

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

CIVIX-DDI, LLC,

Plaintiff,

v.

NATIONAL ASSOCIATION OF REALTORS,
HOMESTORE, INC., HOTELS.COM, L.P.,
HOTELS.COM GP LLC, and YAHOO! INC.,

Defendants.

No. 05 C 06869

Judge Amy J. St. Eve

AND RELATED COUNTERCLAIMS.

YAHOO!'S OPPOSITION TO
CIVIX'S MOTION TO DISQUALIFY YAHOO!'S COUNSEL

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I. INTRODUCTION

CIVIX's disqualification motion is meritless. Neither of the acts about which CIVIX complains – the October 2, 2008 Status Update (“Status Update”) to this Court, or the October 3, 2008 Notice of Concurrent Proceedings (“Notice”) to the Patent Office – was improper.

The Status Update could not possibly have constituted “Patent Prosecution” activity in violation of the Protective Order. First, Defendants filed the update with the *Court*, not the Patent Office. Second, Defendants did so for entirely appropriate purposes – to update the Court on the reexamination proceedings, to make a clear record of their concern over CIVIX's intentional withholding of the Goodchild declarations from the Patent Office, and to permit the filing of the Notice with the Patent Office under the “litigation exception” of the Manual of Patent Examination Procedure (“MPEP”) to rectify CIVIX's lack of disclosure. CIVIX has never complained that the Status Update was improper until now, a year after its filing.

The Notice also could not have constituted “Patent Prosecution” under the Protective Order. CIVIX misapprehends the well-established purpose for prosecution bars in protective orders, *viz.*, to prevent a *patentee's* counsel from misusing its access to an opponent's confidential information to craft claims covering its opponent's products. No such purpose would be served here by barring Defendants' litigation counsel from involvement in the reexamination proceedings. Critically, CIVIX does not allege that the Status Update, the Notice, or any other submission by Yahoo!'s attorneys in the Patent Office relied upon or contained CIVIX confidential information, and, in fact, none of these submissions had such information.

Unable to identify actual misconduct by Yahoo!'s attorneys, CIVIX suggests that Yahoo!'s reexamination counsel intentionally masqueraded as CIVIX's reexamination counsel. CIVIX's allegation, which is based on two clerical errors related to the Notice, is implausible. The errors appeared in a *proof of service* and in *boilerplate* language authorizing the Patent Office to grant any required extensions or to deduct any necessary fees. Only in a footnote does CIVIX concede that *both* it and Yahoo! called these errors to the Patent Office's attention.

CIVIX's motion should be seen for what it really is: an attempt to justify its own

inequitable conduct before the Patent Office and to obtain a litigation advantage by removing Yahoo!'s longtime trial counsel. Nothing else explains CIVIX's one-year delay in filing this motion. The Court should deny CIVIX's motion.

II. STATEMENT OF FACTS

A. The Patent Office Orders Reexamination Of All Asserted Patents.

CIVIX filed this lawsuit in December 2005 against the National Association of Realtors, Homestore, Inc., Hotels.com LP, and Hotels.com GP LLC for allegedly infringing four U.S. patents.¹ On January 11, 2006, CIVIX added Yahoo! as a defendant.² At all times, Yahoo! has been represented in the litigation by Morrison & Foerster attorneys, including Sunil Kulkarni.³

Between August 2006 and January 2007, Yahoo! requested *ex parte* reexamination of the three CIVIX Patents.⁴ Another Morrison & Foerster attorney, Robert Saltzberg, filed these requests on behalf of Yahoo!. Professor Michael Goodchild, an expert in geographic information systems, provided declarations supporting the reexamination requests for the CIVIX Patents.⁵ The Patent Office granted each of Yahoo!'s requests, finding that a "substantial new question of patentability" existed for all asserted claims of the CIVIX Patents. The Court then stayed these proceedings in September 2007 in view of the pending reexaminations.⁶

Mr. Saltzberg has represented Yahoo! at all times in the reexamination proceedings. He has never seen CIVIX's confidential information,⁷ and CIVIX does not allege otherwise. CIVIX

¹ These patents are: U.S. Patent Nos. 6,385,622 ("the '622 patent"), 6,408,307 ("the '307 patent"), and 6,415,291 ("the '291 patent") (collectively, the "CIVIX Patents"); and 6,473,692 ("the '692 patent" or "the GoTo Patent").

² First Amended Complaint, dated Jan. 11, 2006 (Docket No. 18.)

³ Declaration of Sunil Kulkarni in Opposition to CIVIX's Motion to Disqualify Yahoo!'s Counsel ("Kulkarni Decl.") ¶ 2.

⁴ A different party filed the April 27, 2007 reexamination request for the GoTo Patent.

⁵ Declaration of Robert Saltzberg in Opposition to CIVIX's Motion to Disqualify Yahoo!'s Counsel ("Saltzberg Decl.") ¶ 2.

⁶ Minute Entry, dated Sept. 17, 2008 (Docket No. 459.)

⁷ Saltzberg Decl. ¶ 3.

has long known of Morrison & Foerster's involvement in the reexamination proceedings; Mr. Saltzberg sent CIVIX's counsel copies of the reexamination requests when filing them.⁸

B. CIVIX Refuses to Disclose the Goodchild Declarations to the Patent Office.

The Patent Office initially rejected 90 claims in the CIVIX Patents as invalid or obvious. These included all of the claims in the CIVIX Patents that were asserted against the Defendants.

In early May 2008, CIVIX met with the Patent Office to discuss these rejections. CIVIX then filed written responses, arguing that the Patent Office had wrongly rejected the claims. CIVIX concurrently submitted three declarations from William Semple, one of the named inventors of the CIVIX Patents, and asked that the Patent Office allow 19 newly-added claims.

Upon reviewing CIVIX's submissions, Yahoo! believed that they were misleading and that the record before the Patent Office required clarification. Accordingly, at Yahoo!'s request, Professor Goodchild prepared three new factual declarations identifying the inaccuracies in CIVIX's written responses and Mr. Semple's declarations. Because Professor Goodchild's declarations rebutted CIVIX's positions, were material to the patentability of the pending claims, and were not cumulative of information already of record,⁹ Yahoo! forwarded them to CIVIX on September 16, 2008 and asked that CIVIX provide them to the Patent Office.¹⁰ Despite its duty of candor to the Patent Office under 37 C.F.R. 1.555 and MPEP 2280, CIVIX declined to do so.

C. CIVIX Does Not Complain About Defendants' Status Update.

Since the Court stayed this case in September 2007, both parties have provided status updates to the Court about the reexamination proceedings.¹¹ In one of these status updates, dated October 2, 2008, Defendants informed the Court of Professor Goodchild's new declarations and

⁸ Declaration of Richard Hung in Opposition to CIVIX's Motion to Disqualify Yahoo!'s Counsel ("Hung Decl.") Exs. 1-3.

⁹ Defendants' Status Report, dated Oct. 2, 2008 (Docket No. 476) (attaching declarations).

¹⁰ Sunil Kulkarni Letter to Arnold Turk, dated Sept. 16, 2008 (Hung Decl. Ex. 4).

¹¹ *See, e.g.*, Docket Nos. 468, 473, 476, 478, 480, 494, 495.

of CIVIX's failure to disclose them to the Patent Office.¹² CIVIX did not complain to the Court about the Status Update when Defendants filed it. In truth, at no time before filing this disqualification motion did CIVIX suggest to the Court that the Status Update was improper in any way or move to strike it.

D. Yahoo! Forwards the Status Update to the Patent Office.

On October 3, 2008, Yahoo!'s reexamination counsel sent a copy of the Status Update to the Patent Office to remedy CIVIX's lack of disclosure to the Patent Office. Mr. Saltzberg did so under MPEP 2282, which provides (emphasis added):

Ordinarily, no submissions of any kind by third parties filed after the date of the order are entered into the reexamination or patent file while the reexamination proceeding is pending. However, in order to ensure a complete file, with updated status information regarding prior or concurrent proceedings regarding the patent under reexamination, the Office will, at any time, accept from any parties, for entry into the reexamination file, copies of notices of suits and other proceedings involving the patent and copies of decisions or papers filed in the court from litigations or other proceedings involving the patent.

Mr. Saltzberg, who also prosecutes patents and has represented patentees as reexamination counsel, inadvertently used an exemplar for a *patent owner's* notice when preparing the Notice of Concurrent Proceedings.¹³ As a result, the proof of service for the Notice mistakenly stated that it was "on behalf of the Patent Owner."¹⁴ In boilerplate language asking the Patent Office to grant any required extensions or to charge any necessary fees, the Notice also mistakenly referred to the "Patent Owner" instead of the "Requester":

In the unlikely event that the transmittal form is separated from this document and the Patent and Trademark Office determines that an extension and/or other relief (such as payment of a fee under 37 C.F.R. § 1.17(p)) is required, Patent Owner petitions for any required relief including extensions of time and authorizes the Commissioner to charge the cost of such petition and/or other fees

¹² Defendants' Status Report, dated Oct. 2, 2008, at 1-2.

¹³ Saltzberg Decl. ¶¶ 5-6.

¹⁴ Proof of Service, dated Oct. 3, 2008 (Hung Decl. ¶ 6, Ex. 5).

due in connection with the filing of this document to [Morrison & Foerster's] Deposit Account¹⁵

No reasonable person could have believed, based on these obvious mistakes in a proof of service and in boilerplate language describing what to do in the “unlikely event that the transmittal form is separated from this document,” that Mr. Saltzberg had intended to deceive the Patent Office as to the actual filer of these documents. Among other things, the Proof of Service referred to service on CIVIX's reexamination attorneys at Greenblum & Bernstein P.L.C.

Nonetheless, two weeks after Yahoo!'s filing, CIVIX submitted a “Response to Notice of Concurrent Proceedings” to the Patent Office. CIVIX's response suggested that Yahoo!'s Notice was intentionally “inaccurate and misleading” and encouraged the Patent Office to ignore it. On December 3, 2008, recognizing its error, Yahoo! submitted a supplemental notice to the Patent Office to apologize for any confusion that its earlier Notice might have caused.¹⁶

There is no evidence that the Patent Office ever considered, much less relied upon, the October 3, 2008 Notice or the three new Goodchild declarations attached to that Notice. The Patent Office's “Patent Information Retrieval” system does not list Yahoo!'s Notice in the online reexamination file wrappers for the three CIVIX Patents, and none of the Office Actions submitted after October 3, 2008 refers to the Notice or the new Goodchild declarations.¹⁷

E. CIVIX Surprises Yahoo! with This Motion And Refuses to Move the Presentment Date.

On July 14, 2009, CIVIX moved to lift the stay of these proceedings because a few claims in the '622 and '291 patents had survived reexamination. The Court denied this motion on August 20, 2009, holding that the scope of the '692 patent was not yet settled and that CIVIX's proposed covenant not to sue on the '307 patent was too narrow.¹⁸ In a September 25, 2009

¹⁵ Notice of Concurrent Proceedings, dated Oct. 3, 2008 (Hung Decl. ¶ 7, Ex. 6).

¹⁶ Supp. Notice of Concurrent Proceedings, dated Dec. 3, 2008 (Hung Decl. ¶ 9, Ex. 8).

¹⁷ Saltzberg Decl. ¶ 10; *see also* Hung Decl. Exs. 9-11.

¹⁸ Minute Entry (Docket No. 493.)

status report, CIVIX informed the Court that it had sold the '692 and '307 patents to another party. CIVIX also represented that this party had covenanted not to sue Defendants, their customers, and their end users.¹⁹ On September 28, 2009, the Court permitted fact discovery to resume and set the fact discovery deadline for January 22, 2010.²⁰

The very next day – without prior notice to Yahoo! or its counsel – CIVIX filed this motion and set the presentment date for four days later. Despite the extreme nature of the requested relief (disqualification), CIVIX twice refused to move the presentment date to allow Morrison & Foerster attorneys to appear at the presentment in person.²¹

III. ARGUMENT

A. CIVIX Cannot Satisfy the High Legal Standard for Disqualification.

The remedy of disqualification is a “drastic” one, with courts “hesitat[ing] to impose [disqualification] except when absolutely necessary because it may create . . . delay and deprive parties of their chosen legal adviser.”²² For this reason, and because disqualification motions can be used as “techniques of harassment,” they are disfavored and viewed with “extreme caution.”²³

This Court has held repeatedly that willful misconduct *and* prejudice to the harmed party are essential, but not sufficient, to justify disqualification.²⁴ This Court also has held repeatedly

¹⁹ Plaintiff’s Status Report (Docket No. 494).

²⁰ Minute Entry (Docket No. 496.)

²¹ Todd Flaming e-mail to Paul Vickrey, dated Oct. 1, 2009 (Hung Decl. Ex. 12). After CIVIX’s second refusal to move the presentment, the Court *sua sponte* ordered that Yahoo!’s opposition be filed by October 8, 2009. See Minute Entry, dated Oct. 1, 2009 (Docket No. 500).

²² *City of Waukegan v. Martinovich*, No. 03 C 3984, 2005 U.S. Dist. LEXIS 34528, at *15 (N.D. Ill. Dec. 16, 2005).

²³ *Schiessle v. Stephens*, 717 F.2d 417, 420 (7th Cir. 1983); *Freeman v. Chi. Musical Instrument Co.*, 689 F.2d 715, 722 (7th Cir. 1982).

²⁴ See, e.g., *Jones v. Scientific Colors, Inc.*, 201 F. Supp. 2d 820, 834 (N.D. Ill. 2001); *Cars R Us Sales & Rentals, Inc. v. Ford Motor Co.*, No. 08 C 50270, 2009 U.S. Dist. LEXIS 51478, at *11 (N.D. Ill. June 18, 2009) (counsel’s intentional disclosure of opponent’s confidential information in motion for protective order not so “egregious . . . that disqualification would be required”).

that the movant's delay warrants denying disqualification.²⁵ This is because disqualification should be sought "with reasonable promptness after a party discovers the facts which lead to the motion."²⁶ Disqualification does not follow automatically from a protective order violation.²⁷

While the burden is on CIVIX to show that the facts warrant the extreme remedy of disqualification,²⁸ notably absent from CIVIX's six-page motion is any authority (whether case law, statutory, or otherwise) to support its request.²⁹ CIVIX also fails to identify facts showing that any Morrison & Foerster attorney violated the Protective Order or that Morrison & Foerster's disqualification would be appropriate. CIVIX's motion should be denied.

B. Neither Mr. Kulkarni nor Any Other Yahoo! Attorney Violated the Protective Order.

The Stipulated Protective Order entered on March 29, 2006 provides, in relevant part:

[N]o person involved in "Patent Prosecution," as defined below, including without limitation the inventor of any pending patent application described herein, shall be provided access to any CONFIDENTIAL Discovery Material or to any information directly derived from CONFIDENTIAL Discovery Material
[A]ny person who has been provided access to any CONFIDENTIAL Discovery Material or to any information directly derived from CONFIDENTIAL Discovery Material shall not thereafter (for a period of one year after the conclusion of this

²⁵ See, e.g., *Safe-T-Prods., Inc. v. Learning Res., Inc.*, No. 01 C 9498, 2002 U.S. Dist. LEXIS 20540, at *24-26 (N.D. Ill. Oct. 23, 2002) (waiver of right to seek imputed disqualification and to object to conflicted attorney's work based on six-month delay).

²⁶ *Kafka v. Truck Ins. Exch.*, 19 F.3d 383, 386 (7th Cir. 1994) (citation omitted); accord *McIntosh v. State Farm Fire & Cas. Co.*, No. 06-CV-1080, 2006 U.S. Dist. LEXIS 96740, at *7 (S.D. Miss. Sept. 12, 2006) (denying disqualification motion because such motions "should be filed at the earliest practical opportunity," and not "at a tactically advantageous time [to] thereby put an opponent at an unfair advantage").

²⁷ *CCC Info. Servs., Inc. v. Mitchell Int'l, Inc.*, No. 03 C 2695, 2006 U.S. Dist. LEXIS 87255, at *18-20 (N.D. Ill. Dec. 1, 2006) (protective order violation based on refusal to return inadvertently disclosed materials excused, absent prejudice to defendant); cf. *Nisus Corp. v. Perma-Chink Sys.*, No. 3:03-CV-120, 2005 U.S. Dist. LEXIS 41068, at *20-22 (E.D. Tenn. May 27, 2005) (disqualification motion denied despite attorney's submission of sealed documents to Patent Office in violation of protective order).

²⁸ See *Weeks v. Samsung Heavy Indus. Co.*, 909 F. Supp. 582, 583 (N.D. Ill. 1996).

²⁹ CIVIX should not be allowed to remedy this failure for the first time on reply.

case) participate in Patent Prosecution. . . . “Patent Prosecution” shall be defined as preparing, drafting, reviewing, filing, responding to office actions, signing oaths or declarations, prosecuting patent applications or patents, or assisting in any of the above activities, with respect to: (a) any of the patents asserted in the current litigation, (b) any of the parents (grand-parents or other predecessor applications in the chain) of any of the patents asserted in the current litigation, or (c) any continuations, continuations-in-part, divisionals, foreign counterparts, reissues, or re-examinations of any of the patents asserted in the current litigation or any of the parents (grand-parents or other predecessor applications) thereof.³⁰

CIVIX contends that Mr. Kulkarni violated paragraph 12 of the Protective Order by “accessing ‘confidential’ information . . . and participat[ing] in the reexamination of the patents-in-suit.” CIVIX also intimates that Mike Garrabrants, a former Morrison & Foerster attorney now working for CIVIX’s reexamination counsel, violated the Protective Order by assisting with the reexamination requests for the CIVIX Patents and Yahoo!’s legal strategy in this lawsuit. Scratching the surface of CIVIX’s allegations even slightly demonstrates their deficiencies.

Mr. Kulkarni. Despite seeking Mr. Kulkarni’s disqualification, CIVIX does not identify *exactly what Mr. Kulkarni did* that allegedly violated the Protective Order. Mr. Kulkarni’s activities with respect to the Status Update and Notice could not have violated the Protective Order, as neither document contained or reflected any CIVIX confidential information. Moreover, Mr. Kulkarni’s filing of the October 2, 2008 Status Update could not have constituted “Patent Prosecution” because it was filed with the *Court*, not the Patent Office.

To the extent that CIVIX is alleging that Mr. Kulkarni violated the Protective Order by monitoring the public reexamination proceedings and being involved with Professor Goodchild’s declarations, CIVIX misreads the Protective Order. The Protective Order is quite clear as to what constitutes “Patent Prosecution.” Patent Prosecution is defined as “preparing, drafting, reviewing, filing, responding to office actions, signing oaths or declarations, prosecuting patent applications or patents, or assisting in any of the above activities, with respect to: (a) any of the

³⁰ Stipulated Protective Order, dated Mar. 29, 2006, at ¶ 12 (Docket No. 74).

patents asserted in the current litigation [and related applications, including reexaminations].”

These activities are ones that a *patentee* typically performs during “*patent prosecution*,” i.e., when seeking to persuade the Patent Office that claims should be allowed. The rationale for barring a patentee’s lawyers with access to an opponent’s confidential information from performing these activities is well-established: Absent a bar, the patentee might use that information to craft claims covering its opponent’s products.³¹ As this Court has explained:

We would expect patent prosecution counsel to be intimately involved in deciding how to shape the original application, or how later to revise it. . . . [This] intimate involvement . . . provides for the risk that patent counsel inadvertently will use information obtained from a party in patent litigation in shaping the application.³²

This risk exists during reexamination, which are conducted “according to the procedures established for initial examination.”³³ As in original examination, the patentee can “propose . . . amendment[s] . . . to distinguish the . . . prior art.”³⁴ It is for this precise reason that the Protective Order bars CIVIX’s counsel with access to Defendants’ confidential information from participating in the “reexaminations of any of the patents asserted in the current litigation.”

But the converse is not true – Defendants’ attorneys with access to CIVIX’s confidential information are not similarly barred from participating in the reexamination proceedings on the CIVIX Patents. Such a bar would make no sense. It is difficult to fathom what information of CIVIX, a non-practicing entity, Defendants’ attorneys could use to CIVIX’s detriment during reexamination. This is particularly true in light of the *ex parte* nature of the reexamination

³¹ See, e.g., *Cheah IP LLC v. Plaxo, Inc.*, No. C-08-4872, 2009 U.S. Dist. LEXIS 40823, at *7-11 (N.D. Cal. May 4, 2009) (“Without a patent prosecution bar, Plaintiff’s litigation attorneys could inadvertently disclose to patent prosecution counsel Defendants’ confidential technical information which could inform the fashioning of the seven continuation patents being prosecuted by Plaintiff thereby providing Plaintiff with a strategic advantage”).

³² *Cummins-Allison Corp. v. Glory Ltd.*, No. 02 C 7008, 2003 U.S. Dist. LEXIS 23653, at *34-35 (N.D. Ill. Dec. 31, 2003).

³³ See 35 U.S.C. § 305.

³⁴ See *id.*

proceedings at issue here, where, once they begin, the requester's ability to participate is severely limited, as CIVIX notes.

Importantly, under CIVIX's reading of the prosecution bar, *its own litigation attorneys* would be in violation of the Protective Order, since they have reviewed Defendants' confidential information and also undoubtedly have "prepar[ed], draft[ed], review[ed], [and] fil[ed]" documents concerning "any of the patents asserted in the current litigation" by, *e.g.*, filing this motion. CIVIX's reading therefore cannot be right. The definition of "Patent Prosecution" in the Protective Order must be a definition of the *scope* of patent prosecution, which is something only counsel for a patentee - CIVIX, in this case - can do.

Because the Protective Order did not bar Mr. Kulkarni from filing the Status Update or being involved in the reexamination proceedings, Mr. Kulkarni could not have violated the Protective Order. It is important to note that Mr. Kulkarni sincerely and reasonably understood the Protective Order to apply only to CIVIX's counsel.³⁵ Even assuming that his reading of the Protective Order was mistaken, Mr. Kulkarni's access to CIVIX's confidential information and his involvement with the Goodchild declarations would not warrant disqualification.³⁶

Mr. Garrabrants. It is undisputed that Mr. Garrabrants assisted with Yahoo!'s requests for reexamination of the CIVIX Patents while at Morrison & Foerster. It also is undisputed that Mr. Garrabrants left Morrison & Foerster to join Novak Druce & Quigg LLP, which was advising CIVIX in the reexamination proceedings. Finally, it is undisputed that Mr. Kulkarni, acting on behalf of Yahoo!, raised potential conflict issues arising from Mr. Garrabrants's new employment with the Novak firm by letter dated December 18, 2008.

³⁵ Kulkarni Decl. ¶ 4.

³⁶ *See Employers Ins. of Wausau v. Musick, Peeler & Garrett*, No. No. 89-0705, 1990 U.S. Dist. LEXIS 10415, at *19 (S.D. Cal. Apr. 9, 1990) (disqualification inappropriate based on genuine misunderstanding as to protective order), *rev'd on other grounds*, 954 F.2d 575 (9th Cir. Cal. 1992); *Syufy Enters. v. Columbia Pictures Indus., Inc.*, No. C 77-0181, 1978 U.S. Dist. LEXIS 17503, at *11-13 (D. Utah 1978) (misinterpretation of protective order excused where violations did not warrant disqualification).

But none of these facts demonstrates a Protective Order violation. Mr. Kulkarni's letter to the Novak firm certainly does not prove a violation. In his letter, Mr. Kulkarni was expressing his concern that Mr. Garrabrants had been exposed to Yahoo! confidential information and might inadvertently disclose it to CIVIX.³⁷ It was Mr. Garrabrants' access to *Yahoo!* confidential information – not his access to *CIVIX* confidential information – that gave rise to the conflicts concern. Mr. Kulkarni's letter nowhere refers to *CIVIX* confidential information.

Regardless, *CIVIX* does not (and cannot) allege that Mr. Garrabrants ever accessed *CIVIX* confidential information while at Morrison & Foerster. In response to Mr. Kulkarni's letter, *CIVIX* represented that "*Mr. Garrabrants was not involved in any manner in Morrison Foerster's representation of Yahoo! in the CIVIX litigation.*"³⁸ And in sharp contrast to *CIVIX*'s behavior here, Yahoo! and the Novak firm ultimately resolved the conflict issues concerning Mr. Garrabrants amicably and without court intervention.³⁹

C. Defendants' Status Update and Yahoo!'s Notice of Concurrent Proceedings Were Proper.

CIVIX devotes much of its brief to attacking Defendants' October 2, 2008 Status Update and Yahoo!'s October 3, 2008 Notice. For example, *CIVIX* claims that Defendants' Status Update was "contrived" and submitted under "false pretenses." All of these claims are false.

Status Update. There was nothing inappropriate about the Status Update. Defendants filed this update to apprise the Court of the status of the reexamination proceedings, to make a clear record of their concern over *CIVIX*'s failure to disclose Professor Goodchild's declarations to the Patent Office, and to permit the later filing of the Notice under MPEP 2282 to combat *CIVIX*'s lack of candor with the Patent Office. *CIVIX*'s new complaints about the Status Update ring hollow, as *CIVIX* never challenged or moved to strike it when Defendants filed it or

³⁷ Sunil Kulkarni Letter to Tracy Druce, dated Dec. 18, 2008 (Hung Decl. Ex. 13).

³⁸ William Towns Letter to Sunil Kulkarni, dated Jan. 15, 2009 (Hung Decl. Ex. 14) (emphasis added).

³⁹ Sunil Kulkarni Letter to William Towns, dated Jan. 20, 2009 (Hung Decl. Ex. 15).

in the months afterward.

Notice. There also was nothing improper about Yahoo!’s submission of the Notice to the Patent Office. Yahoo!’s submission was expressly authorized by MPEP 2282, which CIVIX ignores entirely.⁴⁰ While CIVIX suggests that Yahoo! intended to mislead the Patent Office via clerical errors in the Notice and its accompanying Proof of Service, Yahoo! did no such thing.⁴¹ Yahoo! also corrected and apologized to the Patent Office for these errors in December 2008.

What CIVIX is really challenging is Yahoo!’s request that CIVIX submit Professor Goodchild’s declarations to the Patent Office. CIVIX’s complaints are unfounded. While CIVIX alleges that 37 C.F.R. § 1.550(g) and MPEP 2266 prevented it from submitting the declarations to the Patent Office, CIVIX ignores its separate duty of candor to the Patent Office. Under 37 C.F.R. § 1.555, CIVIX was *required* to submit the Goodchild declarations – which is factual evidence, not attorney argument – to the Patent Office once Yahoo! brought them to its attention:

Each individual associated with the patent owner in a reexamination proceeding has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability in a reexamination proceeding. . . . The duty to disclose the information exists with respect to each claim pending in the reexamination proceeding until the claim is cancelled.

Even if CIVIX thought that the Patent Office’s regulations and the MPEP prevented it from submitting the Goodchild declarations on *Yahoo!’s behalf*, nothing prevented CIVIX from submitting these declarations on *its own behalf*. Indeed, its duty of candor required it.

Finally, even assuming that CIVIX had legitimate complaints about Yahoo!’s Notice

⁴⁰ MPEP 2282 (“Ordinarily, no submissions of any kind by third parties filed after the date of the order are entered into the reexamination or patent file while the reexamination proceeding is pending. However, in order to ensure a complete file, . . . the Office will, at any time, accept from any parties, for entry into the reexamination file, . . . papers filed in the court from litigations or other proceedings involving the patent.”).

⁴¹ CIVIX’s focus on typographical errors is surprising, as a half-dozen or more such errors appear throughout CIVIX’s moving papers. *See, e.g.*, p. 2 (“un.less,” “tiling,” “Forrester”); p. 4 (“arguments an issues,” “behalf o the requester”); p. 5 (“Proof of Services”).

(which it does not), this is the wrong forum in which to raise them. CIVIX should direct its complaints to the Patent Office, where Yahoo! filed the Notice. In fact, CIVIX *has already done this*. Via a five-page “Patent Owner’s Response to Notice of Concurrent Proceedings Filed by Requester” filed on October 22, 2008, CIVIX expressly took issue with Yahoo!’s Notice. CIVIX neglects to note that the Patent Office did not respond to CIVIX’s response.

D. CIVIX Does Not Explain How Its Confidential Information Was Misused or Why Morrison & Foerster’s Continued Representation of Yahoo! Is Prejudicial.

Even accepting all of CIVIX’s factual allegations as true, CIVIX still has not shown that disqualification is appropriate. CIVIX does not explain how any of its confidential information was misused to its detriment. Neither of the documents that CIVIX specifically identifies – the Status Report and the Notice – contained any CIVIX confidential information. There is no evidence that any other document that Yahoo! submitted to the Patent Office improperly reflected CIVIX confidential information, either. Tellingly, CIVIX does not allege otherwise.

There also is no evidence that the Patent Office ever considered or relied upon the specific documents about which CIVIX complains. The Patent Office has never referred to the Notice, the Status Update, or the attached Goodchild declarations in rejecting any of CIVIX’s claims. These documents also do not appear in the Patent Office’s online file wrappers for the reexamination proceedings. CIVIX’s inability to show that its confidential information was misused to its detriment is fatal to its claim that Yahoo!’s attorneys violated the Protective Order.

Also absent from CIVIX’s brief is any explanation for how Morrison & Foerster’s continued representation of Yahoo! is prejudicial, particularly now that reexamination on the two remaining asserted patents has ended. A showing of prejudice is “*essential* to an order of attorney disqualification.”⁴² CIVIX’s failure to show prejudice also is fatal to its motion.

⁴² See *Jones*, 201 F. Supp. 2d at 834 (emphasis added).

E. CIVIX’s Motion Is Untimely and Can Be Denied on that Basis Alone.

CIVIX has long known of the conduct about which it complains. It received the Status Update to this Court and the Notice of Concurrent Proceedings to the Patent Office *almost a year ago*. To the extent that CIVIX is complaining about Morrison & Foerster’s involvement in the reexamination proceedings, CIVIX has known of this for *over three years*; Mr. Saltzberg sent CIVIX’s attorneys copies of the first reexamination request in August 2006.

CIVIX must have prepared this motion long ago, as CIVIX filed it just one day after the Court reset the fact discovery deadlines for this case. But CIVIX offers no justification for its failure to bring this motion earlier. CIVIX’s delay is sufficient reason to deny its motion.⁴³

Yahoo! expects that CIVIX will argue that it could not have filed this motion earlier, as the Court had stayed the litigation. But CIVIX filed other documents during the stay, including an unsuccessful motion to reassign the *MapQuest, Inc. v. CIVIX-DDI, LLC* case from Judge Coar to this Court.⁴⁴ CIVIX therefore easily could have asked the Court to lift the stay to address the disqualification issue – but did not.⁴⁵

F. At Its Core, CIVIX’s Motion is Designed for Tactical Purposes.

CIVIX’s motion is really a tactical motion to explain away its own inequitable conduct before the Patent Office and to gain a litigation advantage over Yahoo!. Although CIVIX seeks the drastic remedy of disqualification, its moving papers are barely six pages long. CIVIX never

⁴³ See *Safe-T-Prods., Inc.*, 2002 U.S. Dist. LEXIS 20540, at *24-26 (waiver due to six-month delay); *Picicco v. City of Calumet City*, No. 05 C 2463, 2007 U.S. Dist. LEXIS 88389, at *4-6 (N.D. Ill. Dec. 3, 2007) (waiver due to sixteen-month delay); see also *Corso v. Suburban Bank & Trust Co.*, No. 03 C 9424, 2005 U.S. Dist. LEXIS 423, at *8-9 (N.D. Ill. Jan. 11, 2005) (waiver due to twenty-month delay); *Continental Holdings v. United States Can Co.*, No. 95 C 5743, 1996 U.S. Dist. LEXIS 9416, at *4-5 (N.D. Ill. July 2, 1996) (waiver due to twenty-five month delay); *Weeks*, 909 F. Supp. at 584 (waiver due to twenty-four month delay).

⁴⁴ Notice of Related Case & Motion to Reassign, dated Mar. 26, 2008 (Docket No. 461); Minute Entry, dated June 26, 2008 (Docket No. 472) (denying CIVIX’s motion); see also Plaintiff’s Status Report, dated September 25, 2009 (Docket No. 494).

⁴⁵ See *Schmude v. Sheahan*, 214 F.R.D. 487, 493 (N.D. Ill. 2003) (insufficient service defense waived as untimely where defendants “could have requested the court to lift the stay order for the limited purpose of looking into this narrow issue”).

explains the legal standard for disqualification or why disqualification is appropriate under that standard, but instead devotes two full pages to justifying its refusal to disclose the Goodchild declarations to the Patent Office. CIVIX plainly wants to use this motion as a vehicle to justify its conduct before the Patent Office, and thus preempt future inequitable conduct claims against it. The Court should not condone this.

The other plain purpose for CIVIX's motion is to gain a litigation advantage over Yahoo!. This is clear from CIVIX's request to disqualify *all* Morrison & Foerster attorneys, even though the prosecution bar is personal in nature.⁴⁶ This also is clear from the timing of CIVIX's request – almost a full year after the conduct about which CIVIX complains, and just three months before the close of fact discovery.

Morrison & Foerster litigation attorneys, including Mr. Kulkarni, have represented Yahoo! since this case was filed in January 2006. As a result, Yahoo! would be highly prejudiced if it was forced to replace its litigation counsel now. CIVIX's only justification for its broad request – the supposed need to “deter future misconduct” – is both inadequate and improper.

IV. CONCLUSION

CIVIX's six-page motion is untimely and devoid of legal support and factual support. This motion should be denied. The Court should award Yahoo! reasonable attorneys fees and costs in defending against this motion.

⁴⁶ See Stipulated Protective Order at ¶ 12 (referring to “no person” and “any person”).

CERTIFICATE OF SERVICE

I, Sunil R. Kulkarni, an attorney, certify that the foregoing **YAHOO!'S OPPOSITION TO CIVIX'S MOTION TO DISQUALIFY** was electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the following e-mail addresses on October 8, 2009:

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