IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

ELM 3DS INNOVATIONS, LLC, Plaintiff, v. SAMSUNG ELECTRONICS CO., LTD., SAMSUNG SEMICONDUCTOR, INC., SAMSUNG ELECTRONICS AMERICA, INC., and SAMSUNG AUSTIN SEMICONDUCTOR, LLC, Defendants.	)	C.A. No. 14-01430-LPS-JLH REDACTED VERSION

JOINT STATUS LETTER TO THE HONORABLE JENNIFER L. HALL
REGARDING DISCOVERY DISPUTES

Dated: September 17, 2021

Dear Magistrate Judge Hall:

Pursuant to the Court's order during the July 21, 2021 discovery dispute teleconference, Elm and Samsung submit this joint status letter following their inability to resolve certain discovery disputes through meet and confer. The parties met and conferred on August 5, 6, 12, 13, 16, and 19, 2021 for a total of eight hours. The following attorneys participated in each of the telephonic meet and confers:

- Delaware Counsel for Elm: Brian Farnan
- Counsel for Elm: Daniel Taylor
- Delaware Counsel for Samsung: Adam Poff
- Counsel for Samsung: Soyoung Jung and Cole Malmberg

The below sections of this joint status letter include the status of each of the unresolved discovery disputes and the parties' positions with respect to each.

Elm believes that further oral argument is not necessary on any of the issues Samsung raises in this status report. However, if the Court decides to schedule oral argument, Elm respectfully requests that it not be scheduled from September 23 to 29. Elm's counsel is unavailable on those days due a law firm retreat and a long-planned vacation.

Issue 3: Elm's Privilege Claims[1]

Samsung's Position: The Court ordered the parties to meet and confer within three weeks of the July 21 discovery teleconference to go "document by document" through the disputed privilege log entries. 7/21/21 Hr'g Tr. at 26:20–27:5. The parties met and conferred six times to review Elm's privilege log entry-by-entry, in accordance with the Court's instructions.

Elm continued to withdraw its privilege claims during the meet and confers, agreeing to produce about fifty more documents from its log. The fact that Elm continues to find non-privileged documents contradicts its prior representations on the thoroughness of its review of these issues. *See* D.I. No. 427 at 3 ("In response to Samsung's letter, Elm took a careful second look at the more than 2,700 documents on its log" and "produced 327 documents from the log"). It also reinforces Samsung's position that there are more documents that should be produced.

During the July 21 teleconference, the Court ordered the parties to "file a joint status report" if they could not resolve all disputes. 7/21/21 Hr'g Tr. at 27:6–8. After the meet and confers, three (much reduced) categories of disputes remain: (1) entries for which Elm cannot provide enough information to support its privilege claim; (2) business-focused communications

[1] The numbering of issues in this status report corresponds to the order in which the issues appeared in Samsung's initial discovery dispute letter, D.I. 423.

between Glenn Leedy, Ron Epstein, and/or other Epicenter employees; and (3) business-focused communications between Glenn Leedy and Michael Ure. Each is addressed in turn below.

First, during the meet and confers, Elm provided further information previously missing from its log. That information allowed Samsung to significantly reduce the number of entries disputed on inadequate information. But several entries still remain for which Elm was unable to provide sufficient information to substantiate its privilege claims; these are identified in Exhibit L. Elm acknowledged that [redacted]

Nor does the substance of those documents establish that they were prepared by or for an attorney. For example, Elm described ElmPriv_0315 as [redacted] Elm "has the burden of establishing the existence of the privilege in all respects." *United States v. Davis*, 131 F.R.D. 391, 402 (S.D.N.Y. 1990) (holding that the party claiming privilege must provide "sufficient facts to bring the disputed documents within the confines of the privilege," which cannot be satisfied by "mere conclusory or *ipse dixit* assertions"). Elm has not met its burden to establish privilege for ElmPriv_0315 and other similar documents listed in Exhibit L. *See, e.g.*, ElmPriv_0323, ElmPriv_0405.

Other documents listed in this first category in Exhibit L appear prepared primarily for business purposes with no explicit connection to an attorney (discussed further below, under the second category of disputes). For example, ElmPriv_0040 is described in Elm's most recent amended privilege log as [redacted] Ex. M [8/16/21 Amended Privilege Log] at 2. [redacted] that document would not be privileged because of its primary business purpose. *See SanDisk Corp. v. Round Rock Research LLC*, No. 11-CV-05243-RS (JSC), 2014 WL 691565, at *3 (N.D. Cal. Feb. 21, 2014) (requiring a patent assertion entity to produce documents related to its business of patent licensing).

Second, Elm improperly maintains its privilege claims over documents and communications between Glenn Leedy, Ron Epstein, and/or other Epicenter employees that primarily relate to business matters. Some of those privilege log entries are dated before the July 8, 2013 Epicenter Law engagement, but most are after that date. Samsung is mindful of the Court's guidance "about the 2013 cutoff date not being particularly important" and that "you can have communications with your retained attorney that aren't privilege[d], and you can have communications with someone you haven't formally retained that are privilege and you can have

some that aren't privileged." 7/21/21 Hr'g Tr. at 33:8–34:8; 40:10–12. Accordingly, Samsung follows the test endorsed by Judge Stark, which requires looking to the "primary purpose" of a communication to determine whether the attorney client privilege applies. *See Onyx Therapeutics, Inc. v. Cipla Ltd.*, No. CV 16-988-LPS, 2019 WL 668846, at *1 (D. Del. Feb. 15, 2019). In particular, "[i]f the primary purpose of a communication is to solicit or render advice on non-legal [*e.g.*, business] matters, the communication is not within the scope of the attorney-client privilege." *Hercules, Inc. v. Exxon Corp.*, 434 F. Supp. 136, 147 (D. Del. 1977).

Along with focusing on a communication's primary purpose, Samsung also seeks consistency across Elm's privilege log. Where two entries have the same or similar descriptions and no indication of attributes requiring differential treatment, those entries should be treated the same. *See SanDisk*, 2014 WL 691565, at *3–4 (N.D. Cal. Feb. 21, 2014) (taking the same approach for multiple privilege log entries involving licensing strategy and terms). For example, Elm continues to withhold ElmPriv_782, [redacted] Ex. M at 22. This [redacted] does not appear any different than entries on Elm's prior privilege log that it agreed to produce. *See, e.g.*, D.I. No. 423, Ex. E at 19 (including ElmPriv_0765 with description of [redacted]).

Elm contended during the meet and confers that a "sliding scale" principle applies, where the closer communications get to the date of the Epicenter Law engagement, the more likely those communications are to be privileged, even if they concern the same business-focused matters. Elm further contended that communications after July 8, 2013 can be properly withheld, even if they contain ***exactly the same*** kinds of substance as in produced communications from before that date. Elm provides no authority in support of this approach and contradicts the Court's guidance during the July 21 discovery teleconference.[2] Courts agree that "where one consults an attorney not as a lawyer but as a friend or as a business advisor . . . or negotiator . . . the consultation is not professional nor the statement privileged." *In re Lindsey*, 148 F.3d 1100, 1106 (D.C. Cir. 1998); *In re Google Inc.*, 462 F. App'x 975, 978 (Fed. Cir. 2012) ("It is beyond dispute that parties seeking to establish the privilege are required to sufficiently establish the communication at issue relates to professional legal services (as opposed to business considerations)[.]"); *Wilstein v. San Tropai Condo. Master Ass'n*, 189 F.R.D. 371, 379 (N.D. Ill. 1999) (discussions "encompassing business strategy and decision-making are not privileged").

[2] During the meet and confers, Elm inaccurately characterized the Court's ruling as "clearly rejecting" Samsung's position on the effect of the July 8, 2013 agreement, and then took liberties with this characterization to broadly claim privilege for most disputed documents. This approach is misguided. When advising the parties that the date of engagement should have no significance, the Court explained that privileged ***and non-privileged*** communications can occur before or after formal engagement. 7/21/21 Hr'g Tr. at 33:8–34:8; 40:10–12. Yet Elm has apparently done what the Court advised against and applied the July 2013 date as a cutoff to claim privilege for communications with Epicenter attorneys afterwards. Samsung respectfully requests that the Court keep this misapplication of its ruling in mind when considering the issues still in dispute.

One example of Elm's inexplicable approach is ElmPriv_0874, [redacted] Ex. M at 25. Elm claims that it would have produced this communication if it sufficiently pre-dated the engagement agreement. But because it came after the engagement, Elm refused to produce it. This position makes no sense. The primary purpose of this communication, [redacted] is the licensing of Elm's patents. Such licensing communications are not privileged. *Diagnostics Sys. Corp. v. Symantec Corp.*, No. SA CV 06-1211 DOC, 2008 WL 9396387, at *6 (C.D. Cal. Aug. 12, 2008) (holding that identifying targets for licensing and patent assertion involves "clearly business functions, and documents resulting from these function cannot be categorized in sweeping assertions of privileges and protection"). And, this is the same activity for which [redacted] before the Epicenter Law engagement, a characterization that Elm admits by its productions and sliding-scale approach. Elm has not explained how this communication differs from [redacted] pre-dating July 8, 2013 that it produced. *See* D.I. No. 423, Ex. E at 17 (ElmPriv_0527) [redacted]), 18 (ElmPriv_0679) [redacted]). ElmPriv_0874 and all similar documents listed in Exhibit L must be produced.

Samsung has narrowed the list of post-July 8, 2013 privilege log entries to exclude any documents and communications that actually discuss anticipated litigation. However, Elm noted during the meet and confers that certain entries in Exhibit L [redacted] Instead, Elm contended that it was withholding those communications because of the "general context" in which they were made (*i.e.*, within roughly a year preceding the filing of this lawsuit). But the mere fact that litigation was approaching did not give those licensing communications the primary purpose of soliciting or rendering legal advice. *See SanDisk*, 2014 WL 691565, at *3 (requiring production of documents analyzing a licensing target because "hold[ing] otherwise merely because [the patent owner's] business involves, at times, filing lawsuits against targets that refuse to license [the] patents would mean that nearly every document created by [the patent owner] or its licensing agent is work product" or privileged). Elm has the burden of establishing its entitlement to privilege, but it has not done so for its privilege log entries listed in Exhibit L.

Third, Elm improperly maintains its claims of privilege over business-focused documents and communications between Glenn Leedy and Michael Ure. Elm explained during the meet and confers that Michael Ure [redacted] Elm agreed to produce ElmPriv_0007 through ElmPriv_0010 on the grounds that those communications between Glenn Leedy and Michael Ure were for business purposes and thus not privileged. But Elm has refused to produce the documents and communications listed in Exhibit L that also have a primarily business purpose. For example, ElmPriv_0011 describes [redacted] Yet Elm refuses to produce

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