

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

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**Misc. No. 830**

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**In Re Seagate Technology LLC,**

**Petitioner**

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**On Petition for a Writ of Mandamus to the  
United States District Court for the Southern District of New York  
(Hon. George B. Daniels)**

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**EN BANC BRIEF OF PETITIONER  
SEAGATE TECHNOLOGY LLC**

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## **CERTIFICATE OF INTEREST**

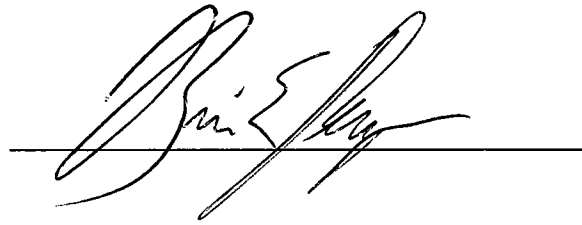
Pursuant to Federal Circuit Rules 21(a)(2), 28(a)(1), and 47.4(a),  
counsel for the petitioner certifies the following:

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  
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A handwritten signature in black ink, appearing to read "David R. Jewell", is written over a horizontal line.

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## **STATEMENT OF RELATED CASES**

No appeals from this civil action have previously been before this Court or any other appellate court. On January 29, 2007, this Court ordered that another pending mandamus petition, *In re CA Inc.*, Misc. No. 840, be held in abeyance pending the outcome of this proceeding.

## **I. INTRODUCTION**

The question before the Court is whether a patent defendant's right to confidential legal advice ends when it defends against allegations of willful infringement by asserting reliance on advice of counsel. In other words, by relying on advice of counsel, does an accused infringer automatically waive attorney-client privilege and work-product immunity protections for its trial counsel's communications? Similarly, are the communications of in-house counsel with its client regarding general litigation advice subject to such waiver?

This case exemplifies the dangers of defining waiver too broadly. Seagate finds itself in an impossible position, even though it followed all the rules. In the underlying litigation, Seagate retained opinion counsel prior to suit. Opinion counsel furnished advice on the noninfringement, invalidity, and unenforceability of the Convolve patents. After Convolve filed suit, different litigation counsel represented Seagate in the proceedings before the district court. Trial counsel did not contribute to nor influence the content of opinion counsel's opinions. Instead, opinion and trial counsel fulfilled their distinct and separate functions. Nonetheless, the district court ordered that, having relied on advice of counsel as a defense to willful infringement, Seagate must disclose communications on substantive patent matters not only with opinion counsel,

but also with trial counsel. The court extended the waiver to litigation counsel's advice "even if it is communicated in the context of trial preparation" and "continu[ing] until such time as [the] alleged infringement ends." (Addendum at 17).<sup>1</sup> The court extended the same waiver to in-house counsel.<sup>2</sup>

The *de facto* requirement that a defendant obtain an opinion of counsel once it has notice of a patent has, in effect, turned the *patentee's burden* of proving willful conduct by clear and convincing evidence into a presumption of willfulness that must be rebutted by defendants. The Orders at issue here, if sustained, make that presumption much more difficult to overcome by effectively eliminating a defendant's ability to rely on an advice of counsel defense to defeat a charge of willfulness. What defendant would be willing to trade its trial counsel's and in-house counsel's communications throughout a

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<sup>1</sup> The four Orders submitted for this Court's review may be found in the Addendum to this brief: (1) S.D.N.Y. No. 1:00-cv-05141-GBD-JCF, Docket No. 268, Magistrate Judge Francis' Order of May 28, 2004 (published as *Convolve, Inc. v. Compaq Computer Corp.*, 224 F.R.D. 98 (S.D.N.Y. 2004)); (2) Docket No. 299, Magistrate Judge Francis' Order of September 8, 2004; (3) Docket No. 505, Judge Daniels' Order of July 11, 2006 denying Seagate's objections to Magistrate Judge Francis' Order of May 28, 2004; and (4) Docket No. 506, Judge Daniels' Order of July 11, 2006 denying Seagate's objections to Magistrate Judge Francis' Order of September 8, 2004.

<sup>2</sup> While this brief at times refers to "trial counsel" without mentioning "in-house counsel," Seagate's arguments against privilege waiver apply with equal force to both. If all litigation-related communications could be obtained simply by deposing in-house counsel, maintaining privilege for trial counsel communications would be an empty gesture.

case in exchange for the protections afforded by the decision to waive privilege in order to assert an advice of counsel defense?

The dire implications of the district court's Orders cannot be overstated. The net effect of the district court's ruling is that each time Seagate's litigation counsel discuss the substance of the ongoing lawsuit with Seagate, its opponents are invited to listen. Every time in-house counsel conveys legal advice regarding the litigation to high-level executives, plaintiffs must be sent a transcript. And, presumably, trial and in-house counsel may be deposed upon any legal advice given and any theories considered, so long as they relate to infringement, validity, and enforceability — the key issues in every patent case. Pursuant to the district court's Orders, reliance on advice of counsel requires Seagate to lay open its entire trial strategy to its adversary. Such a rule cannot stand.

The waiver rule aims to curb abuses of the attorney-client privilege. *See In re EchoStar Commc'ns Corp.*, 448 F.3d 1294, 1301 (Fed. Cir.), *cert. denied*, 127 S. Ct. 846, 2006 U.S. LEXIS 9478 (Dec. 11, 2006). A party's reliance on counsel's opinion thus waives the attorney-client privilege as to all communications regarding the same subject matter with the same counsel. Such waiver prevents a party from using the privilege as both a sword and a shield, namely, from selectively waiving privilege to disclose advice favorable

to its positions while concealing unfavorable advice under the cloak of privilege. *See id.*

Where opinion and trial counsel are separate, however, no sword and shield concerns arise. Opinion and trial counsel have entirely different roles. *See Crystal Semiconductor Corp. v. Tritech Microelects. Int'l, Inc.*, 246 F.3d 1336, 1352 (Fed. Cir. 2001) (“defenses prepared for a trial are not equivalent to the competent legal opinion of non-infringement or invalidity” for purposes of determining willfulness). Waiver must, therefore, be confined to a client’s communications with the counsel giving the opinion and cannot extend to trial or in-house counsel generally. The law must similarly limit any waiver of the work-product immunity to opinion counsel. Any other rule would handicap corporate litigants’ right to the assistance of counsel and imperil the due process of law guaranteed by the Constitution.

The communications and mental impressions of trial counsel also lack sufficient probative value to justify piercing privilege. When the accused infringer relies on advice of counsel, the willfulness inquiry focuses on the reasonableness of such reliance, *i.e.*, whether the opinion manifests the objective indicia of thoroughness and competence. As an initial matter, the communications of trial counsel, distinct from opinion counsel, have no relation to whether the patent defendant acted reasonably in relying on opinion

counsel's advice. Moreover, how reasonable is it to preclude a client from seeking the candid advice of its trial counsel over the course of lengthy litigation? That is precisely the effect of the district court's Orders.

No precedent from this Court or its sister courts of appeals warrants expanding waiver law to encompass communications with trial counsel or in-house counsel in this factual setting. This Court's recent decision in *EchoStar* is not to the contrary. *EchoStar* held that where the accused infringer relied on an opinion of in-house counsel but also received an opinion from outside counsel upon which it chose not to rely, it had to produce from both counsel all information on the same subject matter as the opinions (infringement, validity and/or unenforceability) otherwise protected by attorney-client privilege and work-product immunity — with the exception of work product not communicated to the client. *EchoStar* in no way addressed waiver of privilege or immunity by defendants' separate and independent *trial counsel*. Rather, *EchoStar* supports the broad and generally accepted rule that, where litigation and opinion counsel are distinct, waiver affects opinion counsel only.

For communications of trial counsel — oral or written — attorney-client privilege and work-product immunity must continue intact. Where trial and opinion counsel operate separately and independently, the litigant has not engaged in opinion-shopping, and the record does not reflect sword-and-shield



litigation tactics, no waiver of privilege or immunity applies to communications with trial counsel or its work product. The same rationale, of course, applies to in-house counsel communications not related to the opinions themselves. This Court's confirmation of such a clear rule not only will foster predictability among courts and litigants,<sup>3</sup> but will also allay sword-and-shield concerns without compromising patent defendants' right to counsel.

A rule that extends waiver to trial counsel will effectively eliminate the advice of counsel defense. If the price for obtaining advice of counsel is the loss of privilege for communications with trial counsel, corporate defendants will have little, if any, incentive to pursue the defense. Any ruling by this Court that strips communications of trial counsel and in-house counsel of their privilege and immunity, therefore, warrants reconsideration of the duty of care defined in *Underwater Devices, Inc. v. Morrison-Knudsen Co.*, 717 F.2d 1380 (Fed. Cir. 1983), *overruled in part on other grounds by Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337 (Fed. Cir. 2004) (en banc).

This case, however, may be resolved on the narrower, though no less significant, question of the scope of waiver. Seagate has already fulfilled its

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<sup>3</sup> "An uncertain privilege, or one which purports to be certain but results in widely varying applications by the courts, is little better than no privilege at all." *Upjohn Co. v. United States*, 449 U.S. 383, 393 (1981).

duty of due care by timely obtaining opinions of counsel, has complied with the district court's scheduling order by indicating its intent to rely upon those opinions to defend against charges of willful infringement, and has met its discovery obligations by providing all privileged communications with opinion counsel. Seagate, however, now faces Orders from the district court that eviscerate its right to privileged communications with its trial counsel.

The Orders cannot stand. The district court abused its discretion by extending subject matter waiver to *all* counsel, rather than just opinion counsel. The district court's Orders thus force Seagate to choose between an opinion of counsel defense to willful infringement and preserving the confidentiality of its communications with trial counsel regarding the merits of its patent case. Seagate faces this untenable choice despite having maintained trial and opinion counsel separate and independent at all times. Without assistance from this Court, Seagate will be forced to disclose the thought processes and legal strategy of its trial and in-house litigation counsel to its adversary or abandon the advice of counsel defense. Seagate's right to counsel would be gravely compromised, despite no record evidence that it has used privilege as both a sword and a shield. In sum, the district court's Orders impose "inappropriate

burdens on the attorney-client relationship,”<sup>4</sup> stifling Seagate’s ability to defend itself against Convolve’s allegations. This Court should issue a writ vacating the district court’s Orders.

## **II. STATEMENT OF THE ISSUES**

This Court’s January 26, 2007 Order invited the parties to answer the following questions:

1. Should a party’s assertion of the advice of counsel defense to willful infringement extend waiver of the attorney-client privilege to communications with that party’s trial counsel? *See In re EchoStar Commc’n Corp.*, 448 F.3d 1294 (Fed. Cir. 2006).

2. What is the effect of any such waiver on work-product immunity?

3. Given the impact of the statutory duty of care standard announced in *Underwater Devices, Inc. v. Morrison-Knudsen Co.*, 717 F.2d 1380 (Fed. Cir. 1983), on the issue of waiver of attorney-client privilege, should this court reconsider the decision in *Underwater Devices* and the duty of care standard itself?

Seagate’s underlying Petition For A Writ Of Mandamus presents the following issue:

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<sup>4</sup> *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337, 1343 (Fed. Cir. 2004) (en banc).

4. Did the district court abuse its discretion in ruling that, having relied on advice of its opinion counsel regarding the noninfringement, invalidity, and unenforceability of the patents-in-suit, Seagate must produce all communications on those subjects not only with opinion counsel, but also with trial counsel, even though opinion and trial counsel have remained separate and independent at all times?

### **III. STATEMENT OF THE CASE**

The factual and procedural underpinnings of Seagate's Petition are set forth fully in Seagate Technology LLC's Petition For Writ Of Mandamus, which appears in the Opinions, Decisions & Orders section of this Court's website, under an entry dated January 26, 2007. For the Court's convenience, however, Seagate will briefly recap the key facts.

Seagate is a defendant in *Convolve, Inc., et al. v. Compaq Computer Corp. et al.*, a civil case pending in the United States District Court for the Southern District of New York. Plaintiffs' original complaint, filed July 13, 2000, alleged infringement of U.S. Patent Nos. 4,916,635 ("the '635 patent") and 5,638,267 ("the '267 patent").<sup>5</sup> Convolve filed an amended complaint on January 25, 2002, adding the newly-issued U.S. Patent No. 6,314,473 ("the

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<sup>5</sup> The '267 patent is no longer being asserted.

'473 patent"), as well as allegations of willful infringement and a request for treble damages.

Plaintiffs propounded discovery aimed at piercing Seagate's attorney-client privilege with its trial counsel.<sup>6</sup> Plaintiffs sought to obtain:

internal communications on the same subjects as the formal [Sekimura] opinions, communications between Seagate and any attorneys on the same subjects as the formal opinions, documents reflecting outside counsel's opinion as to the same subjects of the formal opinions, documents reviewed or considered, or forming the basis for outside counsel's opinion as to the subject matter of the formal opinions, and documents reflecting when oral communications concerning the subjects of the opinions occurred between Compaq and outside counsel.

(Addendum at 7). When Seagate objected, Convolve moved to compel responses to this discovery on October 1, 2003. On May 28, 2004, Magistrate Judge Francis ruled that Seagate had waived attorney-client privilege for all trial counsel's communications and ordered that Seagate 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 patents.

(*Id.* at 17). The Order allowed *in camera* submission of documents that relate to trial strategy or planning advice regarding validity, infringement, and

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<sup>6</sup> As set forth in Section IV, *infra*, Seagate at all times maintained separate and independent opinion counsel (Mr. Sekimura) and trial counsel.

enforceability, recognizing obliquely that trial counsel would address trial strategy “in ways that [did] not implicate the advice-of-counsel defense.” (*Id.*). 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). Under the Order, the privilege waiver “continues until such time as Seagate’s alleged infringement ends.” (*Id.* at 17).

Magistrate Judge Francis issued a second order on September 8, 2004, which provided that communications and documents of non-trial counsel, including in-house counsel, must be disclosed pursuant to the May 28, 2004 Order.

After Seagate unsuccessfully requested that the Magistrate Judge stay the Orders pending review by this Court, Convolve made a written request for the individual depositions of several Seagate senior trial attorneys and 30(b)(6) depositions of both of Seagate’s trial counsel law firms, accompanied by requests for production of all trial counsel communications relating to noninfringement, invalidity, and unenforceability of the patents-in-suit. On August 1, 2006, Seagate sought a stay pending appellate review from the district court, and on August 14, 2006, requested that the court certify its Orders

for interlocutory appeal under 28 U.S.C. § 1292(b). The district court denied both motions.

On September 26, 2006, Convolve requested that the Magistrate Judge compel Seagate to comply with the Orders within five business days. Seagate petitioned this Court for a writ of mandamus and, on September 29, 2006, the Court granted Seagate's motion to stay the Orders pending resolution of Seagate's petition. On January 26, 2007, this Court decided that Seagate's petition is appropriate for en banc consideration.

#### **IV. STATEMENT OF THE FACTS**

In May 2000, before Convolve filed its complaint in the district court, Seagate retained Mr. Gerald T. Sekimura, then a partner with the law firm of Limbach & Limbach, to provide an opinion of counsel with regard to the '635 and '267 Patents. Mr. Sekimura provided three written opinions.

Mr. Sekimura provided Seagate with a preliminary written opinion of noninfringement and invalidity of the '635 and '267 Patents on July 24, 2000, only eleven days after the complaint was filed. Mr. Sekimura provided Seagate with a written final opinion of noninfringement, invalidity, and unenforceability of the '635 and '267 Patents on December 29, 2000. Mr. Sekimura also tendered to Seagate a formal, written opinion of noninfringement and invalidity regarding the fifteen issued claims of the '473 Patent on February 21, 2003.

As provided in the district court's scheduling order, Seagate timely informed plaintiffs of its intention to rely on Mr. Sekimura's opinions of July 24, 2000, December 29, 2000, and February 21, 2003 for an advice-of-counsel defense to the claim of willful infringement. Seagate disclosed the three opinions to plaintiffs, and made Mr. Sekimura available for a deposition. Seagate also produced all correspondence and work product from Mr. Sekimura's files, as well as communications with Mr. Sekimura in Seagate's files. There were no communications between Mr. Sekimura and Seagate's trial counsel regarding the opinions.

Seagate initially retained Orrick, Herrington & Sutcliffe LLP ("Orrick") as trial counsel to represent Seagate in the Convoke litigation. Shortly after Seagate's lead trial counsel, Terrence P. McMahon, left Orrick for McDermott, Will & Emery ("McDermott"), Seagate retained McDermott as its trial counsel. Seagate's trial counsel and opinion counsel have operated separately and independently from one another at all times.

## **V. RESPONSE TO THE COURT'S QUESTIONS**

### **A. Should A Party's Assertion Of The Advice Of Counsel Defense To Willful Infringement Extend Waiver Of The Attorney-Client Privilege To Communications With That Party's Trial Counsel (Question 1)?**

The answer to Question 1 should be "no." With the exception of a few district courts misinterpreting this Court's holding in *EchoStar*, no case law



supports extending a party's affirmative waiver of the attorney-client privilege to defend against a charge of willful infringement to its communications with separate trial counsel. Further, answering this question in the affirmative will eviscerate the attorney-client privilege for patent defendants who choose to rely on the advice of counsel as a defense to willful infringement. Such a result will, in effect, eliminate the advice of counsel defense.

### **1. The Attorney-Client Privilege Is At The Very Foundation Of Our Judicial System**

As this Court noted in *Knorr-Bremse*, the attorney-client privilege is the oldest of the privileges for confidential communications known to common law. *See* 383 F.3d at 1344 (citing *Upjohn Co. v. United States*, 449 U.S. 383, 389 (1981)). The attorney-client privilege “is founded upon the necessity, in the interest and administration of justice” under our system, of the right to confide in one’s lawyer and obtain legal advice “free from the consequences or the apprehension of disclosure.” *Hunt v. Blackburn*, 128 U.S. 464, 470 (1888); *see also In re Lott*, 424 F.3d 446, 450 (6th Cir. 2005) (“It is not hyperbole to suggest that the attorney-client privilege is a necessary foundation for the adversarial system of justice”), *cert. denied sub nom Houk v. Lott*, 126 S. Ct. 1772 (2006).

“The attorney-client privilege protects the confidentiality of communications between attorney and client made for the purpose of obtaining

legal advice.” *EchoStar*, 448 F.3d at 1300 (citation omitted). “The attorney-client privilege rests at the center of our adversary system and promotes ‘broader public interests in the observance of law and administration of justice’ and ‘encourages full and frank communication between attorneys and their clients.’” *United States v. Philip Morris, Inc.*, 314 F.3d 612, 618 (D.C. Cir. 2003) (quoting *Upjohn*, 449 U.S. at 389). “We recognize the privilege ... so that the client can make well-informed legal decisions and conform his activities to the law.” *EchoStar*, 448 F.3d at 1300-01.

Given the importance of the attorney-client privilege to the administration of our legal system, it is not surprising that the district courts favor maintaining the privilege where possible. *See, e.g., Hercules Inc. v. Exxon Corp.*, 434 F. Supp. 136, 148 (D. Del. 1977); *Jack Winter, Inc. v. Koratron Co., Inc.*, 54 F.R.D. 44, 46 (N.D. Cal. 1971) (in evaluating whether communications fall within the boundaries of the attorney-client privilege, “doubts have been resolved in favor of the privilege”).

## **2. The General Rule Is That The Scope Of Privilege Waiver Is Limited By Fairness Concerns**

The right to assert the attorney-client privilege lies with the client. *See Am. Standard, Inc. v. Pfizer, Inc.*, 828 F.2d 734, 745 (Fed. Cir. 1987). A client, however, may choose to affirmatively waive the privilege. *See Knorr-Bremse*, 383 F.3d at 1345. In a patent case, this commonly occurs when the client

asserts an advice of counsel defense to a charge of willful infringement. *See id.*; *EchoStar*, 448 F.3d at 1298.

Years of case law limits the scope of waiver in patent cases. *See Hercules, Inc.*, 434 F. Supp. at 156 (“the waiver exception has been narrowly construed”). Indeed, “the voluntary waiver by a client, without limitation, of one or more privileged documents passing between a certain attorney and the client discussing a certain subject waives the privilege as to all communications between the *same* attorney and the *same* client on the *same* subject.” *Hercules, Inc.*, 434 F. Supp. at 156 (emphases added); *see also Duplan Corp. v. Deering Milliken Research Corp.*, 397 F. Supp. 1146, 1161 (D.S.C. 1974) and cases cited therein.

Thus, the “general rule”<sup>7</sup> is that any waiver covers only other communications between the *same* attorney (or attorneys) and the client regarding the *same* subject matter as that discussed in the waived communications. In the context of a patent defendant relying on an advice of counsel defense to a charge of willful infringement, the general rule applies to the client’s communications with its *opinion* counsel regarding the subject matter *addressed in the opinion* — no more.

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<sup>7</sup> *See Duplan Corp.*, 397 F. Supp. at 1161 (“[t]he authorities for this general rule are numerous”).

**3. *EchoStar* Has Been Misinterpreted As Creating A New General Rule Extending The Scope Of Waiver To Communications With Trial Counsel**

This Court recognized, at least implicitly, the general rule regarding waiver in *EchoStar*: “The widely applied standard for determining the scope of a waiver of attorney-client privilege is that the waiver applies to all other communications relating to the same subject matter.” 448 F.3d at 1299. Yet, since its issuance, a number of district courts have misread *EchoStar* as establishing a new “general rule” in patent cases — one extending the scope of the waiver to *all* communications on the same subject as the opinion of counsel, regardless of their author or context. These district courts have extended the scope of the waiver to the client’s communications with separate and independent trial counsel.<sup>8</sup> The district court did so in this case.<sup>9</sup>

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<sup>8</sup> See *Computer Assocs. Int’l, Inc. v. Simple.com, Inc.*, No. 02 Civ. 2748 (DRH) (MLO), 2006 U.S. Dist. LEXIS 77077 (E.D.N.Y. Oct. 20, 2006); *Iridex Corp. v. Synergetics, Inc.*, No. 4:05CV1916 CDP, 2007 U.S. Dist. LEXIS 7747 (E.D. Mo. Feb. 2, 2007). The *Computer Associates* court reasoned “[g]iven that the decision whether or not to assert the advice of counsel defense is no longer tainted by the possibility of an adverse inference, any intrusion into the attorney-client relationship is not undue.” 2006 U.S. Dist. LEXIS 77077, at \*14. In *Iridex*, the court stated that “waiver applies to advice from trial counsel as well as formal opinion letters obtained from other lawyer. . . . I conclude that this result is required by the *EchoStar* decision itself.” 2007 U.S. Dist. LEXIS 7747, at \*2-3.

<sup>9</sup> According to the Orders issued by the district court below, trial counsel’s advice (as well as in-house counsel’s corresponding advice) on substantive patent issues “must be disclosed [to the adversary] *even if it is communicated in*

**4. This Court Should Clarify That *EchoStar* Did Not Create A New General Rule Regarding The Scope Of The Waiver And Hold That The Scope Of The Waiver Does Not Apply To Communications With Trial Counsel**

The cases interpreting *EchoStar* as extending the scope of the waiver to trial counsel (collectively referred to herein as “the waiver-extension cases”) misstate the law. To avoid further confusion and uncertainty in the district courts and the patent bar, and to prevent any further erosion of the attorney-client privilege, this Court should affirmatively hold that the scope of the waiver in cases where the defendant relies on an advice of counsel defense does not extend to communications between the client and its trial counsel, where opinion counsel and trial counsel are separate and independent.

In *Knorr-Bremse*, the *en banc* Court overturned long-standing precedent to remove “inappropriate burdens on the attorney-client relationship.” 343 F.3d

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*the context of trial preparation.”* (Addendum at 16-17 (emphasis added)). The Orders define the “subject matter waiver” as “extend[ing] to the *entire subject matter of [opinion counsel] Mr. Sekimura’s opinions—infringement, validity, and enforcement of the patents at issue*” and “continu[ing] until such time as Seagate’s alleged infringement ends.” (*Id.* at 16-17 (citations omitted and emphasis added)). The Orders further state that “Seagate has ... 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.” (*Id.* at 13-14 (emphasis added)). The Orders specifically compel disclosure of any “documents, answers to interrogatories, and deposition testimony concerning communications” by “any of [Seagate’s] attorneys, including trial counsel, with respect to the subject matter of [opinion counsel] Mr. Sekimura’s opinions, *i.e.*, the infringement, validity, and enforcement” of the patents-in-suit. (*Id.* at 17).

at 1343. *Knorr-Bremse* thus allows more flexibility in a patent defendant's ability to rely on opinions of counsel. The waiver-extension cases contravene *Knorr-Bremse* 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. The waiver-extension cases force this untenable choice even when, like Seagate here, the defendant has maintained separate and independent trial and opinion counsel at all times. The waiver-extension cases destroy a client's ability, not only to defend itself adequately, but even to fairly evaluate the case by consulting with its trial counsel. Such a result flatly contradicts the statement in *Knorr-Bremse* that there are no special rules for patent litigants that unduly burden the privilege and distort the attorney-client relationship. *See id.* at 1344.

The waiver-extension cases also conflict with the controlling legal principles set forth in *EchoStar* and other precedent. Privilege waiver in the advice-of-counsel context is designed to prevent sword-and-shield litigation tactics. *See EchoStar*, 448 F.3d at 1302 ("a district court should balance the policies to prevent sword-and-shield litigation tactics with the policy to protect work product"). Here, it is undisputed that all communications with opinion counsel — good or bad — have already been produced. Thus, no sword or

shield concerns apply because of the separate and independent nature of Seagate's trial and opinion counsel.

Correctly read, *EchoStar* is entirely consistent with preserving inviolate the privileged status of trial counsel communications. As the *EchoStar* Court explained, privilege waiver is driven by its purpose:

[S]elective waiver of the privilege may lead to the inequitable result that the waiving party could waive its privilege for favorable advice while asserting its privilege on unfavorable advice. In such a case, the party uses the attorney-client privilege as both a sword and a shield. *To prevent such abuses*, we recognize that when a party defends its actions by disclosing an attorney-client communication, it waives the attorney-client privilege as to all such communications regarding the same subject matter.

*Id.* at 1301 (emphasis added) (citations omitted).

That is the *only* reason for the privilege waiver rule. As this Court explained, “[t]he overarching goal of waiver ... is to prevent a party from using the advice he received as both a sword, by waiving privilege to favorable advice, and a shield, by asserting privilege to unfavorable advice.” *Id.* at 1303 (citations omitted). While fairness requires the waiver rule, fairness also demands that waiver be no broader than necessary to effectuate its goal. Otherwise, patent defendants, like Seagate, will face unending attempts by an opportunistic adversary to exercise “unfettered discretion to rummage through all of [trial counsels’] files and pillage all of their litigation strategies.” *Id.* at 1303. If that is what the law in fact allows, the cure is worse than the disease.

Finally, the waiver-extension cases squarely conflict with the strong policy in favor of preventing erosion of the attorney-client privilege. In *EchoStar*, this Court stated: “We recognize the privilege in order to promote full and frank communication between a client and his attorney so that the client can make well-informed legal decisions and conform his activities to the law.” *Id.* at 1300-01. Similarly, in *Knorr-Bremse*, this Court *en banc* explained: “There should be no risk of liability in disclosures to and from counsel in patent matters; such risk can intrude upon full communication and ultimately the public interest in encouraging open and confident relationships between client and attorney.” 338 F.3d at 1344.

The limits of waiver law warrant clarification. Even prior to *EchoStar*, the case law in this area among the lower courts has long been rife with confusion and conflict, leading to unpredictability. *See, e.g., Rhodia Chimie v. PPG Indus., Inc.*, 218 F.R.D. 416, 420 (D. Del. 2003) (“[The] varying approaches to the scope of waiver are, of course, a matter of consternation to attorneys and their clients. They quite rightly want to know the boundaries within which to operate ...”). It bears emphasis that many of the patent cases in which district courts have extended waiver to trial counsel communications involved the same attorneys acting as both opinion and litigation counsel,



evidence of “opinion shopping,” or a change in reliance by defendant.<sup>10</sup> It is undisputed that none of these factors applies to Seagate’s situation.

Before *EchoStar*, one case discussed the implications of extending waiver to trial counsel. In a 2004 opinion, Magistrate Judge Brazil rejected the extension of waiver to separate and independent trial counsel and articulated some serious concerns that would result from a contrary holding. *Sharper Image Corp. v. Honeywell Int’l Inc.*, 222 F.R.D. 621 (N.D. Cal. 2004). He noted that disabling a defendant from having a confidential relationship with trial counsel would seriously harm the values protected by the attorney-client

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<sup>10</sup> For pre-*EchoStar* cases, see, e.g., *Akeva L.L.C. v. Mizuno Corp.*, 243 F. Supp. 2d 418, 423 (M.D.N.C. 2003) (clear evidence of reliance by a corporate decisionmaker on an oral opinion of trial counsel); *KW Muth Co. v. Bing-Lear Mfg. Group, L.L.C.*, 219 F.R.D. 554, 564-65 (E.D. Mich. 2003) (defendant tried to rely on the oral advice of its litigation counsel that its accused product did not infringe a patent that was added after the lawsuit was filed); *Mosel Vitelic Corp. v. Micron Tech., Inc.*, 162 F. Supp. 2d 307, 312 (D. Del. 2000) (defendant’s trial counsel made changes to the drafts of opinion letters). The majority of the post-*EchoStar* cases have also involved some overlap between trial and opinion counsel. See, e.g., *Affinion Net Patents, Inc. v. Maritz, Inc.*, 440 F. Supp. 2d 354 (D. Del. 2006); *Beck Sys., Inc. v. ManageSoft Corp.*, 2006 U.S. Dist. LEXIS 53963 (N.D. Ill. July 14, 2006); *Genentech, Inc. v. Insmed Inc.*, 442 F. Supp. 2d 838 (N.D. Cal.), *objections overruled*, No. C-04-5429, 2006 WL 2568212 (N.D. Cal. Sept. 5, 2006); *Ind. Mills & Mfg., Inc. v. Dorel Indus., Inc.*, No. 1:04-cv-01102-LJM-WTL, 2006 U.S. Dist. LEXIS 34023 (S.D. Ind. May 26, 2006), *opinion withdrawn*, 2006 U.S. Dist. LEXIS 47852 (S.D. Ind. July 14, 2006); *Informatica Corp. v. Bus. Objects Data Integration*, 454 F. Supp. 2d 957 (N.D. Cal.), *aff’d*, No C 02-3378, 2006 WL 2329460 (N.D. Cal. Aug. 9, 2006); *Intex Recreation Corp. v. Team Worldwide Corp.*, 439 F. Supp. 2d 46 (D.D.C. 2006).

privilege and work-product immunity and put the defendant at a considerable disadvantage. “[T]he magnitude of that disadvantage could threaten basic due process (fairness) values and could dislodge essential underpinnings of the adversary system.” *Id.* at 643. The court explained:

[C]ourts that insisted on imposing very broad waivers would risk forcing defendants to cho[o]se between two potentially significant unfairnesses: (1) losing the confidentiality of the relationship with trial counsel that her opponent ... would continue to enjoy, or (2) losing the ability to present the most effective defense to a claim of willfulness (sophisticated advice of counsel).

*Id.* at 637. “Such a defendant might even be discouraged from seeking legal advice. . . .” *Id.* at 643. By contrast, preserving trial counsel privilege where trial counsel was “retained ... to litigate, and only to litigate” would yield no such unfairness. *Id.* at 644.

After *EchoStar*, then-District Judge Jordan thoughtfully and thoroughly explained that *EchoStar* does not support extending waiver to separate and independent trial counsel. *Ampex Corp. v. Eastman Kodak Co.*, No. Civ. A. 04-1373-KAJ, 2006 U.S. Dist. LEXIS 48702 (D. Del. July 17, 2006) (explaining *EchoStar* did not authorize the district courts to go so far). In *Ampex*, the plaintiff sought all communications between Kodak and its trial counsel “bearing on the subject of infringement” claiming that “*EchoStar* ... makes everything fair game for discovery.” *Id.* at \*2, \*6. The *Ampex* court found no

indication in *EchoStar* that showed “a desire by the Court of Appeals to have every communication a client has with its trial counsel on the very subject of an infringement trial open to review by opposing counsel.” 2006 U.S. Dist. LEXIS 48702, at \*9. Plaintiff’s reading of *EchoStar*, the court concluded, “[was] far too broad and [the plaintiff’s motion was] an extravagant demand at odds with the generally understood contours of the attorney-client privilege.” *Id.* at \*7. The *Ampex* court thus rejected the argument that “[a]ny time trial counsel is talking to their client about infringement, [plaintiff is] entitled to know about it.” *Id.* at \*6.

Instead, the *Ampex* court explained that the “broad language” in *EchoStar* must be taken in context. The court took note that *EchoStar* did not address the issue of communications with trial counsel. 2006 U.S. Dist. LEXIS 48702, at \*11. Rather, in *EchoStar*, the accused infringer argued that it had never asserted the advice of counsel defense, because it relied only on an in-house investigation by in-house counsel. *See EchoStar*, 448 F.3d at 1299. This Court disagreed, explaining that when *EchoStar* chose to rely on the legal opinion of in-house counsel, it also waived the privilege with respect to opinions of outside opinion counsel, even though *EchoStar* did not assert reliance on those opinions. *See id.* As Judge Jordan observed, “[i]t is hardly surprising that the

[Federal Circuit], given those facts, would call that maneuver a foul.” 2006 U.S. Dist. LEXIS 48702, at \*9.<sup>11</sup>

The *Ampex* court further observed that “if all attorney-client discussions touching on the same subject were to be viewed as ‘advice’ or ‘opinions’ on a par with the legal opinions that were at issue in *EchoStar*, the [*EchoStar*] court’s comments would have to be understood as demolishing the practical significance of the attorney-client privilege.” *Id.* at \*10. Such a result would be flatly inconsistent with other portions of *EchoStar* and with the Federal Circuit’s jurisprudence regarding attorney-client privilege, particularly *Knorr-Bremse*, 383 F.3d at 1344. *See* 2006 U.S. Dist. LEXIS 48702, at \*10.

##### **5. Conclusion Regarding Question 1: The Scope Of Any Waiver Should Not Extend To Trial Counsel**

The rule in the waiver-extension cases, if adopted by this Court, will essentially obliterate the attorney-client privilege for patent defendants who elect to rely on opinion letters or effectively eliminate the advice of counsel defense to willful infringement. This Court could not have intended that the

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<sup>11</sup> The *Ampex* court specifically addressed and rejected plaintiff’s contention that *EchoStar*’s citation of the *Akeva* case established that waiver should extend to separate and independent trial 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 non-infringement opinion to continue operating, while awaiting a separate opinion from another source.” *Id.* (referencing *Akeva*, 243 F. Supp. 2d at 419-20). “That is not akin to the facts in [*Ampex*],” *id.*, or the facts in *Seagate*’s case.

next step in the evolution of the law would be to allow the use of opinions only in exchange for all trial counsel communications. *Knorr-Bremse* and *EchoStar* together would result in an impossible “Catch-22” for patent defendants. Seagate and like defendants had reason to believe, based upon decades of precedent, that if they maintained separate trial and opinion counsel, waiver of the privilege associated with an advice of counsel defense would not extend to trial counsel. That belief accords with the purpose of privilege waiver — to prevent sword-and-shield tactics. Accordingly, the answer to the first question posed by the Court must be “no.” The waiver of the attorney-client privilege to assert an advice of counsel defense in response to a charge of willful infringement should not be extended to communications with trial counsel and in-house litigation counsel.

**B. What Is The Effect Of Any Such Waiver On Work-Product Immunity (Question 2)?**

As there should be no waiver of the attorney-client privilege to communications with separate and independent trial counsel, there likewise should be no waiver of the work-product immunity for trial counsel. As observed in *EchoStar*, “work product waiver is not a broad waiver of all work product related to the same subject matter like the attorney-client privilege.” *EchoStar*, 448 F.3d at 1302. Instead, work product waiver “extends only so far as to inform the court of the *infringer's* state of mind.” *Id.* at 1303 (emphasis in

original). When, as here, the defendant relies on an opinion from a separate opinion counsel and no evidence indicates that trial counsel was engaged to provide advice for the accused infringer to defend against a charge of willfulness, the well-being of the adversary system is not in danger. *See id.*, quoting *In re Sealed Case*, 676 F.2d 793, 818 (D.C. Cir. 1982). Accordingly, where no waiver of attorney-client privilege exists as to separate trial counsel, work-product immunity for that counsel must likewise remain intact.

**C. Given The Impact Of The Duty Of Due Care Standard Announced In *Underwater Devices* On The Issue Of Waiver Of Attorney-Client Privilege, Should This Court Reconsider That Decision And The Duty Of Due Care Standard Itself (Question 3)?**

Question 3 invites the parties to address whether the Court should reconsider the duty of care standard announced in *Underwater Devices, Inc. v. Morrison-Knudsen Co.*, 717 F.2d 1380 (Fed. Cir. 1983).

It is indisputable that the law places the burden on the patentee to prove willful infringement by clear and convincing evidence. *See, e.g., Crystal Semiconductor*, 246 F.3d at 1346. *Underwater Devices*, however, effectively shifts the burden to the defendant to show that, under the totality of the circumstances, it acted reasonably when faced with knowledge of another's patent rights.

Enhanced damages, such as those awarded for willful infringement, are a form of punitive damages. *See Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1574 (Fed. Cir. 1996). As the Supreme Court has held, punitive damages can be awarded only for conduct so severely culpable that it can be termed *reprehensible*. *See State Farm Mut. Auto. Ins. Co. v. Campbell*, 538 U.S. 408, 419 (2003). As Judge Dyk’s separate opinion in *Knorr-Bremse* noted, the “mere failure to engage in due care is not itself reprehensible conduct.” *Knorr-Bremse*, 383 F.3d at 1349 (Dyk, J., concurring-in-part and dissenting-in-part). Thus, the duty of due care standard cannot be reconciled with the Supreme Court’s teaching that due process allows punitive damages to be awarded only for reprehensible conduct.

The punitive nature of a willfulness cause of action, under current case law, escapes the requirement for the plaintiff to prove reprehensible conduct by clear and convincing evidence. Because *Underwater Devices* imposed a duty of due care *on defendants*, and subsequent case law held that the reasonableness of defendant’s actions would be reviewed by considering the totality of the circumstances, the analysis shifted from the patentee the heavy burden of proving willful conduct. This, in effect, created a rebuttable presumption of willfulness borne by defendants, triggered by nothing more than a patentee’s allegation of willful infringement. Mere notice pleading of willful infringement

immediately shifts to the defendant the burden to prove that its actions were reasonable.

The Orders in this case distort the law even further, making it effectively impossible for a defendant to overcome the presumption by relying on advice of counsel. If a defendant relies on advice of counsel, it loses the privilege and immunity for any lawyer — opinion counsel, trial counsel, or in-house counsel — on the essential legal issues in the litigation. The Orders in this case, combined with the duty of due care standard, result in an unfair and unnecessary Hobson’s Choice for Seagate and similarly-situated defendants. Thus, the Court must review this inappropriate burden-shifting established by *Underwater Devices*. Seagate respectfully submits that the duty of due care standard in *Underwater Devices* should be overruled.

## **VI. REASONS THE WRIT SHOULD ISSUE**

### **A. Legal Standards**

“The remedy of mandamus is available in extraordinary situations to correct a clear abuse of discretion or usurpation of judicial power.” *EchoStar*, 448 F.3d at 1297 (citation omitted). “A party seeking a writ bears the burden of proving that it has no other means of obtaining the relief desired and that the right to issuance of the writ is ‘clear and indisputable.’” *Id.* (internal citations omitted).



“[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 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 of the Univ. of Cal.*, 101 F.3d 1386, 1388 (Fed. Cir. 1996).

This Court reviews a district court’s determination as to the scope of a privilege waiver under an abuse of discretion standard. *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). 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).<sup>12</sup>

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<sup>12</sup> 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). This Court will apply its own law because the issue involves the scope of waiver of attorney-client privilege and work-product immunity when a patent defendant asserts the advice-of-counsel defense in response to a charge of willful patent infringement. *See EchoStar*, 448 F.3d at 1298.

## **B. Seagate Meets The Rigorous Standard For Mandamus**

This case presents an issue of first impression. The Court has never addressed the applicability of attorney-client privilege and work-product immunity waiver to communications with trial counsel where opinion and trial counsel have remained in every way distinct. As discussed above, confusion exists among the district courts regarding the scope of such waiver. Unless this Court takes action, the execution of the district court's Orders not only will wrongfully deprive Seagate of the protections of the attorney-client privilege and work-product immunity, but also will create precedent eroding those time-honored doctrines. The writ should issue.

While mandamus constitutes an extraordinary remedy, the district court in this case clearly abused its discretion by extending — without precedent — the law of waiver to communications with trial counsel.

No alternative relief will fully remedy the harm to Seagate. *See EchoStar*, 448 F.3d at 1297 (citations omitted). *In camera* review cannot provide complete relief to Seagate. Such review would not determine the question before this Court — the scope of privilege waiver as applied to Seagate's trial counsel. That issue was fully adjudicated in the Orders. Rather, any *in camera* review would selectively decide whether some materials containing *solely* trial strategy may be redacted or spared disclosure altogether.

Such selective review cannot vindicate Seagate's position that privilege waiver does not extend to its separate and independent trial counsel. Nor is it practical. Should a district court be burdened with reviewing seven years of communications on the central issues in the case and make a determination regarding what is *solely* trial strategy and what is not?

What is more, *in camera* review cannot protect Seagate's senior trial counsel as well as corporate representatives from Seagate's two trial counsel law firms whose depositions have been stayed only by this Court's Order. With depositions of Seagate's trial counsel looming, the threat of irreparable harm is concrete and immediate, not hypothetical. Clearly, *in camera* review provides no "safeguard" whatsoever in regard to depositions of counsel.

Unless this Court grants the writ, Seagate's privileged information will be irretrievably exposed, leaving it without a remedy.

### **C. Seagate Has Followed All The Rules**

If the steps Seagate took do not suffice to preserve attorney-client privilege with trial counsel, not to mention work-product immunity, then nothing does. Seagate took great pains to avoid any possible sword-and-shield concerns. Its trial and opinion counsel have been separate and independent at all times:

- Seagate has only sought and has only received opinions outside of Seagate regarding Convolve's patents from Mr. Sekimura;<sup>13</sup>
- Seagate has never sought or obtained opinions from trial counsel;
- Seagate has never sought or received advice from trial counsel regarding Mr. Sekimura's opinions; and,
- Neither Orrick nor McDermott had any influence over Mr. Sekimura's opinions.

Seagate believed, based upon decades of precedent, that these steps would insulate its trial counsel from any waiver of privilege triggered by its reliance on advice of Mr. Sekimura. Surely, such prudent conduct cannot reasonably lead to granting Seagate's adversary sweeping access to trial counsel's substantive communications and the right to depose trial counsel to learn its litigation strategies. *See EchoStar*, 448 F.3d at 1303.

#### **D. Respondents Cannot Identify Any Information Obtainable From Trial Counsel That Is Relevant To The Issue Of Willfulness**

As in almost all patent lawsuits, the complaint in this case includes boilerplate allegations of willfulness.<sup>14</sup> Yet nearly seven years after filing suit, Respondents still utterly fail to make a showing that trial counsel has, or is

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<sup>13</sup> In October 1999, Seagate's engineers conducted an internal analysis of Convolve's '635 and '267 Patents. Seagate has produced the internal analysis documents, and Convolve has deposed the engineers.

<sup>14</sup> "[A]lmost every patent infringement complaint includes an allegation of willfulness." David O. Taylor, *Wasting Resources: Reinventing the Scope of Waiver Resulting from the Advice-of-Counsel Defense to a Charge of Willful Patent Infringement*, 12 Tex. Intell. Prop. L.J. 319, 323 (2004).

likely to have, any evidence relevant to the issues of whether Seagate reasonably relied on the opinions of counsel. This entire discovery dispute stems from pure speculation that trial counsel communications *might* be a source of relevant evidence. It is difficult to see Respondents' proposed foray as anything but an attempt to obtain Seagate's trial strategy. This is the very danger noted in *EchoStar* and by Judge Jordan in *Ampex*.

This Court has explained that the totality of the circumstances test for willful infringement “stress[es] the ‘theme of whether a prudent person would have sound reason to believe that the patent was not infringed or was invalid or unenforceable, and would be so held if litigated.’” *Knorr-Bremse*, 383 F.3d at 1347 (quoting *SRI Int’l, Inc. v. Advanced Tech. Labs., Inc.*, 127 F.3d 1462, 1465 (Fed. Cir. 1997)); *see also, e.g., Hoechst Celanese Corp. v. BP Chems. Ltd.*, 78 F.3d 1575, 1583 (Fed. Cir. 1996) (“Willful infringement is ... a measure of reasonable commercial behavior in the context of the tort of patent infringement.”). In cases involving reliance on the opinion of counsel, this inquiry usually focuses on whether the reliance was reasonable based on the objective characteristics of the opinion itself. *See Read Corp. v. Portec, Inc.*, 970 F.2d 816, 829 (Fed. Cir. 1992) (“Those cases where willful infringement is found despite the presence of an opinion of counsel generally involve situations where opinion of counsel was either ignored or found to be incompetent.”),

*abrogated on other grounds by Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995).

An opinion is “competent” when, *viewed objectively*, it is the kind of advice on which a client might reasonably rely. *See Underwater Devices*, 717 F.2d at 1390 (requiring that opinion have “sufficient internal indicia of creditability” to be “competent”); *Read*, 970 F.2d at 829 (“[Our] precedent does not mean a client must itself be able to evaluate the legal competence of its attorney’s advice to avoid a finding of willfulness.... That an opinion is ‘incompetent’ must be shown by objective evidence.”); *accord Comark Commc’ns v. Harris Corp.*, 156 F.3d 1182, 1191 (Fed. Cir. 1998); *Minn. Mining & Mfg. Co. v. Johnson & Johnson Orthopaedics, Inc.*, 976 F.2d 1559, 1580 (Fed. Cir. 1992). As this Court recently reaffirmed in *EchoStar*, “[c]ounsel’s opinion is not important for its legal correctness. It is important to the inquiry whether it is ‘thorough enough, as combined with other factors, to instill a belief in the infringer that a court might reasonably hold the patent is invalid, not infringed, or unenforceable.’” 448 F.3d 1303 (quoting *Ortho Pharm. Corp. v. Smith*, 959 F.2d 936, 944 (Fed. Cir. 1992)).

Communications of trial counsel, separate and independent from opinion counsel, cannot shed light on whether Mr. Sekimura’s opinions bear the objective indicia of competence rendering Seagate’s reliance on those opinions

reasonable. Respondents now demand — and the district court has authorized — depositions of all of Seagate’s senior trial lawyers and the production of all trial lawyer communications relating to noninfringement, invalidity, and unenforceability of the patents-at-issue. Respondents have failed to show any justification for such unfettered discovery. Setting aside attorney-client privilege and work-product immunity to permit this fishing expedition would prove manifestly unjust to Seagate.

**E. Compliance With The District Court’s Orders Will Compromise Seagate’s Constitutional Rights**

Compliance with the district court’s Orders will compromise Seagate’s right to counsel. A corporation can *only* appear in federal court if it is represented by licensed counsel. *See Rowland v. Cal. Men’s Colony*, 506 U.S. 194, 201-02 (1993) (citing cases dating from 1824). The district court’s Orders hamper that right by forcing Seagate to “publicize” its litigation strategy. *See Hickman v. Taylor*, 329 U.S. 495, 512 (1947) (opposing counsel cannot rely on “wits borrowed” from its adversary as a short-cut for developing its own trial strategy). Without attorney-client privilege and work-product immunity, a corporation cannot meaningfully litigate its case.

No true adversarial process can go forward where one — and only one — party’s trial strategy becomes an open book to the other. Such an untenable scenario violates fundamental notions of due process. In this case, Seagate

faces allegations that, if proven, will result in hundreds of millions of dollars in compensatory damages. Due process concerns, already heightened, escalate if opposing counsel has free access to its opponents' trial strategy. *Cf. State Farm*, 538 U.S. at 417-18 (expressing concerns about the sufficiency of due process protections for civil defendants facing claims for punitive damages and the dangers if decision makers are presented with evidence that is "tangential or only inflammatory").

The Orders jeopardize Seagate's right to a jury trial as well. The Seventh Amendment right to jury trial has, at its very heart, the notion of a *fair* trial — here, defeated by counsel's inability to communicate confidentially with its client. The district court's Orders cannot withstand scrutiny. *See Dimick v. Schiedt*, 293 U.S. 474, 486 (1935) ("any seeming curtailment of the right to a jury trial should be scrutinized with the utmost care").



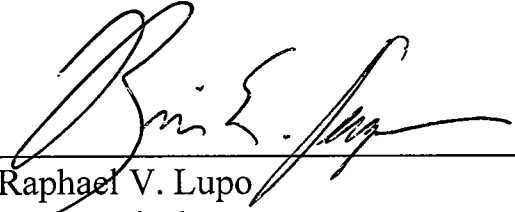
## VII. CONCLUSION

For the foregoing reasons, Seagate respectfully requests that this Court clarify the law and eliminate the dilemma that currently exists for Seagate and other patent defendants. 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 disclose Seagate's trial counsel and in-house counsel communications protected by attorney-client privilege and work-product immunity.

Dated: March 12, 2007

Respectfully Submitted,

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# **ADDENDUM**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

CONVOLVE, INC., and MASSACHUSETTS  
INSTITUTE OF TECHNOLOGY,

Plaintiffs,

- against -

COMPAQ COMPUTER CORP. and SEAGATE  
TECHNOLOGY, INC.,

Defendants.

JAMES C. FRANCIS IV  
UNITED STATES MAGISTRATE JUDGE

: 00 Civ. 5141 (GBD) (JCF)

:  
: MEMORANDUM  
: AND ORDER

The plaintiffs in this action have sued the defendants,  
Seagate Technology, Inc. ("Seagate") and Compaq Computer Corp.  
("Compaq"), alleging, among other claims, willful patent  
infringement of the plaintiffs' computer disk drive technology.  
The defendants, in turn, assert that they acted in good faith  
because they relied on the advice of counsel. They concede that by  
relying on an advice-of-counsel defense, they have waived the  
attorney-client privilege as well as work product immunity with  
respect to communications with and documents created by opinion  
counsel. At issue now are two questions that have split the  
courts: to what extent does reliance on advice of counsel waive  
the attorney-client privilege for communications with trial  
counsel, and does any such waiver extend to trial counsel's work  
product?

Background

On July 13, 2000, the plaintiffs initiated this lawsuit  
alleging, among other claims, theft of trade secrets and patent

infringement in connection with the plaintiffs' "Input Shaping" and "Quick and Quiet" technologies. The "Input Shaping" technology permits machines to operate more quickly and quietly by reducing vibrations associated with machine movement. (Amended Complaint ("Am. Compl."), ¶ 3). The "Quick and Quiet" application is a computer control panel feature that permits users to select between the fastest or quietest performance for computer disk drives. (Am. Compl., ¶ 6).

The "Input Shaping" technology is the subject of United States patent numbers 4,916,635 (the "'635 patent") and 5,638,267 (the "'267 patent"), which were issued to the plaintiffs on April 10, 1990, and June 10, 1997 respectively. (Am. Compl., ¶¶ 3, 109). A third patent, United States patent number 6,314,473 (the "'473 patent"), was issued on November 6, 2001, and covered the plaintiffs' "Quick and Quiet" technology. (Am. Compl., ¶¶ 6, 116). On January 25, 2002, the plaintiffs filed an Amended Complaint, adding the '473 patent to their patent infringement claim (Am. Compl., ¶¶ 115-120), and seeking treble damages on the ground that the defendants' infringement of the '635 and '267 patents was "knowing, willful and deliberate." (Am. Compl., ¶ 114).

Seagate initially retained the law firm of Orrick, Herrington & Sutcliffe to serve as its trial counsel but later switched to the firm of McDermott, Will & Emery. Fish & Neave serves as trial counsel for Compaq.

After the filing of the original complaint, Seagate retained Gerald T. Sekimura, who was then with the law firm of Limbach &

Limbach L.L.P., to provide an opinion as to the legality of its conduct. Mr. Sekimura issued three written opinions. The first opinion, dated July 24, 2000 (the "7/24/00 Opinion"), concerned the '635 and '267 patents and International Application WO 99/45535 (the "'535 International Application"), which relates to technology similar to that covered by the '473 patent (Am. Compl., ¶ 4). The report reviewed the computer disk drive technology used in Seagate's products and the plaintiffs' patent claims and concluded that many of the plaintiffs' claims were invalid and that the plaintiffs had failed to show infringement by Seagate's existing products. (7/24/00 Opinion at 1-21). The report noted that

further analysis was needed because only 186 of the over 340 claims made by the plaintiffs had been reviewed (7/24/00 Opinion at 1), and it noted that the '535 International Application analyzed in the report "is not an issued patent." (7/24/00 Opinion at 16).

On December 29, 2000, Mr. Sekimura forwarded to Seagate an "Updated Report Re Convolve Patents" (the "12/29/00 Opinion") concerning the same patents and application as the 7/24/00 Opinion. The 12/29/00 Opinion drew the same conclusions as the 7/24/00 Opinion but added, with respect to the '267 patent, that many of the plaintiffs' claims were not only invalid but may be unenforceable due to incomplete disclosures of prior art by the inventors. (12/29/00 Opinion at 2, 29). The report also recommended that further review of the '535 International Application be postponed until the U.S. Patent and Trademark Office evaluated the plaintiffs' claims to determine whether to issue a

patent. (12/29/00 Opinion at 2). The report noted again that only 186 claims had been reviewed, and that "[f]urther supplementation may be desired of this study." (12/29/00 Opinion at 1).

Finally, on February 21, 2003, Mr. Sekimura, now with the law firm of Gray Cary, provided Seagate with an opinion (the "2/21/03 Opinion") concerning the '473 patent. The report reviewed the eight "independent" and seven "dependent" claims made by the plaintiffs, and drew various conclusions regarding Seagate's non-infringement of the '473 patent and the invalidity of the plaintiffs' claims. (2/21/03 Opinion at 13-14, 32-35).

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In late 2001 or early 2002, Compaq retained Michael S. Dowler of the law firm of Howrey Simon Arnold & White to prepare an opinion concerning the plaintiffs' patents. (Letter from Special Master Pasquale A. Razzano dated Sept. 18, 2003 (the "9/18/03 Order") at 2). Compaq thereafter instructed Mr. Dowler to stop work on his report after it learned of the Seagate opinions obtained from Mr. Sekimura. (9/18/03 Order at 2). Before that decision was made, however, Mr. Dowler forwarded to Compaq an email "draft opinion" or "template" that analyzed the "disclosures and prosecution histories" relating to the '635, '267, and '473 patents. (9/18/03 Order at 3). The "draft opinion" contained a "Conclusion" section, which stated, "Compaq \_\_\_'s do not infringe any of the system claims. . . ." (9/18/03 Order at 3).

On July 27, 2001, the Honorable John S. Martin, to whom the

case was then assigned,<sup>1</sup> appointed Pasquale A. Razzano to serve as a Special Master to hear and determine all discovery disputes relating to trade secret information. Pursuant to a Scheduling Order issued by Mr. Razzano, both Seagate and Compaq notified the plaintiffs in early 2003 of their intent to rely on the 7/24/00, 12/29/00, and 2/21/03 Opinions from Mr. Sekimura as the basis for their advice-of-counsel defense to the claim of willful patent infringement. (Letter from Pasquale A. Razzano dated September 23, 2003 (the "9/23/03 Order") at 2-3). The defendants disclosed the three opinions to the plaintiffs, and made Mr. Sekimura available for a deposition. (Defendant Compaq Computer Corporation's

Opposition to Plaintiff Convolve, Inc.'s July 10, 2003 Motion to Compel Discovery from Compaq ("Compaq Opp.") at 1-2). All "correspondences and work product (regardless of whether it was or was not communicated to Seagate)" were produced from Mr. Sekimura's files, as were communications with Mr. Sekimura in Seagate's files. (Seagate Technology LLC's Opposition to Convolve, Inc.'s Motion to Compel Discovery from Seagate ("Seagate Opp.") at 3). Moreover, two of Compaq's in-house attorneys were deposed "on the subject of opinions of counsel," (Compaq Opp. at 2).

On May 23, 2003, the plaintiffs moved to compel discovery relating to Mr. Dowler from Compaq. In an order dated September 18, 2003, the Special Master held that by asserting the advice-of-counsel defense, Compaq had waived the attorney-client and work

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<sup>1</sup> This case was re-assigned to the Honorable George B. Daniels on July 23, 2003.

product privileges with respect to "all opinions of counsel on the same subject." (9/18/03 Order at 5). The Special Master ordered that Compaq produce the "draft" opinion from Mr. Dowler and "all other documents relating thereto," and he ordered Mr. Dowler to appear for a deposition. (9/18/03 Order at 6-7). The Special Master excluded Compaq's trial counsel, Fish & Neave, from his order, noting that trial counsel was the subject of a separate motion. (9/18/03 Order at 5 n.3).

On July 10, 2003, the plaintiffs again moved to compel discovery from Compaq with regard to the "work of Compaq and its various counsel, and ~~communications among Compaq and between Compaq~~ and others, including its counsel, which evidence relates to the infringement, validity and enforceability of the patents-in-suit." (Convolve, Inc.'s Memorandum of Points and Authorities in Support of its Motion to Compel Discovery from Compaq ("Pl. Compaq Memo.") at 2). In an order dated September 23, 2003, the Special Master ruled that Compaq must produce "all opinions communicated to it . . . by any counsel, including trial counsel, up to the date on which [Compaq] concluded [it] would rely on the Seagate opinions." (9/23/03 Order at 13) (emphasis omitted). Additionally, the Special Master ordered production of "all documents relied on or considered by such counsel . . . in connection with any opinions or information communicated to Compaq. . . ." (9/23/03 Order at 13). For the post-reliance period, the Special Master ordered that "communications between trial counsel [and Compaq]" be produced in camera for disclosure of "contradictory opinions of trial counsel,



or those casting doubt on earlier opinions." (9/23/03 Order at 14) (emphasis omitted).

By letter dated October 1, 2003, Compaq moved for clarification of the Special Master's order, requesting a ruling on the "scope of 'opinion' discovery contemplated by the Order." (Compaq Letter to Pasquale A. Razzano dated Oct. 1, 2003 ("Compaq 10/1/03 Letter") at 3). Compaq asserted that the term "opinion" should be construed to mean "a 'formal' opinion, whether written or oral, that was provided to a client in response to a request from the client for an opinion." (Compaq 10/1/03 Letter at 1).

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On October 1, 2003, ~~the plaintiffs moved to compel discovery~~ from Seagate.<sup>2</sup> Contending that such discovery should extend beyond the "opinions" referenced in the 9/23/03 Order (Convolve, Inc.'s Memorandum of Points and Authorities in Support of its Motion to Compel Discovery from Seagate ("Pl. Seagate Memo.") at 2 n.1), the plaintiffs sought to obtain

internal communications on the same subjects as the formal [Sekimura] opinions, communications between Seagate and any attorneys on the same subjects as the formal opinions, documents reflecting outside counsel's opinion as to the same subjects of the formal opinions, documents reviewed or considered, or forming the basis for outside counsel's opinion as to the subject matter of the formal opinions, and documents reflecting when oral communications concerning the subjects of the opinions occurred between Compaq and outside counsel.

(Pl. Seagate Memo. at 2) (emphasis omitted).

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<sup>2</sup> While it appears from the record that some motions were made by plaintiff Convolve, Inc. ("Convolve"), and others by both plaintiffs, I will refer to all of the motions as "the plaintiffs' motions," as my ruling will apply to both plaintiffs in any event.

In a letter to the Special Master dated October 10, 2003, the plaintiffs asserted that a conflict of interest may exist with respect to Mr. Razzano, arising from the brief representation by Mr. Razzano's law firm, Fitzpatrick, Cella, Harper & Scinto, of a defendant in another patent infringement action. (Plaintiffs' Letter to Pasquale A. Razzano dated Oct. 10, 2003 ("Pl. 10/10/03 Letter")).<sup>3</sup> While expressing disagreement with the plaintiffs' position, the Special Master nevertheless recused himself on October 14, 2003. (Razzano 10/14/03 Letter at 3).

By letter dated October 24, 2003, the plaintiffs requested that the Honorable George B. Daniels set a pre-motion conference with respect to several outstanding discovery disputes, including the parties' disagreements over the Special Master's 9/23/03 Order. (Plaintiffs' Letter to Hon. George B. Daniels dated Oct. 24, 2003 ("Pl. 10/24/03 Letter") at 1, 4). In their letter, the plaintiffs moved for modification of the order such that the discovery ordered from Compaq not be "limited to 'opinions' and their supporting documents, but extend[] to other evidence concerning the subject matter of the opinions, i.e., validity, infringement or enforceability of the patents in suit." (Pl. 10/24/03 Letter at

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<sup>3</sup> A decision in the other action, Michlin v. Canon, Inc., 208 F.R.D. 172 (E.D. Mich. 2002), also addressed the scope of a waiver of the privilege resulting from assertion of the advice-of-counsel defense to a claim of willful patent infringement. The plaintiffs noted that Mr. Razzano's firm had represented one of the defendants, Hewlett Packard, which later merged with Compaq. (Pl. 10/10/03 Letter). The overlap in time between Mr. Razzano's role as a Special Master in this case and his firm's representation of Compaq in Michlin was 19 days. (Letter of Pasquale A. Razzano to Hon. George B. Daniels dated Oct. 14, 2003 ("Razzano 10/14/03 Letter") at 2).

4).

On December 9, 2003, Judge Daniels referred the case to me for pre-trial supervision, including resolution of the pending disputes.

#### Discussion

##### A. Legal Standards

Under 35 U.S.C. § 284, a trial court may, at its discretion, increase the damages awarded for patent infringement to a maximum of three times the compensatory award assessed by a jury. Although not mandated by statute, such enhanced damages have been approved "where the infringer acted in wanton disregard of the patentee's patent rights, that is, where the infringement is willful." Read Corp. v. Portec, Inc., 970 F.2d 816, 826 (Fed. Cir. 1992) (citations omitted); accord Thorn EMI North America, Inc. v. Micron Technology, Inc., 837 F. Supp. 616, 620 (D. Del. 1993) (citing Mathis v. Spears, 857 F.2d 749, 754 (Fed. Cir. 1988)).

One important factor in determining the willfulness of an infringer's actions is whether legal advice was sought before the infringement occurred. See Variable-Parameter Fixture Development Corp. v. Morpheus Lights, Inc., No. 90 Civ. 5593, 1994 WL 97572, at \*1 (S.D.N.Y. March 18, 1994) ("[A] potential infringer having actual notice of another's patent has an affirmative duty of due care that normally requires the potential infringer to obtain competent legal advice before infringing or continuing to infringe.") (quoting Minnesota Mining and Manufacturing Co. v. Johnson & Johnson Orthopaedics, Inc., 976 F.2d 1559, 1580 (Fed.

Cir. 1992)); Underwater Devices Inc. v. Morrison-Knudsen Co., 717 F.2d 1380, 1389-90 (Fed. Cir. 1983). Where such advice is obtained, reliance on the advice must be reasonable; the central focus in a determination of willfulness is the infringer's state of mind. See Ortho Pharmaceutical Corp. v. Smith, 959 F.2d 936, 944 (Fed. Cir. 1992); Thorn, 837 F. Supp. at 620.

Where a party in a patent infringement action asserts the advice of counsel as a defense to a claim of willful infringement, it waives the attorney-client privilege as to the subject matter of the advice received. See, e.g., Carl Zeiss Jena GmbH v. Bio-Rad Laboratories Inc., No. 98 Civ. 8012, 2000 WL 1006371, at \*1 (S.D.N.Y. July 19, 2000); Saint-Gobain/Norton Industrial Ceramics Corp. v. General Electric Co., 884 F. Supp. 31, 33 (D. Mass. 1995). This rule follows from the general principle that if privileged communications are placed "in issue" by virtue of claims or defenses in litigation, then a "broad[] subject matter waiver [of the privilege] is effected." Oxyn Telecommunications, Inc. v. Onse Telecom, No. 01 Civ. 1012, 2003 WL 660848, at \*6 (S.D.N.Y. Feb. 27, 2003); accord In re Grand Jury Proceedings, 219 F.3d 175, 183 & n.4 (2d Cir. 2000) (citing 8 J. Wigmore, Evidence § 2327 (McNaughton ed., 1961)). The rule seeks to promote fairness in patent litigation, since "it would be fundamentally unfair to allow a party to disclose opinions which support its position, and simultaneously conceal those which are adverse." Saint-Gobain, 884 F. Supp. at 33.

As codified in Rule 26(b)(3) of the Federal Rules of Civil

Procedure, the work product doctrine requires that documents "prepared in anticipation of litigation or for trial" be produced only upon a showing of: (1) "substantial need" by the discovering party and (2) "undue hardship" if the documents must be obtained by other means. Even where the required showing is made, Rule 26(b)(3) mandates that "the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney." Thus, such "mental impression" or "opinion" work product is accorded an even greater level of protection. See United States v. Adlman, 134 F.3d 1194, 1197 (2d Cir. 1998); Lugosch v. Congel, 218 F.R.D. 41, 48 (N.D.N.Y. 2003).

B. Seagate

In this case, Seagate has asserted, as a defense to the plaintiffs' claim of willful patent infringement and enhanced damages under 35 U.S.C. § 284, that it relied on the 7/24/00, 12/29/00, and 2/21/03 Opinions from Mr. Sekimura. Seagate concedes that by asserting this defense, it has waived the attorney-client privilege and work product immunity with respect to Mr. Sekimura. (Seagate Opp. at 3). The dispute concerns the extent of the waiver with respect to attorneys other than Mr. Sekimura.

The plaintiffs contend that Seagate has waived both protections with respect to "all documents and other discovery that are relevant to the subject matter of [the Sekimura] opinions." (Pl. Seagate Memo. at 1). They seek both privileged communications and attorney work product relating to the same subject matter with regard to "any attorneys" retained by Seagate. (Pl. Seagate Memo.

at 2). In light of the "heightened protections for privileged information of trial counsel," the plaintiffs request that "documents and things which post-date Seagate's reliance on the [Sekimura] opinions" be produced in camera so that only "evidence contradicting or casting doubt upon the [Sekimura] opinions" can be selected for disclosure. (Pl. Seagate Memo. at 2, 15).

Construing the plaintiffs' motion as seeking "only the privileged communications between trial counsel and Seagate and the work product of Seagate's trial counsel" (Seagate Opp. at 3), Seagate contends that it has not waived any privilege with respect ~~to trial counsel because it "never requested and never received~~ reliance opinions from its trial counsel." (Seagate Opp. at 9). Seagate further contends that it "retained opinion counsel prior to litigation and has maintained its reliance on that counsel," and that opinion counsel was neither selected nor influenced by Seagate's trial counsel. (Seagate Opp. at 9-10). Seagate argues that the plaintiffs' motion, if granted, would have a chilling effect on communications with its trial counsel. (Seagate Opp. at 2), and that a bright line should be drawn such that unless a formal opinion is issued by trial counsel, communications with that counsel should be absolutely protected. (Tr. at 51-52).<sup>4</sup>

#### 1. Attorney-Client Privilege

As discussed above, a party that asserts the advice of counsel defense to a claim of willful patent infringement waives the

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<sup>4</sup> "Tr." refers to the transcript of oral argument conducted on January 20, 2004.

attorney-client privilege as to the subject matter of the advice disclosed. This waiver extends not only to the attorney who rendered the opinion creating the waiver, but also to all other attorneys who may have advised or communicated with the client on the same subject matter. AKEVA L.L.C. v. Mizuno Corp., 243 F. Supp. 2d 418, 423 (M.D.N.C. 2003) ("Since the waiver encompassed the subject matter of advice, that means that all opinions received by the client must be revealed, even those opinions the client receives from attorneys other than opinion counsel."); accord Beneficial Franchise Co. v. Bank One, N.A., 205 F.R.D. 212, 217 (N.D.Ill. 2001); D.O.T. Connectors, Inc. v. J.B. Nottingham & Co., No. 4:99 Civ. 311, 2001 WL 34104928, at \*2 (N.D. Fla. Jan. 22, 2001); Carl Zeiss, 2000 WL 1006371, at \*1; Fonar Corp. v. Johnson and Johnson, 227 U.S.P.Q. 886, 887 (D. Mass. 1985). As explained by the Court in AKEVA:

Practical reasons exist for this rule. The exercise of due care requires a potential infringer to act reasonably. The infringer may not pick and choose between what opinions will be relied upon and which will be discarded. The totality of the circumstances test requires that all knowledge gained by the infringer relating to the advice subject matter must be revealed so that the factfinder can make its own determination as to whether the reliance was reasonable.

243 F. Supp. 2d at 423.

Here, Seagate has placed at issue the advice of its opinion counsel, Mr. Sekimura, and it has produced the otherwise privileged opinions communicated to Seagate. 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. Although Seagate contends that it did not receive any "reliance opinions" from its trial counsel, this representation does not foreclose the possibility that trial counsel communicated informal opinions or oral advice. The subject matter waiver arising from the advice-of-counsel defense clearly extends to all such "communications," not just formal or written opinions. See Beneficial, 205 F.R.D. at 217 ("[A] party must produce not only other communications and opinions of the same attorney, but also privileged information from other counsel involving the same subject."); D.O.T., 2001 WL 34104928, at \*2 ("The waiver extends to communications between [the defendant] and any attorney, including trial counsel. . . ."); Micron Separations, Inc., v. Pall Corp., 159 F.R.D. 361, 363 (D. Mass. 1995) (the advice-of-counsel defense effects a "'subject matter' waiver -- i.e., a waiver of all communications on the same subject matter").

With respect to the temporal scope of Seagate's waiver, it is well established that a potential infringer having "actual notice" of another's patent has a duty to exercise reasonable care, which normally includes obtaining "competent legal advice." Minnesota Mining, 976 F.2d at 1580. Since infringement is a continuing activity, this requirement of reasonable care is a continuing duty, meaning that the nature of any legal advice sought remains relevant "during the entire course of the alleged infringement." AKEVA, 243 F. Supp. 2d at 423; accord Micron, 159 F.R.D. at 363 ("[W]hen a party is charged with wilful infringement, what is relevant is that



party's state of mind during the time when it is taking actions which allegedly infringe the patent."). Accordingly, a waiver of the privilege resulting from the advice-of-counsel defense extends throughout the period of infringement, "including up through trial." AKEVA, 243 F. Supp. 2d at 423; accord D.O.T., 2001 WL 34104928, at \*2 & n.4.<sup>5</sup>

Here, the plaintiffs allege that Seagate learned of the '635 and '267 patents in 1995 and 1997 respectively (Pl. Seagate Memo. at 3; Am. Compl., ¶¶ 22, 34), and that they notified Seagate of its alleged infringement of the '473 patent shortly after the patent issued in November 2001. (Tr. at 72). It is undisputed that Seagate's alleged infringement -- namely, its manufacture of computer disk drives using technology that was allegedly stolen from the plaintiffs -- is continuing. (Am. Compl., ¶¶ 58-62, 111, 117). Accordingly, Seagate's waiver of the privilege resulting from its advice-of-counsel defense should extend from the time it became aware of the plaintiffs' patents until such time in the future that Seagate ceases its alleged infringement. AKEVA, 243 F. Supp. 2d at 423; Dunhall, 994 F. Supp. at 1206 (privilege is waived

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<sup>5</sup> While some cases, most notably Dunhall Pharmaceuticals, Inc. v. Discus Dental, Inc., 994 F. Supp. 1202 (C.D. Cal. 1998), have limited the waiver of the privilege with respect to trial counsel to the period prior to commencement of suit, such a filing date cutoff seems inconsistent with the continuing duty of care imposed in ongoing infringement cases. The filing date rule is particularly unworkable for this case, since the opinions that triggered the waiver were not obtained until after the suit commenced, meaning that evaluating the effect of later-received contrary opinions on Seagate's state of mind would necessarily implicate the post-filing period.

for the "entire time period of the alleged infringement").

Next, the plaintiffs propose a subject matter limitation of Seagate's waiver such that discovery regarding trial counsel for the "post-reliance" period would be limited to "such evidence contradicting or casting doubt upon the [Sekimura] opinions," selected after in camera review. (Pl. Seagate Memo. at 15). This proposal mirrors the approach taken by the Special Master with respect to Compaq in his 9/23/03 Order. (9/23/03 Order at 14). While there is some case law supporting the "contradictory opinions" approach, see, e.g., Beneficial, 205 F.R.D. at 218; Thermos Co. v. Starbucks Corp., No. 96 Civ. 3833, 1998 WL 781120, at \*4-5 (N.D. Ill. Nov. 3, 1998), 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. The waiver would therefore encompass information that is both consistent with and contrary to Mr. Sekimura's advice. See D.O.T., 2001 WL 34104928, at \*2; Dunhall, 994 F. Supp. at 1205. Moreover, a waiver that encompasses both negative and positive information would not cause unfairness to Seagate, since the additional disclosure of favorable evidence would only bolster its advice-of-counsel defense.

Nevertheless, care should be taken to minimize the disclosure of communications pertaining to trial or litigation strategy. To be sure, trial counsel's advice that undermines the reasonableness of the client's reliance on advice of opinion counsel must be

disclosed even if it is communicated in the context of trial preparation. But, at the same time, trial counsel will surely address with the client trial strategy concerning validity, infringement, and enforcement in ways that do not implicate the advice-of-counsel defense. Therefore, to the extent that Seagate wishes to withhold or redact documents that would reveal trial strategy or planning, it shall submit those documents for my in camera review.

For the foregoing reasons, the plaintiffs' motion with respect to Seagate's waiver of the attorney-client privilege is granted.

~~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 patents.<sup>6</sup> The time period of the waiver runs from the time Seagate became aware of the patents at issue and continues until such time as Seagate's alleged infringement ends. Any communications between Seagate and its trial counsel concerning the subject matter of Mr. Sekimura's opinions that also relate to trial strategy or planning shall be submitted for my review.

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<sup>6</sup> To the extent that the plaintiffs' request for "internal communications on the same subjects as the [Sekimura] opinions" (Pl. Seagate Memo. at 2) refers to communications between Seagate and its in-house counsel, that request would be covered by this order. If "internal communications" relates to individuals within Seagate who are not attorneys, such communications are not subject to the attorney-client privilege and should be disclosed in any event.

## 2. Work Product Immunity

While it is well established that assertion of the advice-of-counsel defense in patent litigation creates a subject matter waiver with respect to all privileged communications, the case law is inconsistent as to whether the waiver extends to an attorney's work product. The central split in authority pertains to the issue of "uncommunicated work product," that is, work product that is not disclosed to the client.<sup>7</sup> On one hand, the cases that decline to order disclosure of attorney work product reason that since the primary focus in an advice-of-counsel defense is the client's state of mind, ~~an attorney's work product is not relevant unless it is~~ communicated to the client. See, e.g., Nitinol Medical Technologies, Inc. v. AGA Medical Corp., 135 F. Supp. 2d 212, 218 (D. Mass. 2000); Thorn, 837 F. Supp. at 622. Cases to the contrary reason that because the standards for "admissibility and discoverability" differ, all evidence "reasonably calculated to lead to the discovery of admissible evidence" should be disclosed, including circumstantial evidence in an attorney's files of information that might have been communicated to the client. Dunhall, 994 F. Supp. at 1204 (citing Fed. R. Civ. P. 26(b)(1)). Such evidence could include information shedding light on additional oral advice that may have been given, Matsushita Electronics Corp. v. Loral Corp., No. 92 Civ. 5461, 1995 WL 527640,

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<sup>7</sup> As noted by the Court in Dunhall, uncommunicated work product is in effect the equivalent of work product generally, since "communicated work product" would be covered by the attorney-client privilege. 994 F. Supp. at 1204.

at \*2 (S.D.N.Y. Sept. 7, 1995), or unfavorable information where the inference can be drawn that it was conveyed to the client, Electro Scientific Industries, Inc. v. General Scanning, Inc., 175 F.R.D. 539, 545 (N.D. Cal. 1997).

In cases where separate and independent opinion counsel render the opinion underlying the advice-of-counsel defense, some courts have ordered work product disclosure only from that counsel, absent special circumstances. As explained by the court in AKEVA, "courts have expressed a concern about allowing a procedure that tempts attorneys and clients to cook up an advice opinion based mainly on ~~its palatability for the trial while withholding unfavorable~~ information." 243 F. Supp. 2d at 424; accord Dunhall, 994 F. Supp. at 1204 ("A narrowly circumscribed waiver, at the discovery stage, creates a danger of a defendant utilizing favorable opinion letters while allowing unfavorable evidence to languish in their attorney's files under the protection of the work product doctrine."). Nevertheless, the AKEVA court declined to order full work product disclosure for trial counsel because the defendants "[were] not asserting reliance on the opinion of trial attorneys, but only the opinion of an attorney separately retained for his opinion." 243 F. Supp. 2d at 422. The Court explained:

[T]he broad waiver rule requiring full disclosure of documents, even if they were not given to the client, is best suited to the situation where the opinion counsel is trial counsel. In that situation, the opinion counsel has a dual role in advising the client and, thus, there is a greater need to make sure the opinion is not tainted by bias or other influences. . . . To the extent that a broader waiver of work product protection might also disclose the trial attorney has been orchestrating a sham opinion with opinion counsel, the Court finds that

possibility to be sufficiently remote and more difficult to orchestrate.

Id. at 424.

The circumstances of this case are similar to those of AKEVA. Here, Seagate has separately retained independent opinion counsel to render advice on which Seagate relies as the basis for its advice-of-counsel defense. Seagate contends -- and the plaintiffs do not dispute -- that its trial counsel played no role in selecting Seagate's opinion counsel and did not influence the drafting of Mr. Sekimura's opinions. (Seagate Opp. at 9-10).<sup>8</sup>

Where there is no evidence that trial and opinion counsel have conspired to create a "sham opinion" to gain an unfair advantage in litigation, production of the un-communicated work product of trial counsel is unwarranted. Compare AKEVA, 243 F. Supp. 2d at 424 (ordering full disclosure of privileged communications but not work product of trial counsel) with K.W. Muth Co. v. Bing-Lear Manufacturing Group, L.L.C., 219 F.R.D. 554, 577 (E.D. Mich. 2003) (work product discoverable where defendant was "less than forthright" in disclosing oral advice of trial counsel); Electro Scientific, 175 F.R.D. at 540, 545 (work product waived where facts showed substantial communication between trial and opinion counsel).

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<sup>8</sup> The plaintiffs' do contend that there is a connection between trial and opinion counsel as shown by the fact that certain documents drafted by Seagate's trial counsel were later provided to opinion counsel. (Pl. Seagate Memo. at 8-9 & n.5). But those documents, along with others drafted by Convolve's counsel, were provided to opinion counsel as part of the record of the litigation and do not demonstrate an effort by Seagate's trial counsel to influence opinion counsel.

The rationales advanced for a broader waiver of the work product immunity do not withstand scrutiny, at least in these circumstances. For example, the observation that the standard for discovery is broader than that for admissibility, see Dunhall, 994 F. Supp. at 1204, is accurate but immaterial, since the work product doctrine is specifically intended to create an immunity from discovery. Likewise, the contention that uncommunicated work product must be disclosed for fear that witnesses are not candid about what was communicated, see Electro Scientific, 175 F.R.D. at 545, is an argument that proves too much. Attorney work product ~~could frequently be useful in challenging the credibility of a~~ witness, but the mere suspicion that that might be the case is an insufficient basis for requiring its disclosure. Finally, while some courts that endorse a waiver of trial counsel's work product nevertheless seek to limit it to work product created before the lawsuit was filed, see Dunhall, 994 F. Supp. at 1205-06; Electro Scientific, 175 F.R.D. at 546, such a temporal constraint is illogical since a defendant's state of mind remains relevant as long as the defendant continues its alleged infringement.

For these reasons, the plaintiffs' motion to compel discovery withheld on the basis of the work product privilege is denied. Seagate's trial counsel is not obligated to disclose any work product, uncommunicated to Seagate, relating to the subject matter of the opinions issued by Mr. Sekimura.<sup>9</sup> However, the communicated

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<sup>9</sup> This ruling does not implicate any of Seagate's attorneys other than trial counsel, since the plaintiffs have only requested work product discovery as to "outside counsel." (Pl. Seagate Memo.

work product of any of Seagate's attorneys is discoverable under Seagate's waiver of the attorney-client privilege. Such communicated work product shall include materials disclosing the fact or substance of Seagate's (or in-house counsel's) communications with any outside counsel; accordingly, this order encompasses the plaintiffs' request for "documents reflecting oral communications . . . between [Seagate] and outside counsel" that relate to the subject matter of the Sekimura opinions. (Pl. Seagate Memo. at 2).

C. Compaq

~~Prior to seeking discovery from Seagate, the plaintiffs filed~~  
a similar motion concerning Compaq, requesting privileged communications and attorney work product with respect to attorneys other than Mr. Sekimura. The plaintiffs sought the "work of Compaq and its various counsel," and "communications among Compaq and between Compaq and others, including its counsel," relating to the subject matter of Mr. Sekimura's opinions. (Pl. Compaq Memo. at 2). As with Seagate, the plaintiffs contended that Compaq waived both the attorney-client privilege and work product immunity with respect to all of its attorneys, including trial counsel. (Pl. Compaq Memo. at 5-7). The plaintiffs argued that any "temporal

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at 2). Seagate's "outside counsel" appear limited to its trial counsel, to whom this order applies, and its "opinion counsel," Mr. Sekimura, as to whom Seagate has conceded waiver. However, to the extent that the work product of Seagate's in-house counsel is at issue, disclosure is appropriate in any event. See Electro Scientific, 175 F.R.D. at 545-46 & n.4 ("[Materials] located in the files of a party's in-house lawyers would appear to bear directly on that party's state of mind.").



limitation" on Compaq's waiver should extend "at least through the date of reliance [on Mr. Sekimura's opinions]," since those opinions were received long after suit was filed;<sup>10</sup> the plaintiffs argued that they were "entitled to explore what was known to Compaq at and around the time it allegedly relied upon that opinion." (Pl. Compaq Memo. at 8, 10).

In its opposition papers, Compaq conceded waiver with respect to Mr. Sekimura's opinions, but argued that its waiver "should only extend to the opinions in [Mr. Sekimura's] opinion letter and not to every privileged communication or work product information that ~~relates to the patents-in-suit.~~" (Compaq Opp. at 3, 9). ~~Compaq~~ objected to discovery of any communications or work product from trial counsel, asserting that "[t]he opinions on which Compaq is relying were not drafted by Compaq's trial counsel, nor were they drafted by Compaq's outside counsel. There is no connection between the opinions and Compaq's trial counsel." (Compaq Opp. at 4). It also argued that "Compaq has not received any contrary opinion or any information that would call into question or cast doubt on the opinions in [Mr. Sekimura's opinions]." (Compaq Opp. at 5).

The Special Master issued a ruling on September 23, 2003, holding that Compaq had waived the privilege as to "any counsel,

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<sup>10</sup> The parties do not appear to dispute that Compaq received at least the 12/29/00 Opinion from Seagate in or about November 2002. (Pl. Compaq Memo. at 3; Deposition of Taraneh Maghame dated May 13, 2003, attached as Exh. 1 to Convolv, Inc.'s Memorandum of Points and Authorities in Reply Re: Motion to Compel Discovery from Compaq, at 63-64).

including trial counsel." (9/23/03 Order at 13). He ordered the disclosure of all "opinions" communicated to Compaq by any such counsel, as well as related work product, concerning the subject matter of Mr. Sekimura's opinions. He also imposed temporal and subject matter limitations, ordering full disclosure for the period "up to the date on which [Compaq] concluded [it] would rely on the Seagate opinions," and disclosure of "contradictory opinions . . . or those casting doubt on earlier opinions," upon in camera review, for the post-reliance period. (9/23/03 Order at 13-14). The parties subsequently moved for clarification and modification of the 9/23/03 Order.

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1. Law of the Case Doctrine

The "law of the case" doctrine posits that "when a court decides upon a rule of law, that decision should [generally] continue to govern the same issues in subsequent stages in the same case." Schwartz v. Chan, 142 F. Supp. 2d 325, 329 (E.D.N.Y. 2001) (quoting Arizona v. California, 460 U.S. 605, 618 (1983)) (alteration in original). However, while the doctrine expresses a practice "generally to refuse to reopen what has been decided," it is "at best, a discretionary doctrine which does not constitute a limitation on the court's power." Devilla v. Schriver, 245 F.3d 192, 197 (2d Cir. 2001) (internal quotations and citations omitted); accord Arizona, 460 U.S. at 618 ("Law of the case directs a court's discretion, it does not limit the tribunal's power."). A prior decision should not be revisited "absent cogent or compelling reasons." Rezzonico v. H & R Block, Inc., 182 F.3d 144,

149 (2d Cir. 1999) (internal quotations and citation omitted).

Since the Special Master has already ruled on the plaintiffs' motion concerning Compaq, his 9/23/03 Order constitutes the "law of the case" for this Court. However, strict adherence to the Order may be unwarranted, as the Special Master has utilized a markedly different approach to the advice-of-counsel issues in this case from the one adopted above with respect to Seagate. Following the Special Master's ruling would therefore create inconsistent outcomes as between the two defendants and possibly cause confusion in the conduct of discovery.

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Moreover, the 9/23/03 Order does not comport with the case law as construed above. Specifically, while the Special Master correctly found that by asserting the advice-of-counsel defense, Compaq waived the attorney-client privilege with respect to "any counsel, including trial counsel," he ordered only that any "opinions" of such counsel communicated to Compaq be disclosed, and that such disclosure be limited to the period preceding Compaq's decision to rely on Mr. Sekimura's opinions; only "contradictory opinions" were ordered produced for the post-reliance period. (9/23/03 Order at 13-14).

As previously discussed, the limitation of discovery to "opinions" communicated from counsel is inconsistent with the broad scope of a "subject matter waiver," which extends to "all communications on the same subject matter." Micron, 159 F.R.D. at 363. Moreover, the pre- and post-reliance distinction referenced in the Order is unsupported by any case authority, and appears to

be an effort by the Special Master to reconcile the case law that sets a temporal limit as of the time of suit with the fact that "the opinions involved [in this case] were rendered long after the suit was filed." (9/23/03 Order at 13). In light of Compaq's continuing duty to take reasonable care, however, any advice of counsel sought or rendered is relevant "during the entire course of the alleged infringement" up to the point of trial. AKEVA, 243 F. Supp. 2d at 423. Finally, the limitation to "contradictory opinions" in the post-reliance period does not comport with Compaq's "subject matter waiver," which pertains to both positive and negative information received from counsel.

## 2. Procedural Issues

Compaq has raised two procedural objections that, if well-founded, could affect the weight that should be given to the law of the case doctrine. Namely, Compaq contends that the Special Master already issued a ruling on its motion for clarification during a telephone conference on September 26, 2003 (Compaq's 10/1/03 Letter at 1; Tr. at 43-44), and that the plaintiffs' motion for modification was untimely (Compaq's Letter to Hon. George B. Daniels dated October 29, 2003 ("Compaq 10/29/03 Letter") at 1-2, 5). If Compaq is correct, then the Special Master's Order would have been beyond my authority to review.

However, neither of Compaq's procedural objections has merit. With respect to the September 26 telephone conference, the Special Master unequivocally stated: "Putting aside for the moment the scope of what I intended to include within the term Opinion,

[Compaq's] e-mail of Sept. 29 accurately sets forth our discussion [on September 26]. The scope of 'Opinion' will be dealt with in response to the motion for clarification." (E-mail from Pasquale Razzano to Robert W. Morris and others dated Sept. 30, 2003) (emphasis added). Accordingly, Compaq's motion for clarification was not decided by the Special Master on September 26, 2003. With respect to timeliness, Compaq does not dispute that the Special Master extended the time to file objections to his ruling to October 24, 2003. (Compaq's 10/29/03 Letter at 5). While the plaintiffs' October 24 letter to Judge Daniels may have been styled ~~as a request for a pre-motion conference under Local Rule 37.2~~ rather than a direct appeal of the Special Master's order under Rule 53 of the Federal Rules of Civil Procedure, it nevertheless raised objections to the underlying substance of the Special Master's ruling. The plaintiffs' motion for modification was therefore timely.

### 3. Attorney-Client Privilege

As discussed above, a waiver of the privilege arising from the advice-of-counsel defense waives the privilege as to the subject matter of the advice rendered. This waiver pertains not only to the attorney rendering the advice but also to all other attorneys who may have communicated with Compaq about the subject matter of the advice. Moreover, since a potential infringer has a continuing duty to seek legal advice on patents of which it is aware, the nature of the advice received and the resulting waiver of the privilege extends throughout the period of alleged infringement.

In light of these principles, Compaq's initial contention that the scope of its waiver extends only to the opinions set forth in Mr. Sekimura's reports has no merit. Under Compaq's "subject matter waiver," any communications it may have had with counsel on the issues of infringement, validity, and enforceability are discoverable, even if those communications do not refer specifically to Mr. Sekimura's reports. Moreover, the fact that Compaq's trial counsel did not draft Mr. Sekimura's opinions has no bearing on the scope of waiver, since the independent advice of trial counsel concerning the subject matter in question would be probative of Compaq's state of mind.

With respect to temporal limitations, the time period of a waiver in continuing infringement cases extends, as noted above, from the time a potential infringer becomes aware of another's patent until the alleged infringement ends. Here, the plaintiffs have alleged that Compaq learned of their '635 and '267 patents in 1998 (Pl. Compaq Memo. at 3; Am. Compl., ¶¶ 23-26, 34), and that they notified Compaq of its alleged infringement of the '473 patent in November 2001. (Tr. at 9). It is undisputed that Compaq's alleged infringement is continuing. Accordingly, Compaq's waiver should extend from the time it became aware of the plaintiffs' patents until it ceases the alleged infringement.

Finally, a subject matter limitation to "contradictory opinions" is unwarranted in this case. As discussed above, Compaq's waiver extends to all communications from counsel, not just contrary advice, on the subject matter of Mr. Sekimura's

opinions. Moreover, the plaintiffs need not rely on Compaq's representation that no contradictory information was received, as they are entitled to draw their own conclusions based on the discovery produced. See Dunhall, 994 F. Supp. at 1205 (discovery must not involve "gatekeeping by defense counsel").

Accordingly, the plaintiffs' motion to compel discovery withheld on the basis of the attorney-client privilege is granted with respect to Compaq. Compaq shall produce all documents, answers to interrogatories, and deposition testimony concerning communications between Compaq (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 patents. The time period of the waiver shall begin at the time Compaq became aware of the patents at issue and shall not end until such time Compaq's alleged infringement ends. Any communications between Compaq and its trial counsel concerning the subject matter of Mr. Sekimura's opinions but also containing or relating to trial strategy or planning may be submitted to the Court for in camera review.

#### 4. Work Product Immunity

As discussed above, discovery of work product, while sometimes necessary to uncover circumstantial evidence of information communicated to the client, is most appropriate in the case of opinion counsel who has been retained to render an opinion on the patents at issue. Where there is no evidence of collusion between

trial and opinion counsel, disclosure of trial counsel's work product is unwarranted. As with Seagate, Compaq relies on the separate and independent advice of Mr. Sekimura as the basis of its advice-of-counsel defense, and it has unequivocally stated that its trial counsel has "no connection" with Mr. Sekimura's opinions. Accordingly, work product disclosure from Compaq's trial counsel is unwarranted.

During a hearing before this Court, plaintiffs' counsel added, "[I]f trial counsel is feeding a defendant information that says go get an opinion because you're probably going to have to pay a reasonably royalty here, . . . [t]hat's not a reasonable opinion. It may be a perfectly reasonable opinion bought and paid for, but that's not the law." (Tr. at 61-62). As an example, plaintiffs' counsel noted, "Let's say that . . . prior to receiving an opinion on the ['473] patent, trial counsel said let's sit down together and figure out [how] not to infringe this patent, let's design around it. And the opinion of counsel that you get months later says that you didn't infringe before; . . . I think those are two pretty different things." (Tr. at 62). Plaintiffs' counsel argued, "[T]hat happened here," alleging that in October 2002, Compaq's trial counsel "worked with Compaq to design around the ['473] patent," and that subsequently, Compaq decided to rely on Mr. Sekimura's non-infringement opinion in February 2003. (Tr. at 62).

The representations of plaintiffs' counsel do not support a finding that work product privilege was waived with respect to



Compaq's trial counsel. Even assuming that trial counsel rendered contrary advice prior to Compaq's reliance on Mr. Sekimura's opinions, that fact does not show that trial counsel helped obtain a "sham" or biased opinion from Mr. Sekimura, or that trial counsel colluded with Mr. Sekimura to produce an opinion favorable to Compaq in this litigation. To the extent that inconsistent advice was rendered, the nature and substance of that advice can be explored, as discussed above, through discovery of privileged communications between Compaq and its trial counsel.

Accordingly, the plaintiffs' motion to compel discovery ~~withheld on the basis of the work product privilege is denied with~~ respect to Compaq. Compaq's trial counsel is not obligated to produce any work product, uncommunicated to Compaq, relating to the subject matter of the opinions issued by Mr. Sekimura. However, the communicated work product of any of Compaq's attorneys is discoverable under Compaq's waiver of the attorney-client privilege. Such communicated work product shall include materials disclosing the fact or substance of Compaq's (or in-house counsel's) communications with any outside counsel.

#### Conclusion

For the reasons set forth above, I grant the plaintiffs' motions to compel with respect to both defendants as to discovery withheld on the basis of the attorney-client privilege, but not as to that withheld on the basis of work product immunity. The defendants shall respond to the plaintiffs' discovery requests in accordance with this Memorandum and Order.

SO ORDERED.

  
JAMES C. FRANCIS IV  
UNITED STATES MAGISTRATE JUDGE

Dated: New York, New York  
May 28, 2004

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----  
CONVOLVE, INC. and MASSACHUSETTS  
INSTITUTE OF TECHNOLOGY,

Plaintiffs,

- against -

COMPAQ COMPUTER CORP. and SEAGATE  
TECHNOLOGY, INC.,

Defendants.  
-----

00 Civ. 5141 (GBD) (JCF)

O R D E R

JAMES C. FRANCIS IV  
UNITED STATES MAGISTRATE JUDGE

A pretrial conference having been held on September 8, 2004,  
it is hereby ORDERED as follows:

1. Maxtor shall appear at a time to be agreed upon by counsel  
for the completion of its deposition. The examination shall be  
limited in duration to four hours and in scope to the subjects set  
forth in the notice of deposition. The continued deposition shall  
consist of cross-examination by Convolve's counsel and, if  
necessary, very brief redirect examination by Seagate's counsel.

2. Convolve's application to compel Seagate and Compaq to  
produce forthwith all documents subject to disclosure under my May  
28, 2004 Memorandum and Order (the "Order"), except those which are  
communications with or work product of trial counsel, is granted.  
Although the defendants have lodged objections to the Order, those  
objections are fairly read as addressed only to those aspects of  
the Order relating to trial counsel. None of the defendants'  
substantive arguments refer, for example, to those aspects of the  
Order requiring disclosure of communications with or documents

generated by in-house counsel.

3. Counsel shall meet and confer concerning the dedesignation of documents that the defendants have identified as supersensitive. Failing agreement on a protocol for reviewing document designations, Convolve may move for an order removing the supersensitive designation from the documents they consider wrongly designated, with costs, including attorneys' fees, to be awarded to the prevailing party.

SO ORDERED.

  
JAMES C. FRANCIS IV  
UNITED STATES MAGISTRATE JUDGE

Dated: New York, New York  
September 8, 2004

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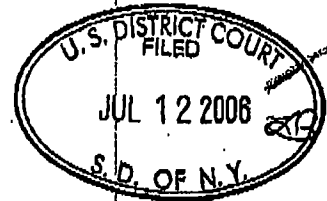
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OC #

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

CONVOLVE, INC. and MASSACHUSETTS  
INSTITUTE OF TECHNOLOGY,

Plaintiffs,

ORDER

00 CV 5141 (GBD)

-against-

COMPAQ COMPUTER CORP. and SEAGATE  
TECHNOLOGY LLC,

Defendants.

GEORGE B. DANIELS, District Judge:

Defendant Seagate Technology LLC's July 26, 2004 motion for an order pursuant to Fed.  
R. Civ. P. 72(a) sustaining its objections to, and overruling, the May 28, 2004 Memorandum and  
Order issued by Magistrate Judge Francis is DENIED.

Dated: New York, New York  
July 11, 2006

SO ORDERED:

*George B. Daniels*  
GEORGE B. DANIELS  
United States District Judge

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
CONVOLVE, INC. and MASSACHUSETTS  
INSTITUTE OF TECHNOLOGY,

Plaintiffs,

-against-

COMPAQ COMPUTER CORP. and SEAGATE  
TECHNOLOGY LLC,

Defendants.

ORDER


00 CV 5141 (GBD)

-----X  
GEORGE B. DANIELS, District Judge:

Defendant Seagate Technology LLC's September 27, 2004 motion for an order pursuant to Fed. R. Civ. P. 72(a) sustaining its objections to, and overruling, the September 8, 2004 Order issued by Magistrate Judge Francis is DENIED.

Dated: New York, New York  
July 11, 2006

SO ORDERED:

  
GEORGE B. DANIELS  
United States District Judge

**CERTIFICATE OF SERVICE**


I hereby certify that on March 12, 2007, two copies of the foregoing EN BANC BRIEF OF PETITIONER SEAGATE TECHNOLOGY LLC were served by electronic mail and Federal Express upon the following counsel for respondents:

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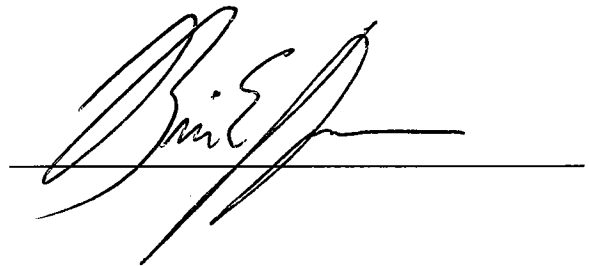
Pursuant to Federal Rule of Appellate Procedure 21(a)(1), I hereby certify that one copy of the foregoing EN BANC BRIEF OF PETITIONER SEAGATE TECHNOLOGY LLC was provided to the district court judge by filing a copy of the same with the court clerk for the U.S. District Court for the Southern District of New York.

  
\_\_\_\_\_  
Robin Adkins

## **CERTIFICATE OF COMPLIANCE**

I, Brian E. Ferguson, attorney for Petitioner, Seagate Technology LLC., hereby certify that the EN BANC BRIEF OF PETITIONER SEAGATE TECHNOLOGY LLC filed herewith complies with the type-volume limitations prescribed by Fed. R. App. P. 37(a)(7)(B) and Fed. Cir. R. 32(b). As counted by the word processing program used to prepare it, Microsoft Word 2002 for Windows, the Brief contains 8,704 words, including headings, footnotes and quotations, which is less than the 14,000 maximum.

This brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Rule 32(a)(6). This brief has been prepared in a proportionally spaced typeface using 14-point Times New Roman.

A handwritten signature in black ink, appearing to read "Brian E. Ferguson", is written over a horizontal line.

March 12, 2007  
Date: