

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

Misc. No. 830

FILED
U.S. COURT OF APPEALS FOR
THE FEDERAL CIRCUIT

OCT 23 2006

In Re Seagate Technology LLC,

JAN HORBALY
CLERK

Petitioner

**On Writ of Mandamus from the United States District Court
for the Southern District of New York in Case No. 00-CV-5141,
Judge George B. Daniels**

**PETITIONER SEAGATE TECHNOLOGY LLC'S REPLY IN SUPPORT
OF ITS PETITION FOR WRIT OF MANDAMUS TO VACATE
DISCOVERY ORDERS COMPELLING DISCLOSURE OF PRIVILEGED
COMMUNICATIONS OF TRIAL COUNSEL**

**Terrence P. McMahon
Stephen J. Akerley
Lucy H. Koh
Mary B. Boyle
McDermott Will & Emery LLP
3150 Porter Drive
Palo Alto, California 94304-1212
(650) 813-5000**

**Raphael V. Lupo
Paul Devinsky
Brian E. Ferguson
McDermott Will & Emery LLP
600 13th Street, N.W., 12th Floor
Washington, D.C. 20005-3096
(202) 756-8000**

**Attorneys for Petitioner
Seagate Technology LLC**

CERTIFICATE OF INTEREST

Pursuant to Circuit Rules 21(a)(2) and 47.4(a)(1), counsel for the petitioner certifies the following:

1. The full name of every party represented by me is:
Seagate Technology LLC.
2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:
None
3. All parent corporations and any publicly held companies that own ten percent or more of the stock of the party represented by me are:
Seagate Technology (US) Holdings, Inc., a Delaware corporation;
Seagate Technology HDD Holdings, Cayman Islands; and
Seagate Technology, Cayman Islands, (STX on NYSE).
4. The names of all law firms and the partners or associates that appeared for the party now represented by me in the trial court or agency or are expected to appear in this court are:

McDERMOTT WILL & EMERY LLP

Terrence P. McMahon

Stephen J. Akerley

Lucy H. Koh

Mary B. Boyle

Edwin Wheeler

Nicholas Chen

Brian Baker

Sabrina Chang

Mark P. Wine

Michael G. Oleinik

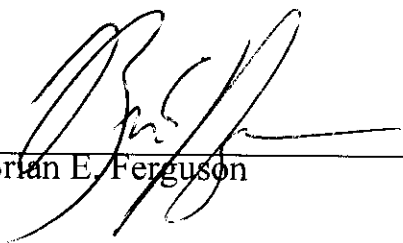
Ray Lupo

Paul Devinsky

Brian Ferguson

Michael S. Sommer
Ann E. Schofield
Andrew Dallman (no longer with firm)
Elaine M. Heal (no longer with firm)
Jennifer Ishimoto (no longer with firm)
Cora Schmid (no longer with firm)
Mitchell M. Blakely (no longer with firm)
Keaton Parekh (no longer with firm)
Lorrel A. Birnschein (no longer with firm)

ORRICK, HERRINGTON & SUTCLIFFE LLP
G. Hopkins Guy, III
Peter Bucci (no longer with firm)
David R. Jewell (deceased)



Brian E. Ferguson

TABLE OF CONTENTS

	Page
INTRODUCTION	1
A. Mandamus Is an Appropriate Remedy for Privilege Waiver Issues	3
B. A District Court by Definition Abuses Its Discretion When It Makes an Error of Law.....	4
C. Seagate Has Exhausted Its Remedies in the Lower Court and This Dispute Is Ripe for Mandamus Review	5
D. The Case Law Cited by Respondents Does Not Support Their Position.....	8
E. Privilege Waiver Should Not Extend to Seagate's Separate and Independent Trial Counsel Because There Are No Sword-and-Shield Issues.....	12
CONCLUSION.....	16

TABLE OF AUTHORITIES

Page

FEDERAL CASES

<i>Akeva L.L.C. v. Mizuno Corp.</i> , 243 F. Supp. 2d 418 (M.D.N.C. 2003).....	8, 9
<i>Ampex Corp. v. Eastman Kodak Co.</i> , No. Civ. A. 04-1373-KAJ, 2006 U.S. Dist. LEXIS 48702 (D. Del. July 17, 2006).....	8, 9, 10
<i>Beck Sys., Inc. v. ManageSoft Corp.</i> , No. 05 C 2036, 2006 WL 2037356 (N.D. Ill. July 14, 2006).....	8
<i>Convolve, Inc. v. Compaq Computer Corp.</i> , 224 F.R.D. 98 (S.D.N.Y. 2004).....	1
<i>In re EchoStar Commc'ns Corp.</i> , 448 F.3d 1294 (Fed. Cir.), petition for cert. filed (U.S. Oct. 3, 2006).....	passim
<i>In re John Doe Corp.</i> , 675 F.2d 482 (2d Cir. 1982).....	11
<i>In re Pioneer Hi-Bred Int'l, Inc.</i> , 238 F.3d 1370 (Fed. Cir. 2001).....	3
<i>In re Regents of the Univ. of Cal.</i> , 101 F.3d 1386 (Fed. Cir. 1996).....	3, 4, 5
<i>Intex Recreation Corp. v. Team Worldwide Corp.</i> , No. Civ. A. 04-1785 PLF/DAR, 2006 WL 2023552 (D.D.C. July 14, 2006).....	8
<i>Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.</i> , 383 F.3d 1337 (Fed. Cir. 2004).....	2, 13
<i>Koon v. United States</i> , 518 U.S. 81 (1996).....	4
<i>Outside the Box Innovations, LLC v. Travel Caddy, Inc.</i> , No. 1:05-CV-2482-ODE, 2006 U.S. Dist. LEXIS 74060 (N.D. Ga. Oct. 5, 2006).....	10
<i>Phonometrics, Inc. v. Westin Hotel Co.</i> , 350 F.3d 1242 (Fed. Cir. 2003).....	4

TABLE OF AUTHORITIES
(continued)

	Page
<i>Static Control Components, Inc. v. Lexmark, Int’l, Inc.</i> , No. 04-84-6FVT, 2006 U.S. Dist. LEXIS 40612 (E.D. Ky. June 15, 2006)	11
<i>Sterling Fed. Sys., Inc. v. Goldin</i> , 16 F.3d 1177 (Fed. Cir. 1994)	4
<i>United States v. Zolin</i> , 491 U.S. 554 (1989)	7

STATUTES

All Writs Act, 28 U.S.C. § 1651	1, 16
Fed. R. Civ. P. 72(a)	15
Fed. R. Civ. P. 30(b)(6)	5, 8

INTRODUCTION

The issue before this Court is whether an advice of counsel defense to willful infringement waives attorney-client privilege and work product immunity for trial counsel communications relating to infringement, validity, and enforceability. Petition¹ at 6-7. Respondents' Opposition² offers only flawed arguments. First, contrary to Respondents' claims, mandamus review is clearly appropriate for a discretionary ruling predicated on legal error to prevent the wrongful exposure of privileged communications. Second, also contrary to Respondents' contention, Federal Circuit law is well settled that a district court by definition abuses its discretion when it makes an error of law. Third, the privilege waiver case law cited by Respondents simply does not support Respondents' position. Fourth, contrary to Respondents' position, *in camera* review does not save a ruling compelling production of privileged documents where that ruling is predicated on legal error. Moreover, such *in camera* review imposes unworkable document review burdens on the judiciary. Respondents' proposed satellite litigation and piecemeal appeals on a document-by-document basis are equally unworkable and

¹ *Petitioner Seagate Technology LLC's Petition for Writ of Mandamus to Vacate Discovery Orders Compelling Disclosure of Privileged Communications of Trial Counsel* ("Petition").

² *Opposition of Respondents Convoke, Inc. and Massachusetts Institute of Technology to the Petition of Seagate Technology LLC for a Writ of Mandamus to the United States District Court for the Southern District of New York* ("Opposition").

burdensome. Furthermore, defendants should not be forced to disclose their litigation strategy to the very judges who may rule on the substantive issues. Respondents' Opposition offers no convincing reason that this Court should not issue a writ ordering the district court to vacate its Orders under review (Petition Exhibits A-D).

The Orders Seagate seeks here to vacate contravene *Knorr-Bremse*³ by forcing a patent defendant to choose between an opinion of counsel defense to willfulness and preserving the confidentiality of its communications with trial counsel regarding the merits of its case.⁴ The Orders also conflict with the controlling legal principles set forth in *EchoStar*⁵ and other precedent. In *EchoStar*, this Court set forth the following balancing test for determining the scope of any

³ *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337, 1343 (Fed. Cir. 2004) (en banc).

⁴ For clarification, this mandamus proceeding does not involve uncommunicated work product. There is no dispute that the district court correctly held, consistent with the law under *EchoStar* and other controlling precedent, that uncommunicated work product of Seagate's counsel should not be produced. The issue before this Court is the protection for the communicated, privileged advice from trial counsel. See, e.g., *Petitioner Seagate Technology LLC's Petition for Writ of Mandamus to Vacate Discovery Orders Compelling Disclosure of Privileged Communications of Trial Counsel* (emphasis added) at 6-7 ("Issue Presented": "trial counsel communications"). The same arguments are being raised in support of communications of in-house counsel. See *id.* at 12-13 n.17.

⁵ *In re EchoStar Commc'ns Corp.*, 448 F.3d 1294 (Fed. Cir.), petition for cert. filed (U.S. Oct. 3, 2006).

waiver: “[A] district court should balance the policies to prevent sword-and-shield litigation tactics with the policy to protect work product.”⁶ Here, there are no sword-and-shield concerns with respect to Seagate’s trial counsel. The record is undisputed that Seagate has maintained separate and independent litigation and opinion counsel at all times. Under these facts, the policy balance weighs heavily on the side of protecting privilege for trial counsel, and there should be *no* discovery of privileged trial counsel communications and communicated work product. The district court abused its discretion in extending waiver to trial counsel’s communications under the circumstances of this case, and this Court should issue a Writ of Mandamus vacating the erroneous Orders.

A. Mandamus Is an Appropriate Remedy for Privilege Waiver Issues

Contrary to Respondents’ claims (Opposition at 10), a writ of mandamus is an appropriate remedy to prevent the wrongful exposure of privileged communications and information protected by the work-product privilege. *See EchoStar*, 448 F.3d at 1297-98; *In re Regents of the Univ. of Cal.*, 101 F.3d 1386, 1388 (Fed. Cir. 1996); *In re Pioneer Hi-Bred Int’l, Inc.*, 238 F.3d 1370, 1374 (Fed. Cir. 2001).

“[M]andamus review may be granted of discovery orders that turn on claims of privilege when (1) there is raised an important issue of first impression, (2) the

⁶ *Id.* at 1302.

privilege would be lost if review were denied until final judgment, and (3) immediate resolution would avoid the development of doctrine that would undermine the privilege.” *In re Regents*, 101 F.3d at 1388 (citation omitted). This case meets those rigorous standards. *EchoStar* did not address the situation of trial counsel. There is confusion and conflict among the district courts regarding the application of privilege waiver law to trial counsel. Prompt clarification of the law by this Court is needed to avoid irreparable harm to the large number of patent defendants similarly situated to Seagate.

B. A District Court by Definition Abuses Its Discretion When It Makes an Error of Law

The abuse of discretion standard is the correct standard of review for a district court’s determination as to the scope of a privilege waiver. *See EchoStar*, 448 F.3d at 1300. However, “[a] district court by definition abuses its discretion when it makes an error of law.” *Koon v. United States*, 518 U.S. 81, 100 (1996)(citation omitted); *accord Phonometrics, Inc. v. Westin Hotel Co.*, 350 F.3d 1242, 1245, 1246 n.4 (Fed. Cir. 2003). That is what this case is about: Whether the district court abused its discretion by applying an incorrect legal rule to determine the scope of Seagate’s privilege waiver.

In reviewing whether a district court abused its discretion by applying an incorrect legal standard, the legal standard is reviewed *de novo* by this Court. *See Sterling Fed. Sys., Inc. v. Goldin*, 16 F.3d 1177, 1182 (Fed. Cir. 1994).

Moreover, Respondents' claim that mandamus review is not available to review a discretionary ruling lacks merit. When a district court issues an order based on legal error, mandamus is appropriate because the error "is not a mere discretionary [ruling] but rather turns on legal questions appropriate for appellate review." *In re Regents*, 101 F.3d at 1388 (internal citation omitted).

C. Seagate Has Exhausted Its Remedies in the Lower Court, and This Dispute Is Ripe for Mandamus Review

Respondents contend that this dispute is not ripe and that Seagate has failed to exhaust its remedies because Seagate has not sought *in camera* review of any documents. Opposition at 11.

To begin with, Respondents' argument mistakenly assumes that the requested discovery involves only production of documents. It does not. Respondents have demanded depositions of Seagate's senior trial counsel, and Fed. R. Civ. P. 30(b)(6) witnesses for Seagate's two trial counsel law firms, to begin November 11, 2006. *See* Exhibits A and B hereto. Clearly, *in camera* review is inapplicable and provides no "safeguard" whatsoever in regard to depositions of counsel. With requested deposition dates looming, the threat of irreparable harm is concrete and immediate, not hypothetical.

Even as to documents, *in camera* review offers no effective remedy to Seagate in this case. Under these Orders, the purpose of such *in camera* review is not to adjudicate the issue before this Court, namely, the scope of privilege waiver

as applied to Seagate's trial counsel. That issue was fully adjudicated in the Orders.⁷

Rather, the *in camera* review is a selective one to determine whether some materials may be withheld or redacted to suppress materials that are solely trial strategy. Specifically, the Order provided for *in camera* submission of documents that relate to trial strategy or planning advice regarding validity, infringement, and enforceability, recognizing that trial counsel would address trial strategy "in ways that [did] not implicate the advice-of-counsel defense." Petition, Exhibit A at 17. However, the Order also provided that trial counsel's advice on the subjects of infringement, validity, and enforceability "must be disclosed even if it is communicated in the context of trial preparation." *Id.* at 16-17. Such selective review cannot vindicate Seagate's position that privilege waiver does not extend to its separate and independent trial counsel.

⁷ The district court held that, because Seagate asserted an advice of counsel defense to willful infringement: "Seagate has therefore waived the privilege with respect to all communications not only with Mr. Sekimura, but also with its other attorneys, *including trial counsel*, concerning the subject matter of Mr. Sekimura's advice." Petition Exhibit A at 13-14 (emphasis added). "While there is some case law supporting the 'contradictory opinions' approach, such a limitation does not comport with the nature of Seagate's 'subject matter waiver,' which extends to the *entire subject matter of Mr. Sekimura's opinions—infringement, validity, and enforcement of the patents at issue.*" *Id.* at 16 (citations omitted and emphasis added). "Seagate shall produce all documents, answers to interrogatories, and deposition testimony concerning communications between Seagate (or its in-house counsel) and any of its attorneys, including trial counsel, with respect to the subject matter of Mr. Sekimura's opinions, *i.e.*, the infringement, validity, and enforcement of the '635, '267, and '473 [P]atents." *Id.* at 17.

Respondents defend the district court's ruling by arguing that "by providing for in camera review, the district court carefully tailored its ruling to reach a proper balance among competing concerns on a *document-by-document* basis." Opposition at 16-17 (emphasis added). A document-by-document approach to adjudication of trial counsel privilege claims is plainly unworkable, as clearly set forth in EchoStar Corporation and TPO Displays' *amicus* brief filed on October 13, 2006 in this proceeding. *Brief of Amici Curiae EchoStar Corporation and TPO Displays Corporation in Support of Petitioner Seagate Technology LLC* at 8-11. The burden on the judicial system would be immense if *in camera* review of trial counsel's documents—and piecemeal, document-by-document appeal of *in camera* rulings—were to become the norm in patent litigation. Indeed, the Supreme Court has discussed the problems that would accompany such practices and registered its disapproval. *See United States v. Zolin*, 491 U.S. 554, 570-71 (1989). The Supreme Court specifically warned that review is not appropriate for the routine adjudication of privilege claims because *in camera* review can itself increase the risk of irreparable harm from wrongful disclosure of privileged communications. *See id.* at 570 ("Too much judicial inquiry into the claim of privilege would force disclosure of the thing the privilege was meant to protect") (quotation and citation omitted). Furthermore, it disadvantages defendants by forcing them to disclose litigation strategy to the courts, who may rule on the same substantive issues.

D. The Case Law Cited by Respondents Does Not Support Their Position

Seagate will not repeat its arguments concerning *EchoStar* except to note once more that *EchoStar* did not address the situation of trial counsel, as numerous district courts have observed.⁸

Contrary to Respondents' claim, it is Respondents—not Seagate or the *Ampex* court—that misread the *Akeva*⁹ case. Opposition at 18 & n.2. It is true, as Respondents assert, that “the *Akeva* defendants were ‘not asserting reliance on the opinion of trial attorneys, but only on the opinion of an attorney separately retained for this opinion.’” Opposition at 18 (quoting *Akeva*, 234 F. Supp. 2d at 423). However, the *Akeva* court rejected defendants' position out of hand, because it was completely at odds with their own admissions. As the court stated:

[Defendants' Rule 30(b)(6) witness] Mr. Puccini testified that defendants not only relied on [reliance counsel] Mr. Shefte's opinion, but also that of Gerald Boss, one of their present litigation attorneys.

⁸ See, e.g., *Beck Sys., Inc. v. ManageSoft Corp.*, No. 05 C 2036, 2006 WL 2037356, at *5 n.1 (N.D. Ill. July 14, 2006) (“We agree that the fact scenario presented to the *EchoStar* court did not involve production of materials by trial counsel.”); *Ampex Corp v. Eastman Kodak Co.*, No. 04-1373-KAJ, 2006 U.S. Dist. LEXIS 48702, at *11 (D. Del. July 17, 2006) (“*Echostar* did not even address the issue of communications with trial counsel.”); *Intex Recreation Corp. v. Team Worldwide Corp.*, No. Civ. A. 04-1785 PLF/DAR, 2006 WL 2023552, at *6 (D.D.C. July 14, 2006) (“Intex's concern is occasioned by the fact that opinion counsel and trial counsel are one and the same, and therefore an issue is presented regarding Intex's waiver of the attorney-client and work product protections that was not addressed in *EchoStar*.”)

⁹ *Akeva L.L.C. v. Mizuno Corp.*, 243 F. Supp. 2d 418 (M.D.N.C. 2003).

Mr. Puccini necessarily had to admit that he relied on trial counsel for advice until he received Mr. Shefte's opinion letter. However, he also acknowledged that even after receiving Mr. Shefte's letter, he relied, in part, on the advice of his trial counsel in continuing the manufacturing actions of defendants.

Akeva, 243 F. Supp. 2d at 419-20. Therefore, contrary to Respondents' statement that in *Akeva* "trial counsel ... were not functioning as opinion counsel,"

Opposition at 19, it was beyond dispute that they were, and the *Akeva* court so held.

Seagate and the *Ampex* court thus correctly distinguished *Akeva* from the case (as here) of separate and independent trial counsel who do not function as opinion counsel. See *Ampex*, 2006 U.S. Dist. LEXIS 48702, at *11 ("What [the plaintiff] *Ampex* ignores is that *Akeva* dealt with circumstances in which the defendant expressly relied on its trial counsel's noninfringement opinion to continue operating, while awaiting a separate opinion from another source ... That is not akin to the facts in this case.") (citation omitted).

The reasoning in *Ampex* is correct, and this Court should find it persuasive. *Ampex* is the only case of which Seagate is aware to analyze the privilege waiver law for the advice of counsel defense with respect to separate and independent trial counsel in light of *EchoStar*.

Respondents mistakenly argue that *Ampex* can be distinguished based on the timing of the opinions. Opposition at 22-23. Respondents state that "[t]he *Ampex* defendant relied on a legal opinion obtained before, not after, the lawsuit was filed." Opposition at 22 (citing *Ampex*, 2006 U.S. Dist. LEXIS 48702, at **7, 12).

That is simply inaccurate. Contrary to Respondents' contention, "[b]efore litigation began, Kodak sought from outside counsel an opinion regarding infringement." *Ampex*, 2006 U.S. Dist. LEXIS 48702, at *12. As in the instant case, "[t]hat opinion was provided orally shortly after suit was filed." *Id.* Thus, the facts in *Ampex* parallel this case. Other facts in *Ampex* did differ from the instant case because Kodak subsequently delayed obtaining the final written opinion because Ampex elected to proceed first in an International Trade Commission proceeding, where treble damages would not be obtainable.¹⁰

Respondents call two additional cases to this Court's attention. Opposition at 19-20. Neither case is helpful regarding the issue before this Court.

Outside the Box focused on objections to a subpoena duces tecum issued to an associate who had served as opinion counsel at a law firm which had served both as trial and opinion counsel to the patent defendant. *Outside the Box Innovations, LLC v. Travel Caddy, Inc.*, No. 1:05-CV-2482-ODE, 2006 U.S. Dist. LEXIS 74060 (N.D. Ga. Oct. 5, 2006). *Outside the Box* thus is clearly not a case

¹⁰ In this case, there was also a delay, through no fault of Seagate's, in obtaining a final written opinion on the claims of one of the patents-in-suit, the '473 Patent. Seagate timely requested an updated opinion after the patent issued in November 2001. However, Seagate's opinion counsel had changed firms and a conflict had arisen which took months to clear. Petition, Exhibit E ¶¶ 7, 9. The reason for Seagate's delay was even less susceptible to characterization as "nefarious" than in *Ampex*, and, there is no basis for any suspicion that there was "somehow a cover for non-infringement advice [Seagate] was actually getting from its trial counsel." *Ampex*, 2006 U.S. Dist. LEXIS 48702, at *12-13.

like the instant one in which the defendant maintained separate and independent trial counsel at all times. The part of the opinion cited by Respondents mentions that the associate would not be capable of producing documents under the control of current litigation counsel. The opinion did not address the concerns surrounding discovery from trial counsel. It thus does not provide significant guidance for the present situation.

Static Control Components was issued after *EchoStar*, but it does not mention *EchoStar*. *Static Control Components, Inc. v. Lexmark, Int'l, Inc.*, No. 04-84-6FVT, 2006 U.S. Dist. LEXIS 40612 (E.D. Ky. June 15, 2006). Moreover, *Static Control Components* is completely inapposite. It deals with waiver following a party's deliberate decision to disseminate to third-party customers an ostensibly privileged letter from an attorney analyzing the legality of the party's rebate program. This is a very different issue controlled by policy concerns distinguishable from the ones in this case. *See, e.g., In re John Doe Corp.*, 675 F.2d 482, 489 (2d Cir. 1982) ("Once a corporate decision is made to disclose [privileged communications] for commercial purposes, no matter what the economic imperatives, the privilege is lost ... because the need for confidentiality served by the privilege is inconsistent with such disclosure."). *Static Control Components* did not address the issue now before this Court.

E. Privilege Waiver Should Not Extend to Seagate's Separate and Independent Trial Counsel Because There Are No Sword-and-Shield Issues

There have been no sword and shield issues in this case that necessitate extending privilege waiver to Seagate's trial counsel. As Respondents painstakingly point out, this dispute has been thoroughly litigated by both sides in the district court. Unfortunately, Respondents include numerous inaccurate statements in their Opposition in an attempt to bolster their arguments, and Seagate must set the record straight:

- The Opposition alleges without any citation to evidence that “[i]n this fifteen month interval [after the ‘473 patent issued in November 2001 and before opinion counsel provided its final, written opinion on the ‘473 patent] ... Seagate had no opinion from Mr. Sekimura on the Convolve patent.” Opposition at 6. This statement is inaccurate. As the district court found in its May 28, 2004 Memorandum and Order, Mr. Sekimura's first written opinion on July 24, 2000 analyzed 186 of the over 340 claims of the patent application that later issued as the ‘473 patent-in-suit. Mr. Sekimura opined that Seagate did not infringe those claims and/or that the claims were invalid. Petition at 8.
- The Opposition erroneously characterizes as “unsworn attorney statements” assertions (made in the fact section of the Petition) including “no opinions were sought or obtained from trial counsel” and “Seagate never sought nor

received advice from trial counsel regarding the merits of the opinions of Mr. Sekimura.” Opposition at 14. In fact, both of these statements are supported by the sworn declaration of Seagate’s in-house counsel Ms. Durham, appended to Seagate’s Petition as Exhibit E. Petition, Exhibit E ¶¶ 11-13 (signed declaration made “under the penalty of perjury”).¹¹ It is ironic that Respondents fall back on an argument that these statements show “Seagate protests too much” and “[i]f it has nothing to produce, why is it engaging in these serial, desperate, and delaying efforts.” Opposition at 14. This is precisely the adverse inference from the invocation of privilege that *Knorr-Bremse* forbids. See *Knorr-Bremse*, 383 F.3d at 1345 (“courts have declined to impose adverse inferences on invocation of the attorney-client privilege” and patent law will be no exception). The same observation applies to Respondents’ contention that the invocation of privilege must be understood to “highlight[] how far Seagate is willing to go in order to conceal” that “Seagate cannot truthfully testify that it reasonably relied on the Sekimura opinions” as well as Respondents’ attempt to equate Seagate’s defense of its litigation position with “planned perjury.” Opposition at 13-14.

- The Opposition further claims without any citation to evidence: “As of the [June 7, 2000] date of Seagate’s press release [concerning the U Series 5 hard drives], Mr. Sekimura had not provided Seagate with any opinion, and

¹¹ This Court should reject the argument made in the Opposition that these statements themselves constitute an independent basis for privilege waiver because they disclose attorney-client communications. That issue is not properly before this Court.

Seagate was receiving advice from in-house and outside counsel only.”

Opposition at 5. What the record shows is that in October 1999 Seagate’s engineers conducted an internal analysis of Convolv’s ‘635 and ‘267 Patents (Petition at 8 n.16) and that in May 2000 Seagate hired Mr. Sekimura, as outside opinion counsel, to advise it on the Convolv patents, and that he provided his preliminary report on July 24th, (Opposition Exhibit C at 72 (Respondents’ counsel describing the facts to the court at oral argument on this issue)).

- The Opposition alleges and cites to a hearing transcript excerpt that: “On July 27, 2000, Seagate’s Board of Directors met with Seagate’s trial counsel to discuss the 7/24/00 Sekimura opinion. Seagate has asserted the privilege to obstruct discovery of what occurred at that meeting.” Opposition at 5. The cited hearing transcript excerpt merely supports the fact that there were no other opinions obtained besides those from Mr. Sekimura. Moreover, the sworn declaration of Betty Ann Durham, Seagate’s in-house counsel, who was present at the meeting, confirms that there were no opinions from trial counsel or advice from trial counsel on the merits of the Sekimura opinions. Petition, Exhibit E. In that same transcript excerpt, Seagate’s counsel Terrence P. McMahon asserted privilege when the court asked whether there was *any* discussion of patent infringement or validity whatsoever at the Board meeting. Opposition, Exhibit C at 86:9 - 87:7. That was when Mr. McMahon made the statement, quoted in the Opposition at page 13, that “there’s ... a hard line or a bright line between opinion counsel and litigation

counsel”; “[a]bsolutely there is a bright line here. And there has to be.” *Id.* at 87:13-14. And there is a “bright line” *here*, under these facts. Where trial counsel has been kept separate and independent of opinion counsel, and there are no other circumstances raising sword-and-shield concerns, there should be no waiver of trial counsel privileged communications arising from assertion on an advice of counsel defense to willful infringement.

- The Opposition claims without any citation to evidence that the “notification [of election to rely on advice of counsel] came three years after litigation began, during which time the reasonableness of Seagate’s asserted reliance on the Sekimura opinions was affected by communications with its in-house and trial counsel.” Opposition at 7. Seagate timely notified Respondents that it would assert the advice of counsel defense pursuant to the scheduling order in the case. *Id.* at 6 (referencing order to produce opinions by February 24, 2003).¹² Once again, there are no grounds for Respondents’ claim that Seagate’s reliance on the opinions of Mr. Sekimura “was affected” by any other attorney advice.
- The Opposition states that in April 2000, Seagate retained “counsel to advise it on the MIT and Convolv technologies” and cites to a hearing transcript excerpt. Opposition at 4. However, the hearing transcript excerpt merely

¹² Respondents’ motion to compel discovery from Seagate was filed on October 1, 2003. Petition at 11. Seagate timely filed objections to the Magistrate Judge’s May 28, 2004 and September 8, 2004 Orders under Fed. R. Civ. P. 72(a), which were not resolved by the District Judge until two years later, on July 11, 2006. Petition at 11-13.

states that Seagate hired “trial counsel” in April 2000. Opposition, Exhibit C at 71. Orrick and McDermott, the two firms who have served as Seagate’s litigation counsel, never provided opinions on the MIT and Convolv technologies. *See* Petition, Exhibit E.

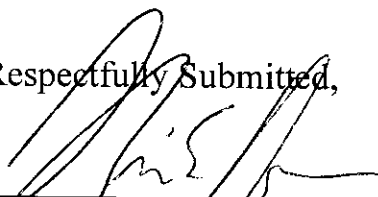
- The Opposition states parenthetically that Seagate’s reliance counsel, Mr. Gerry Sekimura, previously served as trial counsel to Seagate, and cites to Seagate’s Petition at 8. Opposition at 4. This “fact” is not in Seagate’s Petition. Mr. Sekimura has never served as trial counsel in this case.

CONCLUSION

Seagate has exhausted its remedies in the district court and has no choice but to seek mandamus review from this Court. For all the above reasons and for the reasons stated in Seagate’s Petition, this Court should issue a writ of mandamus under 28 U.S.C. § 1651 ordering the district court to vacate its Orders of July 11, 2006, May 28, 2004, and September 8, 2004 to produce Seagate’s trial counsel communications protected by attorney-client privilege and work-product protection.

Dated: October 23, 2006

Respectfully Submitted,



Terrence P. McMahon
Stephen J. Akerley
Lucy H. Koh
Mary B. Boyle
McDermott Will & Emery LLP
3150 Porter Drive
Palo Alto, CA 94304-1212
(650) 813-5000

Raphael V. Lupo
Paul Devinsky
Brian E. Ferguson
McDermott Will & Emery LLP
600 13th Street, N.W., 12th Floor
Washington, D.C. 20005-3096
(202) 756-8000

Counsel for Petitioner
Seagate Technology LLC