTS CONTAINING SAME**

**Inv. No. 337-TA-778**

**ORDER NO. 14: DENYING WITHOUT PREJUDICE RESPONDENTS' MOTION  
FOR A PATENT PROSECUTION BAR**

(December 9, 2011)

On October 4, 2011, Respondents filed a motion requesting that the Administrative Law Judge amend the Protective Order in this Investigation to impose a blanket, two-year patent prosecution bar on Complainant's outside counsel and experts who have access to Respondents' confidential business information. (Motion Docket No. 778-005.) Relying on the Federal Circuit's opinion in *In re Deutsche Bank Trust Co. Americas*, 605 F.3d 1373 (Fed. Cir. 2010) ("*Deutsche Bank*"), Respondents set forth detailed arguments as to why a patent prosecution bar should be imposed.

On October 14, 2011, Complainant opposed the motion, arguing that Respondents' motion is untimely and Respondents lack the requisite good cause.

On November 1, 2011, Respondents sought leave, which is hereby DENIED, to file a reply in support of their motion. (Motion Docket No. 778-007.) On November 14, 2011, Complainant opposed Motion Docket No. 778-007.

Based upon the motion papers and responses thereto, the Administrative Law Judge finds

as follows.

The *Deutsche Bank* decision from the Federal Circuit provides the proper legal standard for determining whether a protective order should bar counsel from representing the same client in litigation and in the prosecution of patents. *See Deutsche Bank*, 605 F.3d 1378-79. In *Deutsche Bank*, the Federal Circuit noted that a party seeking a patent prosecution bar often does so in the context of a broader protective order relating to confidential information produced during discovery. *Id.* at 1378. Such protective orders typically already include provisions restricting the use of confidential information outside the current litigation. *Id.* The court recognized that such provisions are “generally accepted as an effective way of protecting sensitive information.” *Id.* However, the court noted, there may be circumstances in which even conscientious counsel may not be able to prevent inadvertent compromise. *Id.* This is so, the court reasoned, because it is very difficult for the human mind to compartmentalize and selectively suppress information once learned. *Id.*

The opinion specifically addresses the risk of inadvertent disclosure “when trial counsel also represent the same client in prosecuting patent applications.” *Id.* at 1379. When evaluating that risk, a threshold inquiry is the nature of the confidential information disclosed to trial counsel. *Id.* at 1381. “[I]n the first instance, a court must be satisfied that the kind of information that will trigger the bar is relevant to the preparation and prosecution of patent applications.” *Id.* For example, confidential financial data would not normally trigger a patent prosecution bar because such information would not normally be relevant to a patent application. *Id.* In contrast, technology that is not already the subject of a pending patent application may pose a heightened risk of harm from inadvertent disclosure. *See id.*

When the nature of information to be protected passes the relevance threshold, a court

must next determine, on counsel-by-counsel basis, whether individual attorneys post a risk of inadvertent disclosure. *Deutsche Bank*, 605 F.3d at 1378 (citing *U.S. Steel Corp. v. United States*, 730 F.2d 1465 (Fed. Cir. 1984)). The risk determination should turn on whether counsel engages in competitive decision making with a client at the same time that counsel has access to confidential information from that client's competitors. *Deutsche Bank*, 605 F.3d at 1378.

The court noted that patent prosecution does not necessarily involve competitive decision making. For example, some attorneys tangentially involved in patent prosecution "have no significant role in crafting the content of patent applications or advising clients on the direction to take their portfolios." *Id.* at 1380. Such attorneys pose "little risk" of inadvertent disclosure because their patent prosecution activities only present a "remote" opportunity for engaging in competitive decision making. *Id.* On the other hand, attorneys who have the opportunity to control the direction, scope, and content of patent applications as "a regular part of their representation" may pose a greater risk for inadvertent disclosure. *Id.* Because of the broad range of possible involvement in patent prosecution, the court counseled against generalizations and specifically criticized as "shortsighted" any *per se* rule that involvement in patent prosecution triggers a prosecution bar against litigation counsel. *Id.* at 1379, 1381.

Finally, the *Deutsche Bank* decision requires that the risk of inadvertent disclosure be balanced against the burden on parties encumbered by the prosecution bar. *Id.* at 1380-81. The right of a client to have counsel of its choice in litigation and in patent prosecution is a weighty factor in this balance. *Id.* at 1380. Further, a court may take into account the potential difficulty a client might face if forced to rely on other counsel for the pending litigation. *Id.* at 1381. When weighing these issues, a court has "broad discretion to decide what degree of protection is required." *Id.* at 1380.

In sum, the *Deutsche Bank* decision requires a movant to show the following before a patent prosecution bar should be entered: (1) the information triggering the bar is confidential and relevant to patent prosecution; (2) a particular person having access to the information is involved in competitive decision making; and (3) the risk of inadvertent disclosure by that person outweighs the burden a prosecution bar would impose on that individual.


Here, the Administrative Law Judge finds that Respondents' motion requesting that the Protective Order be amended to add a patent prosecution bar (Motion Docket No. 778-005) should be denied without prejudice. The Administrative Law Judge disagrees with Respondents' interpretation of the *Deutsche Bank* opinion to the extent that Respondents argue that a case by case evaluation of counsel only applies in the instance of whether an exemption to a prosecution bar should apply. (Mot. Mem. at n.3.) Such an interpretation disregards the Federal Circuit's discussion of the *U.S. Steel* opinion and renders it meaningless. *Deutsche Bank*, 605 F.3d at 1378-9. Accordingly, Respondents have failed to set forth the requisite case by case showing for those individuals they seek to have barred from engaging in patent prosecution. *See also Certain Electronic Devices with Image Processing Systems, Components Thereof, and Associated Software*, Inv. No. 337-TA-724, Order No. 12 (U.S.I.T.C., December 3, 2010) (discussing *Deutsche Bank* standard in relation to experts) ("*Electronic Devices*"). As Respondents have failed to make their threshold showing, the Administrative Law Judge has not turned to Complainant's arguments re timeliness. However, Respondents should consider the Administrative Law Judge's discussion of timeliness in *Electronic Devices* when making their decision whether to re-file their motion.

The Administrative Law Judge notes that the Respondents attempted to reach an agreement on the terms of a prosecution bar before filing their motion. (Mot. Mem. at 6.) The

Administrative Law Judge takes no position as to the freedom of the parties to enter into such stipulations. However, if the parties do so stipulate, they are responsible for resolving disputes relating to the stipulation on their own.

The Administrative Law Judge reminds the parties, their attorneys, and experts that even without the explicit entry of a patent prosecution bar, any person who has reviewed confidential information under the Protective Order of this Investigation may not use that information for any purpose other than this Investigation. (See Order No. 1.) This restriction includes using or disclosing confidential information in patent prosecution. “Where there is any indication of disclosure of confidential information, particularly with regard to expanding patent claims, the Commission will fully investigate the matter.” *Certain Amorphous Metal Alloys*, 1983 ITC LEXIS at \*10.

**SO ORDERED.**

  
E. James Gildea  
Administrative Law Judge

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337-TA-778

**PUBLIC CERTIFICATE OF SERVICE**

I, James R. Holbein, hereby certify that the attached **ORDER** has been served by hand upon the Commission Investigative Attorney, **Dan Girdwood, Esq.**, and the following parties as indicated on December 9, 2011.



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