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. 14-1430-LPS-JLH

MEMORANDUM ORDER

Pending before the Court is Defendants' request to compel the production of certain documents listed on Plaintiff's privilege log. (D.I. 433.) Defendants' request is GRANTED-IN-PART and DENIED-IN-PART.

I. BACKGROUND

On February 5, 2020, the Court referred all discovery disputes in this patent infringement action to me. (D.I. 246.) Since that time, I have heard (and resolved) numerous discovery disputes. (*See, e.g.,* D.I. 249; D.I. 273; D.I. 320; D.I. 341; D.I. 365; D.I. 420; D.I. 433; D.I. 436.) The current dispute before the Court pertains to certain documents on Plaintiff's privilege log, which is 167 pages long and contains over 2,700 documents. (D.I. 433; *see also* D.I. 420; D.I. 423; D.I. 427; D.I. 429.) I heard oral argument on July 21, 2021 and provided some guidance on the issues in dispute. I instructed the parties to meet and confer to see if they could resolve the remaining issues without further Court intervention.

On September 17, 2021, the parties filed a joint status report regarding the issues still in dispute. (D.I. 433.) The parties have significantly narrowed the issues in dispute, but Defendants

still have concerns regarding certain documents on Plaintiff's privilege log. (*Id.*) I ordered that the remaining documents in question be produced to the Court for *in camera* review. (D.I. 434; D.I. 440.) Plaintiff submitted 186 documents to the Court. I have reviewed the documents and find that Plaintiff must produce some of them, as set forth below.

II. LEGAL STANDARDS

"In patent cases, regional circuit law governs disputes relating to the applicability of the attorney-client privilege and related privileges/doctrines, to the extent that those issues are not unique to patent law." *INVISTA N. Am. S.à.r.l. v. M&G USA Corp.*, No. 11-1007-SLR-CJB, 2013 WL 12171721, at *4 n.4 (D. Del. June 25, 2013). Neither side has argued that Federal Circuit law applies, nor has anyone suggested that the outcome of the current dispute turns on whether Federal Circuit law or Third Circuit law applies. Both sides cited cases from the Third Circuit (as well as other jurisdictions). (*See, e.g.*, D.I. 423 at 3; D.I. 427 at 4; D.I. 433.) Accordingly, I will assume that Third Circuit law applies.

The attorney-client privilege applies to a communication if it is "(1) a communication (2) made between privileged persons (3) in confidence (4) for the purpose of obtaining or providing legal assistance for the client."[1] *In re Grand Jury*, 705 F.3d 133, 160 (3d Cir. 2012) (internal

[1] In long form: "Under U.S. privilege law, in order to prevail on a claim of attorney-client privilege, Defendants must show that each document meets the following the standard:

> The privilege applies only if (1) the asserted holder of the privilege is or sought to become a client; (2) the person to whom the communication was made (a) is a member of the bar of a court, or his subordinate and (b) in connection with this communication is acting as a lawyer; (3) the communication relates to a fact of which the attorney was informed (a) by his client (b) without the presence of strangers (c) for the purpose of securing primarily either (i) an opinion on law or (ii) legal services or (iii) assistance in some legal proceeding, and not (d) for the purpose of committing a crime or tort; and (4) the privilege has been (a) claimed and (b) not waived by the client.

quotations omitted); *Onyx Therapeutics, Inc. v. Cipla Ltd.*, No. 16-988-LPS, 2019 WL 668846, at *1 (D. Del. Feb. 15, 2019). However, "[w]hen the communication between an attorney and non-legal personnel primarily relates to business concerns"—as opposed to legal advice—"the communication is not within the scope of attorney-client privilege." *Immersion Corp. v. HTC Corp.*, No. 12-259-RGA, 2014 WL 3948021, at *1 (D. Del. Aug. 7, 2014). Whether a communication is made for a business purpose or a legal purpose can be difficult to determine, particularly in the patent context. *See Hercules, Inc. v. Exxon Corp.*, 434 F. Supp. 136, 143 (D. Del. 1977) ("As with any claim of privilege made in connection with patent matters, the problem of classification into protected and non-protected communications is troublesome."). Courts in this district have looked to a communication's "primary purpose" to determine whether the privilege applies. *Onyx*, 2019 WL 668846, at *1; *Hercules*, 434 F. Supp. at 147; *Immersion*, 2014 WL 3948021, at *1.

Federal Rule of Civil Procedure 26(c)(3)(A) protects work product from discovery. It provides that, "[o]rdinarily, a party may not discover documents and tangible things that are prepared in anticipation of litigation or for trial by or for another party or its representative (including the other party's attorney, consultant, surety, indemnitor, insurer, or agent)." Fed. R. Civ. P. 26(c)(3)(A). To determine whether a document was prepared in anticipation of litigation or trial, "the test should be whether in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because

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Reckitt Benckiser Pharms. Inc v. Dr. Reddy's Lab'ys SA, No. 14-1451-RGA, 2016 WL 11694169, at *1 (D. Del. Nov. 4, 2016) (quoting *Hercules, Inc. v. Exxon Corp.*, 434 F. Supp. 136, 144 (D. Del. 1977)).

of the prospect of litigation." *Martin v. Bally's Park Place Hotel & Casino*, 983 F.2d 1252, 1260 (3d Cir. 1993).

The party asserting the attorney-client privilege or claiming work product protection has the burden of demonstrating that they apply. *Magnetar Techs. Corp. v. Six Flags Theme Park Inc.*, 886 F. Supp. 2d 466, 477-78 (D. Del. 2012) (attorney-client privilege), *aff'd*, No. 07-127-LPS-MPT, 2014 WL 545440 (D. Del. Feb. 7, 2014); *Immersion*, 2014 WL 3948021, at *1 (work product).

III. DISCUSSION

Defendants have sorted their remaining objections to Plaintiff's privilege/work-product claims into four categories: (1) documents for which the privilege log description is alleged to be insufficient; (2) certain communications between Glenn Leedy, Ron Epstein, and/or other Epicenter employees; (3) certain communications between Glenn Leedy and Michael Ure; and (4) Plaintiff's redactions to a Contingent Fee Engagement Letter. (*See* D.I. 433 at 1-12, Ex. L.) Plaintiff has the burden of demonstrating that the documents are protected from discovery.

A. Entries lacking information

The first category contains 12 documents. Defendants say that these documents should be produced because Plaintiff has not provided (on the privilege log or otherwise) sufficient information to establish that they are privileged and/or protected by the work product doctrine. Plaintiff responds that it has provided all of the information it can and that, "[f]or some documents, while it cannot be definitively determined *which lawyer* created or sent the document, it is apparent from the face of the document that *a lawyer* was involved in the creation of the document." (D.I. 433 at 5.)

Having laid eyes on the documents in question, I do not agree that a lawyer must have been involved in their creation, or even that it is more likely than not. Plaintiff bears the burden to establish privilege and work product protection. There is insufficient information (either intrinsic to the document itself or extrinsic) about who created the documents, why they were created, and whether they were communicated to anyone (an attorney or a third party). I find that Plaintiff has not met its burden to establish that any of them were made in confidence for the purpose of seeking legal advice or were created in anticipation of litigation.[2]

For example, the document marked ElmPriv_0040 is listed on Plaintiff's privilege log as follows:

PrivLog ID	From	To	CC	Date	Privilege Basis	Privilege Description
ElmPriv_0040				12/27/1999	ACP WP	Draft agreement regarding potential licensing of 3DS technology

I have reviewed the document in question, and it appears to be an unsigned license agreement. As far as I can tell, it is not marked up. With respect to Plaintiff's claim that the document is privileged, I find that there is little evidence intrinsic to the document that would suggest that the document itself constitutes a communication between privileged people. I do not know who prepared it and, given that Plaintiff is engaged in the business of licensing patents, it might well have been prepared by a non-attorney. There is also no intrinsic or extrinsic evidence to suggest that the document was created or edited by Elm or its counsel as opposed to the third party that Elm was seeking to provide a license to (and even if it was created by Elm, I don't know if it was kept internally in confidence or shared with the third party). With respect to Plaintiff's work product claim, there is insufficient evidence to establish that the document was created in anticipation of litigation.

[2] I acknowledge that Plaintiff may lack some of this information because Mr. Leedy, the non-attorney custodian of many of the documents, is now deceased. (*See* D.I. 433 at 5.)

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