Case 1:16-cv-00290-MN Document 49 Filed 01/12/18 Page 1 of 4 PageID #: 1527

STAMOULIS & WEINBLATT LLC

VIA CM/ECF AND HAND

Stamatios Stamoulis stamoulis@swdelaw.com

January 12, 2018

The Honorable Sherry R. Fallon U.S. District Court for the District of Delaware 844 N. King Street Wilmington, DE 19801

RE: <u>Godo Kaisha IP Bridge 1 V. OmniVision Technologies, Inc.</u> <u>C.A. No. 16-290-JFB-SRF</u>

Dear Judge Fallon:

Plaintiff Godo Kaisha IP Bridge 1 ("IPB") respectfully submits this letter in response to Defendant OmniVision Technologies, Inc.'s ("OmniVision") correspondence dated January 11, 2018. (D.I. 48). As OmniVision notes, the parties reached agreement on almost all substantive provisions of a proposed Protective Order, and OmniVision acknowledges that the agreed-upon terms already "include[e] numerous provisions to protect the highly confidential documents and source code that OmniVision has or will be required to produce." *Id.* at 1. Despite those extensive safeguards, OmniVision now insists upon an additional layer of protection in the form of a patent prosecution bar. OmniVision's requested relief threatens to frustrate IPB's ability to retain experts in the relevant field. In fact, as discussed herein, OmniVision's refusal to produce key documents absent such a provision has already hampered IPB's ability to prepare its infringement contentions in accordance with the Court's deadline for doing so.

OmniVision correctly framed the issues presented to the Court: (1) whether the Protective Order should include a patent prosecution bar; and (2) whether parties must disclose patents and patent applications filed by experts.¹ According to OmniVision, the scope of the bar it seeks would encompass "back-side illumination image sensors." (D.I. 48 at 4). For the reasons discussed herein, OmniVision has not carried its high burden to show the need for such a bar, or established that its proposed bar is reasonable in scope.

OmniVision's request for a prosecution bar is almost entirely premised upon the fact that such a bar was included in a case involving the same parties that is pending in the Northern District of California. *Id.* at 1-2 (citing Case No. 5:17-cv-00778-BLF) (the "California Case"). OmniVision's reliance on that case is unavailing because in the Northern District of California, a prosecution bar is contained in the court's Model Order, and such a provision is considered "presumptively reasonable" in that District. *See EPL Holdings, LLC v. Apple, Inc.*, No. C-12-

¹ IPB contends that the second issue goes hand-in-hand with the first, and is rendered moot if no prosecution bar is included in the Protective Order. Accordingly, this letter will demonstrate why OmniVision has failed to establish its entitlement to a prosecution bar.

The Honorable Sherry R. Fallon January 12, 2018 Page 2

04306 JST, 2013 WL 2181584, at *1 (N.D. Cal. May 20, 2013) ("Accordingly, the court treats the model protective order as setting forth presumptively reasonable conditions regarding the treatment of highly confidential information."). Thus, IPB had little choice but to agree to inclusion of a prosecution bar in the California Case, even though the scope of the bar was hotly disputed, and the court ultimately refused to enter the broad bar requested by OmniVision. (California Case, D.I. 96, 107). As discussed below, there are no such presumptions in this District, OmniVision has not carried its burden of establishing the need for a bar, and it has failed to show that the scope of its proposed bar is necessary or reasonable.

Unlike the Northern District of California, there is no authority in this District that would presume the reasonableness of a prosecution bar. Thus, under Federal Circuit authority, OmniVision bears the burden of proving good cause for such a provision, and establishing that the scope of its proposed bar is necessary and reasonable. *In re Deutsche Bank Trust Co. Americas*, 605 F.3d 1373, 1378 (Fed. Cir. 2010). A showing of good cause requires the moving party to demonstrate that specific prejudice or harm will result if the protection is not issued. *See Rivera v. NIBCO, Inc.*, 384 F.3d 822, 826 (9th Cir. 2004). As to the scope of a bar, OmniVision 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." *Deutsche Bank*, 605 F.3d at 1381.

OmniVision has not established good cause, nor has it made the necessary demonstration that the scope of its proposed prosecution bar is appropriate or reasonable. For instance, disclosure of competitive information can present a sufficient risk to justify a prosecution bar only when a person subject to the bar is a "competitive decisionmaker" for his or her client, and that is a determination that can only be made on a case-by-case basis. *Id.* at 1378. OmniVision has not shown any potential harm, much less the "particular factual demonstration of potential harm" that is required. *Anderson v. Cryovac, Inc.*, 805 F.2d 1, 7 (1st Cir. 1986).

OmniVision's position is based entirely on empty speculation, not specific facts. OmniVision has not identified specific information that should be subject to a bar, it has not shown any specific risk of harm that it will likely suffer if that information is not protected by a bar, and it has not identified any "competitive decisionmakers" who will likely misuse information subject to the proposed bar. Rather, OmniVision rests its argument on bare conjecture about the "potential harm that could arise" and the "likelihood of potential misuse" from disclosure of its confidential information. (D.I. 48 at 2-3). Speculation, with no evidence whatsoever, that its confidential information will somehow be misused is insufficient—the facts supporting restrictions on discovery *must be proven, not just alleged. See Deutsche Bank*, 605 F.3d at 1380. To the extent OmniVision's hypothetical concerns have any merit, they are adequately protected by the general terms of the Protective Order to which the parties have already agreed, which strictly limit the use of protected information "in connection with this case only for prosecuting, defending, or attempting to settle this litigation." (D.I. 48, Ex. A at ¶ 7.1).

The cases from this District that OmniVision cites actually highlight OmniVision's failure to carry its burden here. For instance, OmniVision cites the Court's opinion in *Phishme*,

The Honorable Sherry R. Fallon January 12, 2018 Page 3

DOCKE.

Inc. v. Wombat Sec. Techs., Inc., C.A. No. 16-403-LPS-CJB, 2017 U.S. Dist. LEXIS 150862, at *18 (D. Del. Sept. 18, 2017) for the proposition that such restrictions are commonplace. However, in that case the Court concluded that it would be error to bar the general counsel of a party from accessing confidential information solely by virtue of his "general position." *Id.* at 6. Instead, the Court conducted "a *fact-intensive inquiry* into whether affected counsel [] participates in 'competitive decisionmaking." *Id.* at 7 (emphasis added). In so doing, the Court analyzed the particular facts regarding the attorney's position in light of seven specific factors to determine whether disclosure would present a risk of competitive misuse.² Here, OmniVision has not identified any specific individual about whom it purports to be concerned, much less conducted a detailed analysis of any of the relevant factors—OmniVision simply guesses, with no evidence whatsoever, that any expert retained by IPB will present a risk of competitive misuse solely by virtue of his or her "general position" in the field.

OmniVision also cites several cases in this District for the proposition that Delaware courts routinely allow the inclusion of patent prosecution bars in protective orders, including one case in which OmniVision is a defendant. (D.I. 48 at 2). However, the majority of those cases indicate that the parties had agreed to the concept of a prosecution bar in principle and, in the case in which OmniVision is a defendant, the parties even agreed to the specific terms of a prosecution bar.³ Accordingly, OmniVision's reliance on these cases is unavailing.

OmniVision has shown no concrete risk of harm that would justify inclusion of a prosecution bar in the Protective Order. In contrast, such a bar threatens IPB's ability to effectively prosecute its claims in this lawsuit. For example, it will be difficult (if not impossible) for IPB to retain expert witnesses qualified in the field of image sensing, who would be willing to accept an engagement if they were to be subsequently barred from prosecuting patents broadly relating to "back-side illumination image sensors" as a result. OmniVision's proposed solution (that IPB "retain[] a different expert") is no solution at all, because it would potentially foreclose retention of the most qualified expert(s) in the field. OmniVision's proposed bar is overreaching, unnecessary, based upon pure speculation, and might negatively impact IPB's ability to present expert testimony in this case. *See, e.g., GPNE Corp. v. Apple, Inc.*, 2014 WL 1027948, *1-*2 (N.D. Cal. 2014) (disqualifying expert from having access to confidential information where expert was actively patenting in the same field).

IPB has already suffered prejudice from OmniVision's refusal to produce key information absent a prosecution bar. The scheduling order (D.I. 37) required OmniVision to

² The factors considered were (1) the extent to which the attorney plays "an active, first-person role in strategic and competitive decisionmaking"; (2) the extent to which the attorney directly advises other high level executives at the company; (3) whether the attorney plays a significant role in the enforcement of the company's intellectual property; (4) the degree to which the attorney plays a role in patent prosecution; (5) the size of the company in which the attorney works; (6) the gravity of the consequences of inadvertent disclosure or misuse; (7) and whether the attorney proposes to use strict safeguards in handling confidential information. *Id.* at 11-23.

³ The cited cases are *Collabo Innovations, Inc. v. OmniVision Tech., Inc.,* C.A. No. 16-197 – JFB-SRF, D.I. 44 (D. Del. March 1, 2017); *Data Engine Tech. LLC v. Google, Inc.,* C.A. No. 14-1115-LPS, D.I. 31-1 (D. Del. Apr. 8, 2015); *TQ Beta, LLC v. DISH Network Corporation et al*, C.A. No. 14-848-LPS, D.I. 30-1 (D. Del. Apr. 1, 2015); and *Intellectual Ventures I LLC et al v. AT & T Mobility LLC et al*, C.A. No. 13-1668-:PS, D.I. 75-1 (D. Del. Dec. 16, 2014).

The Honorable Sherry R. Fallon January 12, 2018 Page 4

DOCKE

produce core technical documents for the accused products by December 3, 2017. On December 4, 2017, OmniVision's counsel produced several documents that failed to provide details on the accused features of the accused products. Although OmniVision offered to make its design layout or GDS files available for inspection, it refused to make those files available to IPB's expert(s) absent entry of a protective order. IPB requires assistance from its expert(s) in order to conduct a meaningful review of those files. Importantly, IPB's infringement contentions are due on January 22, 2018 and require IPB to "produce to defendant an initial claim chart relating the accused products to the asserted claims each product allegedly infringes." IPB accused five product families, including 107 products, in its initial identification of accused products. Although OmniVision has proposed representative products, without the ability to obtain expert review of the design layout files, IPB is currently unable to confirm that it agrees that OmniVision's proposed products are truly representative. Had IPB's experts been permitted to review the files, IPB would able to provide more details in its charts and/or provide additional charts with its infringement contentions.

For the above reasons, IPB submits that OmniVision has failed to establish its entitlement to a prosecution bar in the Protective Order, and requests the Court enter an order containing the terms that the parties have otherwise agreed upon.

Respectfully Submitted,

Stamatios Stamoulis (#4606) of Stamoulis & Weinblatt LLC

Counsel for Plaintiff