

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

FINJAN, INC.,  
Plaintiff,  
v.  
ESET, LLC and ESET SPOL. S.R.O.,  
Defendants.

Case No.: 17CV183 CAB (BGS)

**ORDER GRANTING MOTION TO  
MODIFY STIPULATED  
PROTECTIVE ORDER**

[ECF 146]

Plaintiff Finjan, Inc. moves to modify the Protective Order’s prosecution bar to allow Finjan’s litigation counsel to represent Finjan in review proceedings initiated by Defendants ESET, LLC and ESET SPOL, S.R.O. (“ESET”) before the United States Patent and Trademark Office (“PTO”).<sup>1</sup> (Motion to Modify the Protective Order (“Motion”) [ECF No. 146].) The current prosecution bar allows Finjan’s litigation counsel to handle review proceedings subject to certain limitations, but only those initiated by “Non-Parties.” (Protective Order at 14 [ECF No. 115].) Finjan wants the

---

<sup>1</sup> In the alternative, Finjan requests that specific attorneys be exempted from the prosecution bar. (*Id.* at 2, 13-14.)

1 Protective Order modified to allow it to handle review proceedings initiated by ESET  
2 because ESET has now filed for *inter partes* review (“IPR”) of one of the patents-in-suit,  
3 U.S. Patent No. 7,975,305 (“the ’305 Patent”). (Mot. at 4-5.) ESET opposes the  
4 modification. (Opposition to Mot. to Modify Protective Order (“Opposition”) [ECF No.  
5 160].) For the reasons set forth below, the Court **GRANTS** the Motion.

## 6 **BACKGROUND**

7 The scope of the prosecution bar in this case was a disputed issue before the case  
8 was transferred to this district from the Northern District of California with the issue  
9 raised multiple times by the parties before the previous judge. The Court only briefly  
10 addresses that history as it relates to the current Motion. In evaluating the appropriate  
11 scope of the prosecution bar for the case, the court found that Finjan’s litigation counsel  
12 could represent Finjan in nine ongoing IPR proceedings. And then, following additional  
13 briefing, the court decided that Finjan’s litigation counsel could also represent Finjan in  
14 ongoing review proceedings initiated by “third parties.” (January 9, 2017 Order [ECF  
15 No. 71].) However, the parties then disagreed as to the meaning of “third party.” (Mot. at  
16 3; Opp’n. at 4.) Finjan interpreted it to mean anyone other than Finjan. (Mot. at 3;  
17 Opp’n at 4.) ESET interpreted it as prohibiting Finjan’s litigation counsel from handling  
18 review proceedings initiated by ESET or Finjan, essentially reading the allowance to  
19 participate in review proceedings initiated by “third parties” to mean non-parties to this  
20 case. (Opp’n at 4.)

21 Despite the disagreement as to the meaning of “third party,” Finjan agreed to  
22 ESET’s proposed language that only allowed Finjan’s litigation counsel to represent it in  
23 review proceedings initiated by a “Non-Party,” with “Non-Party” defined as “any natural  
24 person, partnership, corporation, association, or other legal entity not named as a Party to  
25 this action.” (Mot. at 3; Protective Order at 3, 13-14.) Finjan indicates that it wanted to  
26 avoid burdening the court with an issue that had not arisen at that point. ESET had not  
27 initiated any review proceedings against Finjan at the time. However, Finjan indicated to  
28

1 ESET at the time that it would seek modification from the court if ESET initiated review  
2 proceedings against Finjan's patents. (Mot. at 4, Ex. 3.)

3 ESET has now filed an IPR petition for review of Finjan's '305 patent.<sup>2</sup> Finjan  
4 seeks to modify the current prosecution bar to allow its litigation counsel to represent  
5 Finjan in review proceedings, *i.e.* "reissue protest, *ex parte* reexamination, *inter partes*  
6 review or other post-grant proceedings" that are filed by "*any entity other than Finjan*, so  
7 long as such activity is limited to defending the validity of the patent and the individual  
8 has no involvement in and does not advise regarding drafting, editing, approving or  
9 amending claim language." (Mot. at 1, Ex. 1. at 15.) (emphasis added to proposed  
10 modification).

## 11 DISCUSSION

### 12 I. Legal Standard

13 This Court has authority to issue appropriate protective orders. Fed. R. Civ. P.  
14 26(c) ("The court may, for good cause, issue an order to protect a party or person from  
15 annoyance, embarrassment, oppression, or undue burden or expense.") In seeking  
16 modification of the Protective Order, the burden of showing good cause for the  
17 modification rests with Finjan. (Protective Order at 19 ("The Court may modify the  
18 terms and conditions of [the] Stipulated Protective Order for good cause, or in the interest  
19 of justice, or on its own order at any time in these proceedings.").)

20 Although the burden is on Finjan to show good cause for the modification, the  
21 Federal Circuit's precedent on prosecution bars still largely controls the Court's analysis  
22 of this issue. In short, if Finjan can show that a prosecution bar that allows Finjan's  
23 litigation counsel to represent it in review proceedings initiated by ESET is appropriate in  
24

---

25  
26 <sup>2</sup> ESET also joined a pending IPR proceeding concerning another patent-in-suit, U.S.  
27 Patent No. 8,079,086 ("the '086 patent"). However, this proceeding is not at issue in this  
28 motion. ESET agrees that Finjan's litigation counsel can participate in that IPR  
proceeding because it was not initiated by ESET. (Opp'n at 8, n.2.)

1 this case, that would weigh in favor of a showing of good cause to modify the protective  
2 order. However, as noted below, the Court does take into consideration Finjan’s  
3 agreement to the current language they now seek to modify.

4 Federal Circuit law governs whether a protective order should include a  
5 prosecution bar. *In re Deutsche Bank Trust Co. Americas*, 605 F.3d 1373, 1377-78 (Fed.  
6 Cir. 2010). A patent prosecution bar is an additional level of protection beyond the more  
7 typical provisions of protective orders that limit the use of confidential information. *Id.*  
8 at 1378. A patent prosecution bar is intended to guard against the risk of inadvertent  
9 disclosure that may arise when litigation counsel with access to an opposing party’s  
10 confidential information also prosecutes patents before the U.S. Patent and Trademark  
11 Office (“PTO”) on behalf of the client. *Id.* at 1378-79.<sup>3</sup> “[W]hether an unacceptable  
12 opportunity for inadvertent disclosure exists . . . must be determined . . . by the facts on a  
13 counsel-by-counsel basis” and that “determination should turn on the extent to which  
14 counsel is involved in ‘competitive decisionmaking’ with its client.” *Id.* at 1378.

15 The first step is determining whether counsel “is involved in ‘competitive  
16 decisionmaking’ with its client. *Id.* at 1378. Simply handling patent prosecution is not  
17 enough. *Id.* at 1379-80. “The facts, not the category must inform the result.” *Id.* at  
18 1379. In *Deutsche Bank Trust* the court recognized some patent prosecution counsel  
19 have little involvement in activities involving competitive decision making. *Id.* at 1379-  
20 80. However, others pose a much greater risk, including those “obtaining disclosure  
21 materials for new inventions and inventions under development, investigating prior art  
22 related to these invention, making strategic decisions on the type and scope of patent  
23 protection that might be available or worth pursuing for such inventions, writing,  
24

---

25  
26 <sup>3</sup> “As aptly stated by the District of Columbia Circuit, ‘it is very difficult for the human  
27 mind to compartmentalize and selectively suppress information once learned, no matter  
28 how well-intentioned the effort may be to do so.’” *Deutsche Bank Trust*, 605 F.3d at  
1378 (quoting *FTC v. Exxon Corp.*, 636 F.2d 1336, 1350 (D.C. Cir. 1980)).

1 reviewing, or approving new applications or continuations-in-part of applications to  
2 cover those inventions, or strategically amending or surrendering claim scope during  
3 prosecution. *Id.* at 1380.

4 The second step is balancing the risk of inadvertent disclosure or competitive use  
5 “against the potential harm to the opposing party from restrictions imposed on that  
6 party’s right to have the benefit of counsel of its choice.” *Id.* at 1380. Essentially, how  
7 prejudicial are the restrictions. In considering the harm to a party in having their counsel  
8 precluded from representing them before the PTO, “the court should consider such things  
9 as the extent and duration of counsel’s past history in representing the client before the  
10 PTO, the degree of the client’s reliance and dependence on that past history, and the  
11 potential difficulty the client might face if forced to rely on other counsel for the pending  
12 litigation or engage other counsel to represent it before the PTO. *Id.* at 1381 (citing *U.S.*  
13 *Steel Corp. v. United States*, 730 F.2d 1465, 1468 (Fed. Cir. 1984)).

14 In general, “a party seeking imposition of a patent prosecution bar must show that  
15 the information designated to trigger the bar, the scope of the activities prohibited by the  
16 bar, the duration of the bar, and the subject matter covered by the bar reasonably reflect  
17 the risk presented by the disclosure of proprietary competitive information.” *Id.* at 1381.  
18 And a “party seeking exemption from a patent prosecution bar must show on a counsel-  
19 by-counsel basis: (1) that counsel’s representation of the client in matters before the PTO  
20 does not and is not likely to implicate competitive decisionmaking related to the subject  
21 matter of the litigation so as to give rise to a risk of inadvertent use of confidential  
22 information learned in the litigation, and (2) that the potential injury to the moving party  
23 from restrictions imposed on its choice of litigation and prosecution counsel outweighs  
24 the potential injury to the opposing party caused by such inadvertent use.” *Id.* at 1381.

25 Generally, like a party seeking a protective order, “a party seeking to include in a  
26 protective order a provision effecting a patent prosecution bar” must “show[] good cause  
27 for its issuance.” *Id.* at 1378. In this respect, absent the prior agreement, ESET would  
28 have had to show a prosecution bar prohibiting Finjan’s litigation counsel from

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.