

Exhibit 2128

Pepper Hamilton LLP
Attorneys at Law

333 Twin Dolphin Drive; Suite 400
Redwood City, CA 94065-1434
650.802.3601
Fax 650.802.3650

Gregory S. Bishop
direct dial: 650.802.3601
direct fax: 650.802-3650
bishopg@pepperlaw.com

February 6, 2015

The Honorable Magistrate Judge Laurel Beeler
United States District Court
Northern District of California
San Francisco Courthouse
450 Golden Gate Avenue
San Francisco, California 94102

Re: *CallWave Communications, LLC v. Wavemarket, Inc. d.b.a. Location Labs*
Case No. MC 14-80112-JSW-LB

Dear Judge Beeler:

This dispute arises from Callwave Communications, LLC's ("Callwave") Subpoena to Wavemarket, Inc., d/b/a Location Labs ("Location Labs") (Ex. A). Location Labs possesses materials relevant to five related actions pending in the District Court of Delaware (12-cv-1701, 12-cv-1702, 12-cv-1703, 12-cv-1704, 12-cv-1788), which allege infringement of U.S. Pat. No. 6,771,970 ("970 Patent") based on software Location Labs provides. Location Labs objected and responded to the subpoena, following which the parties submitted a letter brief asking the Court to resolve certain issues. (D.I. 17). The parties submitted a second letter brief on August 12, 2014 (D.I. 32) and the Court issued its written order on August 29, 2014. (D.I. 35.) The parties submitted a third letter brief on December 15, 2014 (D.I. 43) and the Court issued its order on December 23, 2014 (D.I. 47). The parties separately submitted a fourth letter brief on January 21, 2015 and January 22, 2015, respectively. (D.I. 52 and 54) and a hearing was held on January 29, 2015. (D.I. 58.) This is the parties' fifth letter brief.

Callwave respectfully asks the Court to resolve the following issue: Whether Location Labs should be ordered to produce the documents identified on the privilege log it produced on January 20, 2015.

Callwave's Position:

On August 29, 2014, the Court ordered Location Labs to produce all communications with "any defendant or other third party relating to Location Labs' indemnification of the defendants" and to "prepare a privilege log for any withheld documents at its own expense." (D.I. 35 at 1-2.) Location Labs represented for several months that no such communications existed that had not yet been produced. (Ex. B at p. 4.) On December 15, 2014, when Callwave was preparing to ask the Court to enforce the August 29, 2014 Order in a joint discovery letter (D.I. 43), Location Labs finally admitted the communications existed. At that time, it affirmatively represented that it would comply with the Court's Order within "the next couple of days." (Ex. B at 1.) Nevertheless, Location Labs did not comply with the Order, and instead represented that "no one at Location Labs received a copy of them." (Ex. B at 3.) When asked whether Location Labs was making a distinction between Location Labs and its counsel, Location Labs' counsel refused to answer. (Ex. C at 1-2.) Location Labs' counsel did, however, affirmatively represent that "none of those documents were authored by Location Labs" and that the "documents are from AT&T's files, and not from Location Labs' files." (Ex. C at 3.) Location Labs refused to meet and confer with lead counsel as required by the Court's Standing Order, and instead waited until Callwave had prepared yet another letter brief to enforce the August 29, 2014 Order before finally providing a privilege log. (Ex. B at 1.) Contrary to its representations, the privilege log provided shows Mr. Maheshwari, Location Labs' lead counsel, and his co-counsel Mr.

Hogge, were recipients of some of the communications that they previously represented did not exist and were not received by Location Labs. (Ex. D.) Also contrary to counsel's representations, Location Lab's counsel Imran Khaliq was either the author or recipient of each of the withheld communications. (*Id.*) Following this protracted gamesmanship, Location Labs deficient and conclusory privilege log is not adequate to protect the underlying documents from discovery.

Location Labs' privilege log is deficient because it fails to meet the requirements of the Court's Standing Order. (Standing Order of United States Magistrate Judge Laurel Beeler (Effective October 21, 2014) ("Standing Order").) *Compare Viteri-Butler v. Univ. of Cal.*, Civ. No. 12-02651 PJH (KAW), 2013 U.S. Dist. LEXIS 142430, at *19-20 (N.D. Cal. Sept. 30, 2013) (requiring modifications to privilege log that did not comply with court's Standing Order). That Standing Order requires that a privilege log identify both "the specific basis for the assertion that the document is privileged or protection (including a brief summary of any supporting facts)" and "the steps taken to ensure the confidentiality of the communication, including an affirmation that no unauthorized persons received the communication." (Standing Order at 2.) With regard to the former requirement, the description for each document on the privilege log states only that they relate to "indemnification/defense and issues related thereto." This boilerplate assertion fails to identify either a "specific basis" for the assertion of privilege or any "supporting facts." With regard to the latter requirement, which requires "steps taken to ensure the confidentiality of the communication," Location Labs' privilege log is completely silent. After the extended delay in producing its privilege log and the gamesmanship described above, these failures are sufficient to require production of the underlying documents.

More importantly, the descriptions of the documents do not provide an adequate basis for the documents to be withheld based on the common legal interest doctrine, a privilege that is asserted for all six entries on the privilege log.¹ In certain circumstances, the common interest doctrine may be invoked to prevent the waiver of privilege with respect to *otherwise privileged material*. See *MobileMedia Ideas LLC v. Apple Inc.*, 890 F. Supp. 2d 508, 515 (D. Del. 2012.) But, material does not become privileged by virtue of being exchanged pursuant to a valid common legal interest. See *id.* The burden of establishing privilege lies with the party asserting it, and, in the case of a common interest, requires: (a) that the communications be made in the course of the joint defense effort, (b) that they were made to further that effort, and (c) the privilege has not been waived. See *United States v. Bergonzi*, 216 F.R.D. 487, 495 (N. D. Cal. 2003). Location Labs does not meet its burden of establishing privilege from the minimal descriptions given. See Ex. D. ("indemnification/defense and issues related thereto"). Location Labs' cannot reasonably shift that burden to Callwave, which it repeatedly tries to do, as Callwave does not have access to the documents.

Location Labs' fail to show an underlying privilege. It appears that Location Labs and AT&T were negotiating over the scope of indemnification and whether and to what extent Location Labs would undertake the defense. Location Labs, which bears the burden of proof, provides no evidence that the documents contain the "mental impressions, conclusions, opinions, or legal theories of a party's attorney." Moreover, Location Labs fails to show a common interest being discussed. The parties' interests in indemnification were divergent (AT&T seeking to minimize its exposure to the litigation and Location Labs seeking to minimize its indemnity obligations). Thus, the privilege log confirms that even if there were some underlying work product, it was waived when it was shared with a party with

¹ Location Labs alleges attorney-client privilege for one document, but the privilege log reveals that the communication is between AT&T's counsel and Location Labs' counsel. Ex. D, at No. 6. There is no attorney/client relationship between AT&T and Location Labs' counsel, or vice-versa.

whom the party did not share a common interest. At the very least, the claim of work-product privilege would not apply to substantial portions of the communications which are likely facts (not mental impressions) relevant to the important issue of privity as discussed below. Compare *Lord Abbett Mun. Income Fund, Inc. v. Asami*, No. C-12-03694 DMR, 2013 U.S. Dist. LEXIS 147830, at *15 (N.D. Cal. Oct. 11, 2013) citing *U.S. Bank Nat'l Ass'n v. U.S. Timberlands Klamath Falls, L.L.C.*, C.A. No. 112-N, 2005 Del. Ch. LEXIS 95, at *9 (Del. Ch. June 9, 2005) (“The common interest doctrine does not apply to protect communications where those interests diverge.”)

Moreover, consistent with the general work product doctrine, a party may discover such information by demonstrating a “substantial need for the materials to prepare its case and [that it] cannot, without undue hardship, obtain their substantial equivalent by other means.” Fed. R. Civ. P. 26(b)(3). Here, the indemnification communications likely contain information about the accused products, and which party supplies the infringing functionality, facts that Location Labs and Defendants have gone to great lengths to conceal. Also, Location Labs inserted itself into the underlying litigation by filing two *inter partes* review (“IPR”) petitions with the U.S. Patent and Trademark Office seeking to invalidate the claims of the ‘970 Patent. Location Labs’ first petition was largely rejected. Location Labs filed its second petition more than a year after Callwave’s complaint against defendants, which is improper under the Patent Statute if it is in privity with AT&T or the other defendants. 35 U.S.C. § 315(b).² The indemnification communications are likely to lead to information about whether Location Labs is in privity with AT&T or the other defendants, which is highly relevant as it would end the second IPR proceeding. Callwave does not seek mental impressions or other work product of the attorneys, but facts showing that Location Labs and AT&T were acting in privity. Discussions about the scope of indemnification and their relative responsibilities, which are non-common interests, are likely to show those facts. In contrast with the *American Eagle* case relied on by Location Labs, it is not difficult to separate discussions negotiations between the parties that would show privity, and any mental impressions about the merits of the case. *American Eagle Outfitters, Inc. v. Payless Shoesource, Inc.*, CV 07-1675 (ERK)(VVP), 2009 U.S. Dist. LEXIS 105608, *9 (E.D.N.Y. Nov. 12, 2009.)

Location Labs cannot credibly argue that the proper place to obtain the documents is in the IPR proceedings. Location Labs argued in the IPR proceedings, which only allows limited discovery,³ that Callwave should seek such privity documents from the District Court:

Judge Perry: I understand that. But I recall fairly clearly that you argued to us in a very similar request during a conference call earlier --

Mr. Cummings [Location Labs counsel]: Correct.

Judge Perry: -- that the appropriate forum for the request made by Patent Owner was indeed the District Court.

Mr. Cummings: Correct. And I think that’s still the case, and that, of course is one of the factors.

(Ex. E. at 14:5-15.) Thus, Callwave’s substantial need for this discovery that it cannot discover otherwise, makes the privity information discoverable even if the documents contain work product (which has not been shown.)

² “An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the Petitioner [Location Labs], real party in interest, or privity of the petitioner [AT&T] is served with a complaint alleging infringement of the patent. 35 U.S.C. 315(b).”

³ *Garmin International v. Cuozzo Speed Technologies LLC*, IPR2012-00001, Paper No. 26 (March 5, 2013).

Accordingly, Callwave respectfully asks that the Court to order Location Labs to produce the six documents logged in its January 20, 2015 privilege within three (3) business days.

Location Labs' Position: As an initial matter, Callwave requested an exception to the Protective Order, which states at Section 8F: "No party shall be required to identify on their respective privilege log any document of communication dated on or after the filing of this lawsuit, which absent this provision, the party would have been obligated to so identify on said privilege log." (D.I. 119 at p. 26). Location Labs has met that request, and all the communications on the log are dated after the filing of this lawsuit. (*See* Exhibit D.) Importantly, Magistrate Judge Beeler stated that the same rules from the Delaware Court should apply to Callwave and Locations Labs' disputes before this Court; "it just doesn't make sense otherwise". (D.I. 37 at p. 34:7-35:1.) However, Callwave is now requesting much more than just additional entries on a privilege log. Callwave is seeking the production of documents exchanged between legal counsel after a binding indemnification agreement was reached. Callwave appears to be seeking production of these documents in an attempt to show privity between AT&T and Location Labs for the IPR and not for this lawsuit. Regardless, Callwave's requests for production have insufficient support and should be denied.

As correctly listed on the privilege log, these documents are entitled to privilege (common interest privilege, attorney-client privilege, and/or work product protection), which Callwave has not shown has been waived or can be properly overcome. Certain of the documents are subject to the attorney-client privilege because they involve matters confidentially disclosed between attorney and client. Callwave does not and cannot dispute this. All of the documents are subject to the work product doctrine because they involve matters discussed between counsel for defense in on-going litigation. The attorney-client privilege and work product protections continue to apply to these communications because they have not been waived. Callwave has not shown any waiver, nor can it. The fact that Location Labs' counsel and AT&T's counsel exchanged these communications does not result in waiver of the privileges which otherwise apply to them, since the common interest privilege is shared between AT&T and Location Labs by virtue of their common interest in a joint defense against the allegations by Callwave. Callwave asserts that no common interest privilege can apply here because AT&T and Location Labs allegedly had different interests in entering into an indemnification agreement. First, this assertion is made without any legal support. Second, Callwave cannot support this assertion, because the very nature of any indemnification agreement involves one party assuming the liability for another. Such an agreement necessarily requires that some balance regarding the assumption of liability be reached by the parties, but does not necessarily extinguish any common interest they might share. The common interest shared by AT&T and Location Labs as indemnitor and indemnitee that makes them subject to the common interest privilege is the defense against Callwave's patent infringement claims. Importantly, if Callwave's assertion were true, then no parties to an indemnification agreement could ever be subject to the common interest privilege -- a result that case law does not support. "The privilege does not require a complete unity of interests among the participants, and it may apply where the parties' interests are adverse in substantial respects." *United States v. Bergonzi*, 216 F.R.D. 487, 495 (N.D. Cal. 2003). (They share a common interest in reducing costs and any potential liability, for example).

Here, the common interest privilege specifically applies to the communications regarding indemnification between AT&T and Location Labs. As the court in *Nidec Corp. v. Victor Co. of Japan*, 249 F.R.D. 575 (N.D. Cal. 2007), noted, "[t]he protection of the privilege under the community of

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.