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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA – SOUTHERN DIVISION

LIMESTONE MEMORY SYSTEMS  
LLC, a California Limited Liability  
Company,

Plaintiff,

vs.

MICRON TECHNOLOGY, INC., a  
Delaware Corporation,

Defendant.

**REPORT BY DISCOVERY  
MASTER**

**[Discovery Master Order No. 8]**

Case No: SA CV 15-0278-DOC (KESx)

**Coordinated with Case Nos.:**

- SA CV 15-0648-DOC (KESx)**
- SA CV 15-0650-DOC (KESx)**
- SA CV 15-0652-DOC (KESx)**
- SA CV 15-0653-DOC (KESx)**
- SA CV 15-0654-DOC (KESx)**
- SA CV 15-0658-DOC (KESX)**

1       **I. INTRODUCTION**

2           On December 26, 2018, the Discovery Master filed a Report (Dkt. 154)  
3 granting the motion (“Motion”) of Micron Technology, Inc. (“Micron”)  
4 requesting an *in camera* review of 72 documents withheld from production by  
5 plaintiff Limestone Memory Systems, LLC (“Limestone”) on the grounds that  
6 they constitute privileged attorney client communications and/or work product  
7 (the “Withheld Documents”). After conducting a review of the Withheld  
8 Documents *in camera*, the Discovery Master provided the parties with his  
9 tentative ruling and, at the parties’ request, then conducted a telephonic hearing on  
10 January 17, 2019. The Discovery Master then filed a Report (Dkt. 162) on  
11 January 25, 2019 (the “Prior Ruling”) reflecting the results of his review of the  
12 Withheld Documents and ordering that certain of the Withheld Documents be  
13 produced.

14           On January 30, 2019, counsel for Micron informed the Discovery Master  
15 that certain documents produced by Limestone five days earlier provided, in  
16 Micron’s opinion, new and highly relevant information regarding the privilege  
17 and work product claims of Limestone that was not available to the Discovery  
18 Master when he prepared the Prior Ruling. Micron asked that the Discovery  
19 Master consider this additional information and, as necessary, issue a new Report  
20 amending his findings in the Prior Ruling. Limestone responded that the  
21 information cited by Limestone was not new as it had previously been made  
22 available to Micron and, in any event, did not warrant revisiting the findings made  
23 in the Prior Ruling.

24           In order to resolve the dispute, the Discovery Master requested that the  
25 parties submit briefs outlining their positions and then, on February 6, 2019,  
26 conducted a telephonic hearing. Having considered the parties’ briefs and  
27 arguments presented at the hearing, the Discovery Master now issues the  
28 following Report, which supersedes and replaces the Prior Ruling.

1     **II.   LEGAL FRAMEWORK**

2             **A.    The Attorney Client Privilege and Work Product Doctrine**

3             Rule 26(b)(1) permits discovery in civil actions of “any matter, not  
4 privileged, that is relevant to the claim or defense of any party....” Generally, the  
5 purpose of discovery is to remove surprise from trial preparation so the parties can  
6 obtain evidence necessary to evaluate and resolve their dispute. *Oakes v. Halvorsen*  
7 *Marine Ltd.*, 179 F.R.D. 281, 283 (C.D.Cal.1998). The party who resists discovery  
8 has the burden to show discovery should not be allowed, and has the burden of  
9 clarifying, explaining, and supporting its objections. *Blankenship v. Hearst Corp.*,  
10 519 F.2d 418, 429 (9th Cir.1975).

11             Questions of evidentiary privilege arising in the course of the adjudication  
12 of federal rights, as in this instance, are governed by the principles of federal  
13 common law. *United States v. Zolin*, 491 U.S. 554, 562 (1989); Fed.R.Evid. 501.  
14 Under the attorney-client privilege, “[c]onfidential disclosures by a client to an  
15 attorney made in order to obtain legal assistance are privileged.” *Fisher v. United*  
16 *States*, 425 U.S. 391, 403 (1976); *Clarke v. American Commerce Nat'l Bank*, 974  
17 F.2d 127, 129 (9th Cir.1992). As noted in Limestone’s moving papers, the attorney-  
18 client privilege arises in circumstances where each of the following elements are  
19 present: “(1) Where legal advice of any kind is sought (2) from a professional legal  
20 adviser in his capacity as such, (3) the communications relating to that purpose, (4)  
21 made in confidence (5) by the client, (6) are at his instance permanently protected  
22 (7) from disclosure by himself or by the legal adviser, (8) unless the protection be  
23 waived.” *In re Grand Jury Investigation*, 974 F.2d 1068, 1071 n. 2 (9th Cir.1992);  
24 *United States v. Martin*, 278 F.3d 988, 999 (9th Cir.2002).

25             Under the attorney work product doctrine, material obtained and prepared by  
26 an attorney or the attorney’s agent in anticipation of litigation or preparation for  
27 trial may be immune from discovery. Fed.R.Civ.P. 26(b)(3); *Hickman v. Taylor*,  
28 329 U.S. 495, 509–12 (1947). One of the primary purposes of the work product

1 doctrine is to prevent one party exploiting the other party's efforts to prepare for  
2 litigation. *Holmgren v. State Farm Mut. Auto. Ins. Co.*, 976 F.2d 573, 576 (9th  
3 Cir.1992). The work product doctrine establishes a qualified immunity, rather than  
4 a privilege, and the qualification of the immunity is to be determined upon a  
5 showing of necessity or good cause. *Admiral Ins. Co.*, 881 F.2d at 1494; *Doubleday*  
6 *v. Ruh*, 149 F.R.D. 601, 605 n. 3 (E.D.Cal.1993). The party claiming work product  
7 immunity has the burden of proving the applicability of the doctrine. *United States*  
8 *v. City of Torrance*, 163 F.R.D. 590, 593 (C.D.Cal.1995).

9       Because the attorney-client privilege is in derogation of the search for truth,  
10 it is “narrowly and strictly construed.” *United States v. Gray*, 876 F.2d 1411, 1415  
11 (9th Cir.1989), cert. denied, 495 U.S. 930 (1990); *see also Fisher*, 425 U.S. at 403  
12 (holding since attorney-client privilege “has the effect of withholding relevant  
13 information from the factfinder, it applies only where necessary to achieve its  
14 purpose”). “The burden is on the party asserting the privilege to establish all the  
15 elements of the privilege[.]” *Martin*, 278 F.3d at 999-1000; *United States v.*  
16 *Blackman*, 72 F.3d 1418, 1423 (9th Cir.1995), cert. denied, 519 U.S. 911 (1996).  
17 “To meet this burden, a party must demonstrate that its documents adhere to the  
18 essential elements of the attorney-client privilege adopted by [the Ninth Circuit].  
19 [Citation omitted.] In essence, the party asserting the privilege must make a prima  
20 facie showing that the privilege protects the information the party intends to  
21 withhold.” *In re Grand Jury Investigation*, 974 F.2d at 1070-1071.

22       According to the Ninth Circuit, an adequate privilege log is one way in  
23 which a party can satisfy this burden. *Id.* A privilege log that includes the  
24 following information is “sufficient to establish the attorney-client privilege:” (1)  
25 the identity of the attorney and client involved; (2) the nature of the document  
26 (e.g., letter, memorandum, etc.); (3) all persons or entities shown as recipients on  
27 the document; (4) all persons or entities known to have been informed of the  
28 substance of the document; and (5) the date the document was generated, prepared,

1 or dated. *Dole v. Milonas*, 889 F.2d 885, 888 n.3, 890 (9th Cir. 1989). Here, as  
2 stated in the Report (Dkt. 154, at 5:18-21), Limestone provided Micron with a  
3 privilege log sufficient to satisfy Limestone’s initial burden of supporting its  
4 claims of privilege and work product.

5 **B. Legal Standard for Determining Whether Specific Documents Are**  
6 **Entitled to Protection**

7 The threshold issue presented by Micron’s Motion is the proper standard to  
8 be applied in determining whether the Withheld Documents are protected by the  
9 attorney client privilege and/or the attorney work product doctrine.

10 **1. Micron’s Position**

11 Micron asserts that “Limestone ...may not withhold documents created for a  
12 business purpose, even if the document also touches on legal issues. *McCaugherty*  
13 *v. Siffermann*, 132 F.R.D. 234, 238 (N.D.Cal.1990) (‘No privilege can attach to  
14 any communication as to which a business purpose would have served as a  
15 sufficient cause, i.e., any communication that would have been made because of a  
16 business purpose, even if there had been no perceived additional interest in  
17 securing legal advice.’).” (Motion, p. 3:17-4:5). Rather, a document can only be  
18 deemed privileged if its primary purpose was to seek or provide legal advice.

19 Micron also argues that Limestone lacks standing to invoke the attorney  
20 work product doctrine, because the Withheld Documents were created on or before  
21 the date Limestone acquired the patents-in-suit (February 16, 2015). (Motion, p.  
22 7:19-23). Further, Micron argues that “[n]umerous Withheld Documents predate  
23 Limestone’s existence, and Limestone could not have anticipated litigation before  
24 Limestone existed.” (*Id.*, pp. 7:24-8:1).

25 In Micron’s view, even if Limestone had standing to assert a claim of  
26 attorney work product as to the Withheld Documents, Limestone must show that  
27 each challenged document “would not have been generated but for the pendency  
28 or imminence of litigation.” (*Id.*, pp. 8:8-9:1 quoting *Griffith v. Davis*, 161 F.R.D.

1 687, 698 (C.D.Cal. 1995)). Micron argues that, under that standard, the Withheld  
2 Documents cannot be attorney work product, because, even without the prospect  
3 of litigation, Limestone would have performed an investigation of the patents-in-  
4 suit before acquiring them and, consequently, the work-product protection does  
5 not apply. (*Id.*, p. 8:8-12, citing *Diagnostics Sys. Corp. v. Symantec Corp.*, 2008  
6 WL 9396387 (C.D.Cal. 2008)).

7         According to Micron, documents produced for the first time by Limestone  
8 on January 25, 2019, establish that, during the three-week period prior to the filing  
9 of this Action (and the time during which virtually all of the Withheld Documents  
10 were generated), outside counsel for Limestone was involved in evaluating and  
11 advising Acacia (Limestone’s parent company and the entity that held the option  
12 to purchase the patents-in-suit) regarding not only the patents-in-suit but also two  
13 additional patents which Acacia has not yet purchased (the “Non-Acquired  
14 Patents”). Micron argues that outside counsel’s involvement in this process  
15 proves that outside counsel was performing a business function rather than a legal  
16 one at the time the Withheld Documents were generated, namely assessing the  
17 economic value and reasonable purchase price of both the patents-in-suit and the  
18 Non-Acquired Patents. Accordingly, as a matter of law, the attorney-client  
19 privilege cannot attach to any such dual purpose documents under *McCaugherty*,  
20 *supra*, because these documents reflect communications that would have been  
21 made in any event (i.e., to evaluate whether Acacia should purchase the patents)  
22 even if Acacia had no interest in securing legal advice.

## 23                   **2. Limestone’s Position**

24         Limestone argues that it has standing to assert a claim of attorney work  
25 product based on the fact (which Micron does not dispute) that Limestone’s parent  
26 company, Acacia, had an exclusive option to acquire the patents-in-suit at the time  
27 the Withheld Documents were created. Limestone argues that such an interest is  
28 sufficient for the attorney work product protection to attach both as to Acacia and

1 also as to Limestone, Acacia’s wholly-owned subsidiary created for the purpose of  
2 enforcing the patents-in-suit. (Opp., pp. 4:19-5:13; 12:15-14:15).

3 According to Limestone, the test for work-product protection is not whether  
4 litigation was a primary or secondary motive behind the creation of a document,  
5 but rather whether, under the totality of the circumstances, it can fairly be said that  
6 the document was created *because of* anticipated litigation. (Opp., p. 10:7-17  
7 quoting *United States v. Torf (In re Grand Jury Subpoena)*, 357 F.3d 900, 907 (9th  
8 Cir. 2004) (emphasis added)). As long as anticipated litigation was *one* purpose in  
9 creating the communication, the document is entitled to protection.

10 Limestone argues that this test (the “*Torf* standard”) governs situations in  
11 which the documents at issue were created for a “dual purpose,” i.e., the  
12 documents seek or provide both business and legal advice that is inseparably  
13 interrelated. (Opp., p. 10:20-24 (where the “litigation purpose so permeates any  
14 non-litigation purpose that the two purposes cannot be discretely separated from  
15 the factual nexus as a whole,” the document should be deemed protected) (quoting  
16 *Torf*). Limestone argues that the *Torf* standard supplants the “primary purpose”  
17 standard for determining whether a dual purpose document is a privileged  
18 communication or work product.<sup>1</sup>

19 Finally, with respect to the fact that outside counsel participated in the  
20 evaluation of the Non-Acquired Patents and patents-in-suit concurrently,  
21 Limestone argues that there is no way to separate the business elements from the  
22 legal elements of outside counsel’s pre-filing evaluation. In other words, there is  
23 no way to tell whether advice that Acacia purchase the patents-in-suit, but not the  
24 Non-Acquired Patents, was based on outside counsel’s business considerations or  
25 legal analysis. Limestone posits that legal analysis may in fact have been the basis

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27 <sup>1</sup> Although Limestone’s Opposition advocated application of the *Torf* standard to  
28 support Limestone’s claim of work product (as opposed to privilege), in oral  
argument, Limestone took the position that the *Torf* standard is appropriate to  
determine both claims of work product and also claims of privilege.

1 for the business decision, stating “Clearly, there is no reason to exercise an option  
2 on a patent if there is a legal decision not to assert such a patent.” (Limestone  
3 Supp. Brief, p. 5:16-17). Limestone also contends that Micron has been aware at  
4 least since October of 2018 that Limestone was considering purchasing the Non-  
5 Acquired Patents from the same source as the patents-in-suit although Limestone  
6 apparently concedes that Micron was not aware that the ultimate decision was not  
7 made until January and February of 2015, i.e., during the three-week period  
8 preceding the filing of this Action.

### 9 **3. Standard Applied in This Ruling**

10 At oral argument on January 17, 2019, the parties were in sharp  
11 disagreement regarding the appropriate standard to be applied in resolving whether  
12 the Withheld Documents are discoverable. Micron argued that the Discovery  
13 Master should only allow Limestone to shield the Withheld Documents from  
14 production if the author(s)’ *primary* purpose in creating those documents was to  
15 obtain or provide legal advice or analysis. Limestone disagreed, arguing that the  
16 Withheld Documents are not discoverable as long as *one* purpose was to request or  
17 provide legal advice or analysis regardless of whether the author also intended to  
18 address business considerations such as the potential validity and license value of  
19 the patents. Neither party distinguished between documents withheld on the basis  
20 of privilege, on the one hand, and documents withheld on the basis of work  
21 product, on the other hand.

22 To the extent that the parties argue that the same standard is appropriate for  
23 determining the existence of both the attorney client privilege and the work  
24 product protection, such an approach is not supported by the relevant case law. In  
25 the Ninth Circuit, claims of privilege and claims of work product are governed by  
26 two different standards.

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**a. Attorney-Client Privilege**

For a communication to qualify for protection under the attorney-client privilege, it must have been made for the purpose of seeking or providing legal advice. *Upjohn Co. v. United States*, 449 U.S. 383(1981). Further, where the communication involves in-house counsel, who normally perform a business as well as a legal role, courts in the Ninth Circuit have generally ruled that the “primary purpose” of the communication must be to obtain or give legal advice. *See, e.g., U.S. v. Salyer*, 853 F.Supp.2d 1014, 1018 (E.D.Cal. 2012); *U.S. v. ChevronTexaco Corp.*, 241 F.Supp.2d 1065 (N.D.Cal. 2002); *Apple, Inc. v. Samsung Electronics Co., Ltd.*, 306 F.R.D. 234, 240 (N.D.Cal. 2015) citing *McCaugherty, supra*.

As already discussed above, Limestone asserted at oral argument that the proper analysis is not whether obtaining legal advice was the primary or secondary purpose of a communication, but rather the totality of the circumstances, citing *Torf, supra*. However, *Torf* involved a claim of work product, not privilege. The Ninth Circuit has never applied the *Torf* standard to determine claims of attorney-client privilege, and most District Courts within the circuit that have considered the issue have expressly rejected application of the *Torf* standard to evaluate claims of attorney-client privilege. *Apple, Inc., supra*, 306 F.R.D. at 240 fn.38 (refusing to extend the *Torf* analysis to claims of attorney-client privilege and stating that, absent any Ninth Circuit authority to the contrary, “this court is free to apply the ‘primary purpose’ test set forth in *McCaugherty*”); *Phillips v. C.R. Bard, Inc.*, 290 F.R.D. 615, 629 (D.Nev.2013) (finding that “given that the Ninth Circuit has not expressly ruled that the ‘because of’ test has supplanted the ‘primary purpose’ test in the attorney-client privilege context, the court will continue to adhere to the ‘primary purpose’ test”); *CaliforniaMediaTek Inc. v. Freescale Semiconductor*,

1 *Inc.*, 2013 WL 6869933 (N.D.Cal. Oct. 10, 2013) (noting that different courts have  
2 applied differing tests and declining to choose which to apply).<sup>2</sup>

3 **b. Attorney Work Product**

4 Limestone correctly cites *Torf* as setting forth the proper standard for  
5 evaluating whether a document is work product entitled to qualified immunity  
6 from discovery. To restate that standard: In cases where a document could have  
7 more than one purpose, a document should be deemed prepared “in anticipation of  
8 litigation” and thus eligible for work product protection under Rule 26(b)(3) if, “in  
9 light of the nature of the document and the factual situation in the particular case,  
10 the document can be fairly said to have been prepared or obtained because of the  
11 prospect of litigation.” *Torf*, 907-908. “The ‘because of’ standard does not  
12 consider whether litigation was a primary or secondary motive behind the creation  
13 of a document.” *Id.* “[W]ork product protection cannot be decided simply by  
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17 <sup>2</sup> There are two unpublished District Court opinions in the Ninth Circuit that  
18 applied the *Torf* standard to evaluate a claim of privilege. *Therapeutics, Inc.*  
19 *Securities Litig., Case*, 2006 WL 1699536 (N.D. Cal. June 16, 2006) and *Visa*  
20 *U.S.A., Inc. v. First Data Corp.*, 2004 WL 1878209 at \*4, 2004 (N.D.Cal., Aug.23,  
21 2004). In support of its reliance on *Torf*, the *Therapeutics, Inc.* Court reasoned:

22 While [*Torf*] addressed the work product doctrine, and not the  
23 attorney-client privilege, parallel issues arise in both contexts where  
24 dual purpose documents are involved. In the former context, the  
25 Court must determine whether a document should be protected if it  
26 has not only a litigation purpose but also a nonlitigation purpose. In  
27 the context of attorney-client privilege, it must similarly determine  
28 whether the privilege applies to mixed communications which involve  
both legal and business advice. Accordingly, the Court applies the  
“because of” test to dual purpose documents for which Defendants  
claim attorney-client privilege.

Despite this reasoning, the Discovery Master concludes that, given the silence of  
the Ninth Circuit on this question, as well as various reported cases rejecting this  
approach, the sounder approach is to confine *Torf* to claims of attorney work  
product.

1 looking at one motive that contributed to a document's preparation. The  
2 circumstances surrounding the document's preparation must also be considered.”<sup>3</sup>

3 Further, the work product doctrine contemplates that litigation counsel may  
4 employ experts and other agents to assist them in preparing a case for litigation,  
5 and the doctrine may extend to those individuals' preparations as well. *Id.*  
6 (“[A]ttorneys often must rely on the assistance of investigators and other agents in  
7 the compilation of materials in preparation for trial. It is therefore necessary that  
8 the doctrine protect material prepared by agents for the attorney as well as those  
9 prepared by the attorney himself”).

10 Lastly, Limestone is correct that it may invoke the attorney work product  
11 protection with respect to materials generated before it acquired the patents-in-suit.  
12 Courts have held that an option to acquire a patent can give rise to attorney-client  
13 privilege protections as to communications between the company with the option  
14 and inventors. *In re Regents of the University of California*, 1010 F.3d 1386  
15 (Fed.Cir. 1996) (“*UC Regents*”); *Rembrandt Patent Innovations, LLC v. Apple*  
16 *Inc.*, 2016 WL 427363 at \*\*6-7 (N.D. Cal. February 4, 2016) (“once Rembrandt  
17 had acquired an exclusive option to purchase the patent, it was already ‘engaged[d]  
18 in a common legal enterprise’ with the named investors and communications

19 \_\_\_\_\_  
20 <sup>3</sup> Micron does not address *Torf* in its briefing but did state in oral argument that  
21 *Torf* is factually distinguishable. Instead, as noted above, Micron advances the  
22 “but for” standard articulated in *Griffith, supra*, i.e., that the attorney work product  
23 doctrine only applies if the subject document would not have been created but for  
24 the pendency or imminence of litigation. There are two reasons for rejecting that  
25 standard in the present case. First, subsequent courts have noted that the *Griffith*  
26 test does not apply where “the litigation purpose and the ‘non-litigation’ purpose  
27 are inseparably intertwined.” *U.S. ex rel. Bagley v. TRW, Inc.*, 212 F.R.D. 554,  
28 560 (C.D.Cal. 2003) (“[A] document created because of anticipated litigation ...  
does not lose work-product protection merely because it is intended to assist in the  
making of a business decision influenced by the likely outcome of the anticipated  
litigation”) (quoting *United States v. Adlman*, 134 F.3d 1194, 1195 (2d Cir.1998)).  
Second, *Griffith* was decided almost a decade before *Torf*, and to the extent the  
two standards are in conflict, the latter decision by the Ninth Circuit controls.

1 between them were ‘part of an on-going and joint effort to set up a common ...  
2 strategy’ for perfecting title in the patent and enforcing it through litigation”).

3 In its Reply brief, Micron argued that both *UC Regents* and *Rembrandt*  
4 *Patent* are distinguishable on a variety of grounds. (Reply, pp.8:16-11:28). I find  
5 these distinctions unpersuasive. The central point here is that, like the  
6 pharmaceutical company in *UC Regents*, Acacia’s attorneys conducted an analysis  
7 of the enforceability and strength of the patents-in-suit on behalf of itself and the  
8 party that would ultimately own and enforce the patents-in-suit (i.e., its wholly  
9 owned subsidiary, Limestone). That analysis was conducted in the two or three  
10 week period immediately prior to the acquisition of the patents-in-suit and  
11 concurrently with the preparation of the Complaint. Further, even accepting as  
12 true that “Acacia is a patent assertion company whose business is acquiring and  
13 enforcing patents” (Reply, p. 9:19-24), that fact does not defeat the work product  
14 protection so long as that business analysis was permeated by a concurrent legal  
15 purpose, namely evaluating the legal strength and enforceability of the patents-in-  
16 suit. *Bagley, supra*, 212 F.R.D. at 560 (“[A] document created because of  
17 anticipated litigation ... does not lose work-product protection merely because it is  
18 intended to assist in the making of a business decision influenced by the likely  
19 outcome of the anticipated litigation”).

### 20 **III. RESULTS OF *IN CAMERA* REVIEW**

#### 21 **A. Documents Properly Withheld from Production**

22 Applying the legal standards summarized above, I find as follows with  
23 respect to each of the 72 Withheld Documents.

##### 24 **1. Privileged Communications**

25 The below documents are privileged attorney client communications. The  
26 primary bases for my conclusion are: (1) the substance of the communications  
27 themselves, each of which seeks or provides legal guidance from counsel  
28

1 regarding the factual or legal basis for the allegations in the soon-to-be filed  
2 litigation; and (2) the proximity in time between those communications and the  
3 filing of this litigation.<sup>4</sup>

4 After reviewing the parties' supplemental briefing and considering their  
5 respective arguments made at the February 6, 2019 hearing, I once again reviewed  
6 the Withheld Documents to ascertain whether the additional information and  
7 arguments provided by the parties changed my conclusion regarding any of the  
8 documents I had previously found to be privileged in the Prior Ruling. I  
9 concluded that, despite the fact that a business evaluation of the patents-in-suit  
10 and the Non-Acquired Patents may have been occurring simultaneously through  
11 parallel channels and in some instances involving outside counsel, each of the  
12 specific communications below was generated primarily for the purpose of  
13 obtaining legal advice. In other words, Acacia and Limestone's business  
14 objectives did not require that these communications be generated in this format  
15 and among these participants, and the communications would not have been  
16 generated if Acacia and Limestone had merely been conducting their ordinary and  
17 usual business of evaluating and purchasing patents.

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19 <sup>4</sup> All of the communications were made within three weeks of the date the  
20 Complaint was filed (February 17, 2015) with the exception of two (nos. 19 and  
21 43) that occurred in late December of 2014, i.e., within 60 days of the filing of the  
22 Complaint. In this respect, the current case differs markedly from the situation  
23 presented in *Diagnostics Systems Corp. supra*, in which the plaintiff patent holder  
24 sent letters to over 100 potential licensees with offers to license and without  
25 accusations of infringement. As the court in that case noted, "After sending the  
26 letters, [the plaintiff] waited several months to sue the Defendants in this action,  
27 then waited another ten months to add additional Defendants. The anticipation of  
28 litigation was a developing process and varied as to the relevant Defendants. [The  
plaintiff] initially pursued its business to monetize the patents, and had not yet  
formalized specific litigation plans." *Id.*, 208 WL 9396387 at \*6. Accordingly,  
communications made between the client and counsel involving this prelitigation  
process were found to be non-privileged communications relating to the plaintiff's  
ordinary course of business and licensing plans. *Id.*, at \*\*10-11.

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- **Nos. 3-4** : E-mail from litigation counsel to client (no. 3) forwarding draft list (no. 4) of potential defendants and accused products and seeking comment/ additional information from client prior to filing of Complaint.
- **No. 13**: E-mail from litigation counsel to client attaching draft complaint and subsequent e-mail exchanges between counsel and client regarding edits, revisions and further information to be included in Complaint.
- **No. 14**: E-mail from client’s consultant to client and client’s counsel regarding validity of ‘504 patent and response from client cc’ing its counsel as well as outside litigation counsel. The initial e-mail from the consultant: (a) is labeled “Attorney-Client Privileged, Confidential work product;” (b) answers a request for specific information and analysis; and (c) concludes “If you want me to look some more, please let me know.”
- **No. 29**: 5 e-mails (each one involving litigation counsel) regarding accused products and identity of various defendants to be named in Complaint.
- **No. 30**: 5 e-mails (each one involving litigation counsel) regarding accused products manufactured by two of the defendants to be named in Complaint.
- **Nos. 32-33**: E-mails between client and litigation counsel regarding specific products manufactured by two of the defendants that contain allegedly infringing Micron parts.
- **No. 36**: E-mail from consultant to client and client’s counsel attaching PPT presentation (no. 37) with re line “New Chart on ... patent [‘504] – Attorney client privileged.”
- **Nos. 38-39**: E-mails from client to client’s counsel regarding potentially infringing products and further e-mails forwarding same to litigation counsel.
- **No. 40**: E-mail from client’s counsel to litigation counsel forwarding research requested by client’s counsel regarding potential defendants and stating that counsel continues search to identify other potential defendants.
- **No. 44**: E-mail from client to litigation counsel regarding current list of potential defendants.
- **No. 45**: 4 e-mails (each of which includes litigation counsel as recipient) discussing potential infringing products and defendants.
- **No. 46**: Portion of no. 30, omitting final e-mail in the chain.
- **No. 47**: Duplicate of no. 31.

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- **No. 48:** E-mail from client’s lawyer to litigation counsel instructing the latter to exclude potential defendant from Complaint and explaining basis therefor.
  - **No. 52:** E-mail from consultant to client, client’s counsel, and litigation counsel attaching PPT presentation (no. 53) with re line “ ‘441 references – Attorney client privileged,” together with further exchange of 2 e-mails involving all recipients (same re line).
  - **No. 54:** Initial e-mail from chain designated no. 52, with four subsequent exchanges among the recipients (same re line).
  - **No. 60:** 2 initial e-mails from chain designated no. 52.
  - **No. 68:** Portion of no. 54, omitting final 2 e-mails in chain.
  - **No. 69:** Initial e-mail of no. 54 with response by one of the recipients.
  - **No. 70:** Portion of no. 54, omitting final e-mail in chain.
  - **No. 71:** E-mail from client (C. Raasch) to litigation counsel with re line “PRIVILEGED AND CONFIDENTIAL: Reference to consider” and providing analysis regarding validity of ‘441 patent.
  - **No. 73:** E-mail response to no. 71 from K. Fekih-Romdhane (same re line and recipients).
  - **No. 77:** Same as no. 3, with 8 subsequent e-mails responding to same from other litigation counsel, client and client’s counsel.
  - **No. 78:** Portion of no. 77, omitting final 5 e-mails in chain.
  - **No. 79:** Portion of no. 78, omitting final 2 e-mails in chain and adding 2 others addressed to litigation counsel.
  - **No. 80:** Portion of no. 77, omitting final two e-mails in chain and adding 2 others (from client’s counsel and litigation counsel, respectively).
  - **No. 81:** Portion of no. 79, omitting final e-mail in chain and adding one (from client’s counsel).
  - **No. 82:** E-mail from litigation counsel to client and client’s counsel attaching current version of draft Complaint and requesting information and revisions to same.
  - **No. 83:** E-mail from client’s consultant to client and client’s attorney with heading “Attorney Client Privileged, Confidential work product” responding to request for information and e-mail from client forwarding same to litigation counsel.

- 1 • **No. 86:** Initial e-mail from chain designated no. 52.
- 2 • **No. 90:** E-mail from client to litigation counsel (cc'ing other counsel and
- 3 client representatives) identifying accused products marketed by some of the
- 4 defendants and subsequent e-mail exchanges among the recipients.
- 5 • **No. 91:** E-mail from litigation counsel to client representative (cc'ing other
- 6 counsel and client representatives) regarding Dell products containing
- 7 allegedly infringing chips.
- 8 • **No. 94:** Duplicate of No. 30.
- 9 • **No. 96:** E-mail from client to litigation counsel (2) cc'ing client
- 10 representatives regarding accused products and further exchanges among
- 11 recipients regarding same.
- 12 • **No. 97:** Initial e-mail of chain designated as no. 96.
- 13 • **No. 98:** E-mail designated as no. 3, above and 3 responses from client
- 14 representatives to litigation counsel.
- 15 • **No. 99:** E-mail from client to litigation counsel and response regarding
- 16 status of infringement analysis on '504 patent.
- 17 • **No. 100:** E-mail from client to litigation counsel and other client
- 18 representatives regarding file history on '504 patent and responses from
- 19 recipients.
- 20 • **No. 101:** E-mail from client to litigation counsel, client counsel and client
- 21 representatives labeled "Attorney client privileged" referencing attached
- 22 information regarding '441 patent.
- 23 • **No. 108:** E-mail designated no. 36, above referencing PPT presentation
- 24 regarding '504 patent (no. 37) and e-mail forwarding same to litigation
- 25 counsel.
- 26 • **No. 109:** E-mail designated no. 36, above referencing PPT presentation
- 27 regarding '504 patent (no. 37) and further e-mail exchanges among original
- 28 recipients.
- **No. 110:** Chain designated as no. 109 with further response from original
- sender.

## 2. Work Product

The below documents are attorney work product. I find that each was prepared in anticipation of this litigation and that, to the extent they involve a business purpose, that purpose is inextricably intertwined with the legal purpose



1 of the document. Despite the existence of communications demonstrating that  
2 outside counsel was providing advice relating to Acacia and Limestone’s decision  
3 whether to purchase the patents in suit, those communications do not alter my  
4 analysis as to whether the documents are work product, because the business and  
5 legal elements of counsel’s advice are inextricably intertwined. Given Acacia’s  
6 intention to enforce the patents-in-suit and the proximity of the filing of this  
7 Action, the legal analysis performed by outside counsel in the evaluation process  
8 permeated the subject communications and therefore give rise to the work product  
9 protection of those documents.

10 As to communications between counsel, on the one hand, and Acacia or  
11 Limestone’s consultants, on the other hand (Nos. 14, 36, 52, 83, and all variants of  
12 those communications), I have concluded that the work product protection attaches  
13 to these communications because it is clear from the content and/or context that the  
14 latter were acting under the direction and oversight of counsel to achieve a  
15 litigation purpose, even though there might also be a concurrent business objective.  
16 *Torf*, at 907 (“[A]ttorneys often must rely on the assistance of investigators and  
17 other agents in the compilation of materials in preparation for trial. It is therefore  
18 necessary that the doctrine protect material prepared by agents for the attorney as  
19 well as those prepared by the attorney himself”).

- 20 • **No. 4:** Draft list of potential defendants and accused products.
- 21 • **No. 19:** Internal e-mail between two of plaintiff’s litigation counsel  
22 regarding litigation strategy.
- 23 • **No. 20:** Internal e-mail exchange between two of plaintiff’s litigation  
24 counsel regarding information to be included in Complaint.
- 25 • **No. 14:** E-mail from client’s consultant to client and client’s counsel  
26 regarding validity of ‘504 patent and response from client cc’ing its counsel  
27 as well as outside litigation counsel. The initial e-mail from the consultant:  
28 (a) is labeled “Attorney-Client Privileged, Confidential work product;” (b)  
answers a request for specific information and analysis; and (c) concludes  
“If you want me to look some more, please let me know.”

- 1 • **No. 28:** Internal e-mail exchange among litigation counsel regarding  
2 analysis of accused products.
- 3 • **Nos. 34-35, 37:** Draft PowerPoint presentations analyzing ‘504 patent; each  
4 page labeled “Confidential: For Discussions with Counsel Attorney-Client  
5 Privileged Work Product Immunity.”
- 6 • **No. 36:** E-mail from consultant to client and client’s counsel attaching PPT  
7 presentation (no. 37) with re line “New Chart on ... patent [‘504] – Attorney  
8 client privileged.”
- 9 • **No. 43:** Internal e-mail between litigation counsel regarding potential  
10 damages.
- 11 • **No. 52:** E-mail from consultant to client, client’s counsel, and litigation  
12 counsel attaching PPT presentation (no. 53) with re line “ ‘441 references –  
13 Attorney client privileged,” together with further exchange of 2 e-mails  
14 involving all recipients (same re line).
- 15 • **No. 53:** Draft PowerPoint presentation analyzing ‘441 patent; each page  
16 labeled “Confidential: For Discussions with Counsel Attorney-Client  
17 Privileged Work Product Immunity.”
- 18 • **No. 54:** Initial e-mail from chain designated no. 52, with four subsequent  
19 exchanges among the recipients (same re line).
- 20 • **No. 60:** 2 initial e-mails from chain designated no. 52.
- 21 • **No. 65:** Duplicate of no. 4.
- 22 • **No. 83:** E-mail from client’s consultant to client and client’s attorney with  
23 heading “Attorney Client Privileged, Confidential work product”  
24 responding to request for information and e-mail from client forwarding  
25 same to litigation counsel.
- 26 • **No. 86:** Initial e-mail from chain designated no. 52.
- 27 • **No. 92:** Internal e-mail among litigation counsel regarding claims in  
28 Complaint based on ‘260 patent.
- **No. 93:** Internal e-mail among litigation counsel providing chart showing  
some of accused products of various defendants.
- **No. 108:** E-mail designated no. 36, above referencing PPT presentation  
regarding ‘504 patent (no. 37) and e-mail forwarding same to litigation  
counsel.

- 1 • **No. 109:** E-mail designated no. 36, above referencing PPT presentation  
2 regarding '504 patent (no. 37) and further e-mail exchanges among original  
3 recipients.
- 4 • **No. 110:** Chain designated as no. 109 with further response from original  
5 sender.

6 **B. Documents As to Which Limestone Has Failed to Establish  
7 Sufficient Grounds for Protection**

8 As to portions of some e-mail chains/ attachments, it was impossible to  
9 conclude with any degree of certainty based solely on the contents that the  
10 communications were privileged or constituted attorney work-product. Since  
11 Limestone did not provide declarations by any of the persons who authored or  
12 received the below e-mails establishing the surrounding circumstances and facts  
13 supporting a claim or privilege, these documents must be produced, as specified  
14 below.

- 14 • **No. 15:** 4 e-mail exchanges between client and outside consultant regarding  
15 prior art search for '441 patent. The e-mails do not involve an attorney and  
16 make no reference to a legal objective for conducting the search.
- 17 • **No. 16:** Invalidation Search Report dated February 9, 2015 and attached to  
18 final e-mail in chain (no. 15) between client and consultant.
- 19 • **No. 24:** 8 e-mail exchanges (not 7, as indicated in log) between client and  
20 consultant for purpose of assembling data. The first four e-mails do not  
21 involve an attorney and make no reference to a legal objective or reason for  
22 the request for data. The fifth e-mail is a communication to an-in-house  
23 attorney (Mr. Rosmann) from the client representative who initially  
24 requested the information forwarding the information to counsel and asking  
25 that counsel advise "whether this information is sufficient." The sixth,  
26 seventh and eighth e-mails in the chain are: (a) an e-mail from client's  
27 counsel forwarding the information to litigation counsel; and (b) two  
28 responses from litigation counsel requesting further discussion,  
respectively. No privilege established as to first 4 e-mails in chain; the  
balance are privileged.
- **No. 25:** Portion of no. 24, omitting the final 2 e-mails in the chain (both  
from litigation counsel, D. Gosse and E. Broxterman). No privilege  
established as to first 4 e-mails in chain; the balance are privileged.

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- **No. 26:** Information provided pursuant to nos. 24 and 25, above. Since there is insufficient basis to establish that the information was a privileged communication or work product when it was initially prepared, the fact that it was subsequently forwarded to counsel cannot make it retroactively privileged. While the fact that the information was ultimately forwarded to counsel might create an inference that the information was gathered at the direction of counsel, there is no affirmative showing that this is in fact the case. Since it is the burden of the party claiming the privilege to establish a sufficient basis for the claim, the lack of an evidentiary basis for the claim requires that the information be deemed non-privileged and subject to discovery.
  - **No. 27:** E-mail chain including 5 earliest communications in No. 24, together with 6 subsequent e-mails, including one from the client asking the consultant to provide further information “for the law firm,” the consultant’s response, and e-mails forwarding and discussing the response with litigation counsel. No privilege established as to first 4 e-mails in chain; the balance are privileged.
  - **No. 31:** Same as 27, with 3 subsequent e-mails between litigation counsel, client and consultant regarding further information requested by litigation counsel. No privilege established as to first 4 e-mails in chain; the balance are privileged.
  - **No. 49:** E-mail among 3 business personnel of Acacia regarding Kingston product and second e-mail forwarding same to client counsel and client representative. No privilege established as to first e-mail; second is privileged.
  - **No. 50:** Same as no. 27, with one additional e-mail from client responding to question from litigation counsel regarding products to be identified in Complaint. No privilege established as to first 4 e-mails in chain; the balance are privileged.
  - **No. 51:** Portion of no. 27, but omitting final e-mail in chain (response from litigation counsel). No privilege established as to first 4 e-mails in chain; the balance are privileged.
  - **No. 61:** Portion of no. 24, but omitting final e-mail in chain. No privilege established as to first 4 e-mails in chain; the balance are privileged.
  - **No. 62:** Duplicate of no. 26.
  - **No. 63:** Portion of no. 24, omitting final 2 e-mails and replacing them with a different e-mail from litigation counsel (D. Gosse). No privilege established as to first 4 e-mails in chain; the balance are privileged.

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- **No. 95:** Duplicate of no. 31.
- **No. 102:** Duplicate of nos. 26 and 62.
- **No. 107:** Portion of no. 27, omitting final two e-mails in chain and replacing with 3 others discussing information “for the law firm.” No privilege established as to first 4 e-mails in chain; the balance are privileged.

**IV. CONCLUSION**

Limestone’s claims of privilege and/or work product protection are sustained with respect to the documents identified in Section III.A, above as well as the applicable portions of e-mails identified as privileged in Section III.B, above. Limestone shall produce, within five business days of this Report (or, in the event of an appeal to the Court, within five business days of the Court’s Order on such appeal) the e-mails identified in Section III.B, above as to which Limestone has failed to establish privilege or work product protection.

Date: February 19, 2019

By: /s/ Roy Silva  
Discovery Master