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18 **UNITED STATES DISTRICT COURT**  
19 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

20 MACOM TECHNOLOGY  
21 SOLUTIONS HOLDINGS INC. and  
22 NITRONEX, LLC,

23 Plaintiffs,

24 v.

25 INFINEON TECHNOLOGIES AG, *et*  
26 *al.*,

27 Defendants.  
28

Case No. CV 16-02859 CAS (GJSx)

**DEFENDANTS' OPPOSITION TO  
MACOM'S MOTION PURSUANT  
TO FED. R. CIV. P. 26(b)(5)(B)  
FOR DETERMINATION OF THE  
PROPRIETY OF INFINEON'S  
CLAIM OF PRIVILEGE**

1           **I. INTRODUCTION**

2           [REDACTED] Defendant Infineon Technologies  
3 AG (“Infineon AG,” and collectively with Infineon Americas Technologies  
4 Corporation, “Defendants”) [REDACTED]  
5 [REDACTED]  
6 [REDACTED].

7           On July 12, 2018, after discovering the inadvertent production of attorney-  
8 client privileged materials related to [REDACTED], Defendants sent a  
9 clawback letter to Nitronex, LLC and MACOM Technology Solutions Holdings,  
10 Inc. (collectively, “Plaintiffs”). Ex. 1, Clawback Letter. Despite obligations to  
11 destroy, return, or sequester these documents, Plaintiffs relied on and used them for  
12 the next month. In numerous emails, Plaintiffs quoted privileged materials,  
13 indicating that that they continued to access and review these documents. Plaintiffs  
14 even used an unredacted privileged document while examining a witness at a  
15 deposition. *See* Dkt. 625-11.

16           Plaintiffs cannot excuse their noncompliance with the Rules of Procedure and  
17 disregard for Defendants’ sensitive information. More importantly, Defendants’  
18 clawed-back documents are in fact privileged. Plaintiffs’ arguments to the contrary  
19 rest on unsupported speculation. For following reasons, Plaintiffs’ request to pierce  
20 the attorney-client privilege should be rejected.

21           **II. BACKGROUND**

22           [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 [REDACTED]  
26 [REDACTED]  
27 [REDACTED]  
28 [REDACTED]

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[REDACTED]

**b. The Challenged Documents**

The clawed-back documents challenged in Plaintiffs' motion come from the same period [REDACTED]

**i. Dkt. 627-2 (Ex. 1 to Plaintiffs' Brief, INFMAC\_0361318<sup>2</sup>)**

[REDACTED] identifies the first two redactions in this document as reflecting legal advice that [REDACTED], was forwarding legal advice [REDACTED]. Indeed, these portions discuss [REDACTED].

The latter two redactions are requests for legal advice [REDACTED], these communications facilitated the advice

<sup>1</sup> Gerhard Wolf, when questioned about one of the challenged documents, [REDACTED]

<sup>2</sup> Plaintiffs misidentify the Bates number on this document. The correct number, reflected here, is INFMAC\_0361318.

1 given [REDACTED]  
2 [REDACTED]. The communications themselves reveal their legal nature,  
3 [REDACTED]  
4 [REDACTED].

5 **ii. Dkt. 627-3 (Ex. 2 to Plaintiffs' Brief, INFMAC\_0359848)**

6 [REDACTED]  
7 [REDACTED] [REDACTED].  
8 Plaintiffs posit that [REDACTED]  
9 [REDACTED].  
10 Plaintiffs' unsupported presumption is simply wrong. As discussed above, [REDACTED]  
11 [REDACTED]  
12 [REDACTED] [REDACTED]  
13 [REDACTED]  
14 [REDACTED].

15 **iii. Dkt. 627-4 (Ex. 3 to Plaintiffs' Brief, INFMAC\_0356157);**  
16 **Dkt. 627-5 (Ex. 4 to Plaintiffs' Brief, INFMAC\_0355772)**

17 The material and redactions [REDACTED]. The  
18 redacted materials [REDACTED]  
19 [REDACTED]  
20 [REDACTED]. The redacted portions of these  
21 documents are replete with legal advice [REDACTED]  
22 [REDACTED]  
23 [REDACTED].

24 Plaintiffs once again emphasize that this advice was given before this lawsuit  
25 began, which is irrelevant. [REDACTED]  
26 [REDACTED]  
27 [REDACTED]  
28 [REDACTED]

1 [REDACTED]  
2 [REDACTED]  
3 **iv. Dkt. 627-6 (Ex. 5 to Plaintiffs' Brief, INFMAC\_0366750)**

4 Exhibit 5 likewise reflects legal advice [REDACTED]  
5 [REDACTED]. The redacted portion itself clearly indicates the involvement of  
6 counsel [REDACTED]  
7 [REDACTED]. Plaintiffs do not dispute this. Yet, they challenge the redaction [REDACTED]  
8 [REDACTED]. Plaintiffs speculate that the redacted  
9 material is [REDACTED]  
10 [REDACTED]. Plaintiffs' strained reading of the document does not add  
11 up. The redacted portion itself confirms [REDACTED]  
12 [REDACTED]  
13 [REDACTED].

14 **c. The Current Dispute**

15 On July 12, Defendants sent their clawback letter to Plaintiffs. Ex. 1,  
16 Clawback Letter. Defendants instructed Plaintiffs to comply with Federal Rule of  
17 Civil Procedure 26(b)(5) by returning or destroying clawed-back documents. *Id.*  
18 Plaintiffs' suggestion that the claw-back somehow impeded their deposition of  
19 Simon Ward the next day is unfounded. Plaintiffs did not use a single one of the  
20 identified documents at Mr. Ward's deposition. Ex. 3, Ward Dep. Index of Exhibits.

21 Nearly a week passed without Plaintiffs ever responding to or even  
22 acknowledging Defendants' clawback letter. The first mention occurred on July 18  
23 during Plaintiffs' deposition of Gerhard Wolf when Defendants discovered that  
24 Plaintiffs' counsel was questioning the witnesses using an unredacted copy of one of  
25 the clawed-back documents. Ex. 2, Wolf Tr. at 133. Defendants' counsel objected  
26 and requested that the document be destroyed. *Id.* at 133–34, 233–34. Plaintiffs'  
27 counsel refused and retained the unredacted document over Defendants' objection.  
28 *Id.* at 134.

1 After the deposition, Defendants sent Plaintiffs another letter, again  
2 instructing them to comply with Rule 26 and cease using Defendants' privileged  
3 information. Dkt. 625-11. Plaintiffs responded with excuses, blaming the date of  
4 Defendants' original clawback letter for their violation of Rule 26, even though this  
5 violation came a week after the clawback letter. Dkt. 627-7 at July 19, 2018 10:56  
6 AM email. Plaintiffs took the position that Defendants had "yet to trigger any  
7 obligation by [Plaintiffs] by substantiating [their] claims of privilege," but  
8 ultimately agreed to "sequester[] these documents" under Rule 26(b)(5)(B). *Id.*

9 Plaintiffs' promise to "sequester[]" the privileged documents proved to be an  
10 empty one. Plaintiffs instead continued to freely use the documents as they saw fit,  
11 in contravention of Rule 26's prohibition. On July 31, the parties conferred  
12 regarding the privileged status of the five documents subject to Plaintiffs' motion.<sup>3</sup>  
13 Soon afterwards, Plaintiffs sent their portion of a draft email to raise this dispute  
14 with the Court. Dkt. 627-7 at July 31, 2018 6:05 PM email. Rather than  
15 sequestering the privileged documents, Plaintiffs apparently used the redacted  
16 portions of the documents to craft their arguments, and even directly *quoted from*  
17 *the redacted portions* and expressed their intention to simply email the privileged  
18 documents to the Court—without following the Court's *in camera* inspection  
19 procedures. *Id.* Defendants objected to Plaintiffs' continued use of privileged  
20

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21 <sup>3</sup> Plaintiffs cast Defendants as unwilling and unprepared to meet and confer. Not so.  
22 Leading up to the parties' July 31 meet and confer, Defendants responded to each of  
23 Plaintiffs' requests to meet and confer, offering to discuss the mutual  
24 supplementation of privilege logs, which Plaintiffs identified as the issue at that  
25 time. Dkt. 627-7 at, *e.g.*, July 31, 2018 9:15 AM email. Eventually, after Plaintiffs  
26 clarified their desire to challenge the substance of Defendants' privilege claim, the  
27 parties scheduled a conference. *Id.* at July 31, 2018 2:37 PM email. But Plaintiff  
28 did not identify the particular documents in dispute until just thirty-nine minutes  
before the conference, and even then, Plaintiffs misidentified two of the five  
documents in dispute. *Id.* at July 31, 2018 3:21 PM email; *id.* at July 31, 2018 6:05  
PM email. And during the meet and confer, it was Plaintiffs—not Defendants—who  
brought no substance to the table. Plaintiffs stated that the five documents  
were not privileged but could not provide any basis for their position. *Id.* at July 31,  
2018 5:59 PM email.

1 materials, despite Rule 26's obligation to destroy, return, or sequester. *Id.* at, e.g.,  
2 August 1, 2018 12:46 PM email. And Defendants objected to any use or sharing of  
3 privileged documents that did not comply with this Court's procedures for  
4 presenting documents for *in camera* review, which Defendants identified for  
5 Plaintiffs. *Id.*<sup>4</sup>

6 Through the parties' discussions, Plaintiffs also attacked Defendants'  
7 privilege logs. *Id.* Although Plaintiffs complain that Defendants initially logged  
8 withheld documents but not redacted documents, Plaintiffs did the same thing.  
9 After Plaintiffs raised the issue of also logging redacted documents (something that  
10 neither side had done), Defendants offered to confer regarding mutual  
11 supplementation of logs. *Id.* at July 20, 2018 5:50 PM email. Without responding  
12 to Defendants' offer, Plaintiffs served a supplemental log on August 6, 2018, for the  
13 first time including redacted documents. Ex. 4. Two days later, Defendants served  
14 a privilege log for the five documents challenged by Plaintiffs' current motion.<sup>5</sup>  
15 Dkt. 625-9.

### 16 III. LEGAL STANDARDS

17 Under Federal Rule of Civil Procedure 26(b)(5)(B) (emphasis added):  
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19 <sup>4</sup> Even in this motion, Plaintiffs again disregarded the Court's *in camera*  
20 requirements that Defendants had identified. The Court's website states, "A party  
21 seeking to have the Court review document(s) in camera, must file a Request and  
22 proposed order via the Court's CM/ECF system." Plaintiffs never request that the  
23 Court review the privileged material *in camera*. Instead, Plaintiffs decided to file  
24 the privileged information under seal. Dkt. 626 at 1. Plaintiffs also misrepresented  
25 that their motion to seal was unopposed. The parties have an agreement not to  
26 oppose the filing of one another's *confidential* materials under seal. But the parties  
27 have no such agreement respecting *privileged* information. Plaintiffs never  
28 conferred on this specific request. If they had, Defendants would have again  
pointed Plaintiffs to the Court's *in camera* procedures and opposed the Plaintiffs'  
unilateral decision to provide the privileged materials to the Court without  
requesting that the Court review the privileged material *in camera*.

<sup>5</sup> For the remaining clawed-back documents, Defendants were working to prepare a  
privilege log when the parties reached a preliminary settlement on August 10. Now  
that the stay of this action has ended, Defendants have resumed their preparation of  
a privilege log for these remaining documents.

1 If information produced in discovery is subject to a claim of privilege  
2 or of protection as trial-preparation material, the party making the claim  
3 may notify any party that received the information of the claim and the  
4 basis for it. *After being notified, a party must promptly return,*  
5 *sequester, or destroy the specified information and any copies it has;*  
*must not use or disclose the information until the claim is resolved;*  
*must take reasonable steps to retrieve the information if the party*  
*disclosed it before being notified;* and may promptly present the  
information to the court under seal for a determination of the claim.

6 “The attorney-client privilege applies when (1) legal advice is sought (2) from a  
7 professional legal advisor in his capacity as such, and (3) the communications  
8 relating to that purpose (4) are made in confidence (5) by the client.” *Griffith v.*  
9 *Davis*, 161 F.R.D. 687, 694 (C.D. Cal. 1995). Because Defendants meet these  
10 elements, Plaintiffs cannot intrude into protected attorney-client communications.

#### 11 IV. ARGUMENT

##### 12 a. The clawed-back documents do not lose privileged status simply 13 because they involve communications between non-lawyers.

14 Plaintiffs cite no authority for the proposition that a communication must  
15 involve an attorney to be privileged. Rather, Plaintiffs’ own cases stand for the  
16 opposite proposition. *Hynix Semiconductor Inc. v. Rambus Inc.*, CV-00-20905-  
17 RMW, 2008 WL 350641, at \*3 (N.D. Cal. Feb. 2, 2008) (“The fact that [a non-  
18 lawyer employee], and not [counsel], conveyed [counsel’s] legal advice to [non-  
19 lawyer directors] would not necessarily be fatal to the attorney-client privilege.”).  
20 Where, as here, non-lawyers ( [REDACTED] ) transmit to  
21 other non-lawyers advice they received from counsel ( [REDACTED] ), these  
22 communications are privileged. *United States v. ChevronTexaco Corp.*, 241  
23 F. Supp. 2d 1065, 1077 (N.D. Cal. 2002). The privilege covers even those  
24 communications among Infineon AG’s non-lawyers describing the legal advice to  
25 be sought [REDACTED], especially where these non-lawyers  
26 eventually sought this advice. *See id.* (“Materials, transmitted between nonlawyers,  
27 that reflect matters about which the client intends to seek legal advice are  
28 comparable to notes a client would make to prepare for a meeting with her



1 lawyer . . . . Therefore, *internal communications that reflect matters about which the*  
2 *client intends to seek legal advice are protected*” (emphasis added)); see [REDACTED]  
3 Decl. ¶ 8 (discussing the latter two redactions in Exhibit 1 to Plaintiffs’ motion).

4 **b. The clawed-back documents involve legal, not business, advice.**

5 [REDACTED] gave legal advice relating to legal  
6 topics and risks, such as [REDACTED]

7 [REDACTED]  
8 [REDACTED] [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]. The business purpose for which  
12 businesspeople seek legal advice does not change the legal character of the advice  
13 provided by the legal department. [REDACTED]  
14 [REDACTED]  
15 [REDACTED]

16 This Court has acknowledged as much. A party “is entitled to obtain legal  
17 advice on which it later bases its business decisions as well as on its business  
18 decisions themselves.” *Polaris Innov. Ltd. v. Kingston Tech. Co., Inc.*,  
19 CV1600300CJCRAOX, 2017 WL 8220457, at \*4 (C.D. Cal. June 16, 2017). In  
20 *Polaris*, this Court found that the attorney-client privilege protected two sets of  
21 diligence documents prepared by a party’s legal department, even though these  
22 documents reflected legal advice that the party used to make business decisions. *Id.*  
23 at \*4–5. The first set of documents contained technical due diligence regarding a set  
24 of patents that the party was considering acquiring. *Id.* These documents were  
25 privileged because the party generated them to “ultimately . . . make a business  
26 decision (whether to buy the patents and at what price), but more immediately, and  
27 specifically as it related to the attorneys involved, it was done in furtherance of [the  
28 party’s] obtaining legal advice.” *Id.* at \*4. This Court reached a similar conclusion

1 on the second set of documents, which involved the attorneys' post-acquisition  
2 analyses regarding potential licensing opportunities, prices, and infringers. *Id.* at \*6.

3 In the present case, as in *Polaris*, Infineon AG started a legal analysis,  
4 focusing on legal questions [REDACTED]

5 [REDACTED]  
6 [REDACTED]. Communications [REDACTED] reflect the legal advice of counsel  
7 and they are privileged, whatever use the businesspeople make of them.

8 **c. Defendants have substantiated the privilege through their**  
9 **updated log and [REDACTED]**

10 Regardless of Plaintiffs' complaints about Defendants' privilege log, [REDACTED]  
11 [REDACTED] details each redacted statement in each challenged document. [REDACTED]  
12 ¶ 6 (discussing Exhibits 2 and 5 to Plaintiffs' motion); *id.* ¶ 7 (discussing Exhibits 3  
13 and 4 to Plaintiffs' motion); *id.* ¶ 8 (discussing Exhibit 1 to Plaintiffs' motion). [REDACTED]

14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]. Between [REDACTED] explanation and Defendants' privilege log,  
17 there can be little doubt that the challenged documents are privileged  
18 communications with counsel. Defendants have substantiated the privilege and  
19 Plaintiffs' motion should be denied.

20 **d. Plaintiffs' failures to sequester the clawed-back documents and**  
21 **violations of Rule 26 warrant exclusion of these documents.**

22 "Rule 26(b)(5)(B) requires that [a party in receipt of clawed-back material]  
23 return the information or present it to the court upon a *claim* of privilege." *Piasa*  
24 *Comm. Interiors, Inc. v. J.P. Murray Co.*, CIV. 07-617-DRH, 2010 WL 1241563, at  
25 \*2 (S.D. Ill. Mar. 23, 2010) (emphasis original). In other words, once Defendants  
26 *claimed* privilege over the clawed-back documents, Plaintiffs had to "promptly  
27 return, sequester, or destroy" these documents and could no longer freely "use"  
28 them. FED. R. CIV. P. 26(b)(5)(B). Plaintiffs instead "divine[d] justice on [their]

own,” deciding they could use the privileged information as they saw fit pending the Court’s resolution. *Piasa*, 2010 WL 1241563 at \*2. Plaintiffs ignored their Rule 26 obligations by using clawed-back documents during a deposition, studying them during the meet and confer process, threatening to transmit them by email (outside the proper *in camera* and sealing protocols), and filing them with the Court under the guise that Defendants did not oppose their submission under seal. Plaintiffs even cavalierly took the position that it had no Rule 26 obligations with respect to these documents well after the issue had been brought to light: “[Defendants] ha[ve] yet to trigger any obligation from [Plaintiffs] by substantiating [their] claims of privilege.” Dkt. 627-7 at July 19, 2018 email.

These actions were entirely improper and unjustified. Plaintiffs’ complete disregard for their Rule 26 obligations is sufficient to preclude them from using the clawed-back documents in this case for any purpose. Courts have barred the use of clawed-back documents by parties, like Plaintiffs, who continue to review, use, and file such documents, despite a clawback letter and opposing counsel’s repeated objections. *Piasa*, 2010 WL 1241563 at \*2; *Lawrence v. Dependable Med. Transp. Servs., L.L.C.*, 2:13-CV-0417-HRH, 2014 WL 2510628, at \*2 (D. Ariz. June 4, 2014) (“[P]laintiffs took it upon themselves to make a determination as to whether the emails had been inadvertently disclosed and whether the privilege had been waived. Such conduct does not comply with Rule 26(b)(5)(B). Because plaintiffs have failed to comply with Rule 26(b)(5)(B), plaintiffs will not be allowed to use the emails.”). So too should Plaintiffs be barred from using these documents under these circumstances.

## V. CONCLUSION

For the foregoing reasons, Plaintiffs’ motion should be denied in its entirety. In addition, Plaintiffs should be barred from using the challenged documents for any purpose in this litigation as a sanction for their disregard of their Rule 26 obligations.

1 Dated: October 9, 2018

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