

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

LAMBETH MAGNETIC STRUCTURES, )	
LLC, )	
)	
Plaintiff, )	Civil Action No. 16-538
)	
v. )	Judge Cathy Bissoon
)	
SEAGATE TECHNOLOGY (US) )	
HOLDINGS, INC., <i>et al.</i> , )	
)	
Defendants. )	

---

LAMBETH MAGNETIC STRUCTURES, )	
LLC, )	
)	
Plaintiff, )	Civil Action No. 16-541
)	
v. )	Judge Cathy Bissoon
)	
WESTERN DIGITAL CORPORATION, )	
<i>et al.</i> , )	
)	
Defendants. )	

**MEMORANDUM ORDER**

For the reasons stated below, Defendants’ Motions to Compel Documents Withheld as Privileged by Plaintiff (Civil Action No. 16-538, Doc. 87; Civil Action No. 16-541, Doc. 98) will be **DENIED**.

This Order concerns discovery in two consolidated patent infringement cases in which Plaintiff Lambeth Magnetic Structures, LLC (“LMS”) alleges, in civil action numbers 16-538 and 16-541 respectively, that Seagate Technology (US) Holdings and Seagate Technology, LLC (collectively, the “Seagate Defendants” or “Seagate”); and Western Digital Corporation, Western

Digital Technologies, Inc., Western Digital (Fremont), LLC, Western Digital (Thailand) Company Limited, Western Digital (Malaysia) SDN.BHD and HGST, Inc. (collectively the “Western Digital Defendants” or “Western Digital”) infringe Plaintiff’s patent, United States Patent No. 7,128,988 (the “988 patent”).

On November 14, 2017, after receiving the parties’ Position Statements and Responses regarding the instant discovery dispute, the Court ordered briefing on Defendants’ requested access to documents withheld as privileged by Plaintiff (Civil Action No. 16-538, Doc. 82; Civil Action No. 16-541, Doc. 91). Pursuant to that Order, Defendants timely filed their respective Motions to Compel with supportive briefing (Civil Action No. 16-538, Docs. 87-89; Civil Action No. 16-541, Docs. 98-101). Plaintiff timely opposed (Civil Action No. 16-538, Docs. 95-96; Civil Action No. 16-541, Docs. 107-108). Defendants’ Motions to Compel are now ripe for this Court’s consideration.

### **Summary**

Defendants seek access to three categories<sup>1</sup> of documents: (1) Dr. David N. Lambeth’s (“Lambeth’s”) communications with his academic colleagues concerning reverse engineering of Defendants’ products, (2) LMS’s communications with ██████████, a company hired to perform reverse engineering tests for the purpose of establishing Lambeth’s patent infringement

---

<sup>1</sup> The Seagate and Western Digital Defendants categorize these documents slightly differently, with Seagate using four categories rather than three. (Compare Seagate’s Brief in Support of Motion to Compel, hereafter “Seagate’s Brief,” Civil Action No. 16-538, Doc. 89, with Western Digital’s Brief in Support of Motion to Compel, hereafter, “Western Digital’s Brief,” Civil Action No. 16-541, Doc. 101-2.) The specific documents to which Defendants seek access are listed, respectively, in the first exhibit to each supporting brief. (Seagate’s Brief at Ex. 1; Western Digital’s Brief at Ex. 1). The documents sought by Seagate and Western Digital largely overlap, but the lists are not identical. Further, Western Digital seeks production of 613 listed documents, while Seagate seeks production of its enumerated documents as well as “all communications relating to” negotiation of Plaintiff’s litigation finance agreement. These differences have no effect on the Court’s analysis.

case, and (3) LMS's communications with litigation-funding organizations, including LMS's agreement with one of those organizations. For each category of documents, Plaintiff has withheld production on the grounds that the documents are subject to attorney-client privilege, the work product privilege or both. Plaintiff contends that these documents were prepared for litigation concerning the '988 patent or were prepared pursuant to communications with attorneys. As to Plaintiff's communications with his colleagues on reverse engineering, Defendants counter that many of these documents are communications between non-attorneys and they were not prepared in anticipation of litigation. As to the [REDACTED] testing documents, they argue that Plaintiff has waived any claim to privilege by citing them in Plaintiff's infringement contentions and selectively relying on them to show infringement. And, Defendants argue that Plaintiff's communications with litigation funding companies are not privileged due to the lack of a common legal interest between Plaintiff and these firms.

Upon consideration of the parties' arguments, and for the reasons stated below, the Court finds that the materials sought are privileged under the work product doctrine. Because the Court finds that the work product doctrine shields these documents from discovery, it need not address the parties' arguments concerning the availability of attorney-client privilege.

### **Legal Standard**

"It is well recognized that the federal rules allow broad and liberal discovery." Pacitti v. Macy's, 193 F.3d 766, 777 (3d Cir. 1999). Under Rule 26(b)(1) of the Federal Rules of Civil Procedure, the scope of discovery includes "any nonprivileged matter that is relevant to any party's claim or defense." Fed. R. Civ. Pro. 26(b)(1). A qualified privilege exists, however, for "documents and tangible things that are prepared in anticipation of litigation or for trial by and for another party or its representative (including the other party's attorney, consultant, surety,

indemnitor, insurer, or agent).” Id. at 26(b)(3)(A). Under this Rule, the privilege applies when “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 of the prospect of litigation.” Martin v. Bally’s Park Place Hotel & Casino, 983 F.2d 1252, 1264 (3d Cir. 1993) (internal citation omitted). In evaluating the facts of the situation, the Court must look “to the state of mind of the party preparing the document or . . . the party ordering preparation of the document” and assess whether the party has an “objectively reasonable” belief that litigation is forthcoming. Id. at 1260. The objective test for the reasonableness of the party’s belief has two requirements: “the documents were prepared (1) at a time when litigation was reasonably foreseeable; and (2) primarily for the purpose of litigation.” Kimberly-Clark Worldwide, Inc. v. First Quality Baby Prods., 2010 WL 4537002, at \*2 (M.D. Pa. Nov. 3, 2010) (citing United States v. Rockwell Int’l, 897 F.2d 1255, 1266 (3d Cir. 1990)).

If the work product privilege is established for particular documents, the party seeking discovery can overcome the privilege by showing “that it has a substantial need for the materials to prepare its case and cannot, without undue hardship, obtain their substantial equivalent by other means.” Fed. R. Civ. Pro. 26(b)(3)(A)(ii). In addition, the party seeking discovery can overcome the privilege by showing that it has been waived. E.g., Westinghouse Elec. Corp. v. Republic of the Philippines, 951 F.2d 1414, 1429 (3d Cir. 1991) (a party may waive this protection through disclosure of documents to an adversary).

Plaintiff, as the party asserting the work product privilege, bears the burden of proof. Holmes v. Pension Plan of Bethlehem Steel Corp., 213 F.3d 124, 138 (3d Cir. 2000).

Accordingly, the Court begins with Plaintiff’s evidence.

**Plaintiff's evidence supporting its assertion of privilege**

Under seal, Plaintiff has submitted two declarations in support of his work product assertions as well as two consulting agreements with his academic colleagues.<sup>2</sup> The Court has examined these exhibits with particular attention to whether they show that the documents sought by Defendants were prepared at a time when litigation was reasonably foreseeable and were prepared primarily for litigation purposes.

Lambeth's declaration states, under penalty of perjury, that he first decided to investigate whether Defendants' products were infringing his '988 patent, the subject of the instant litigation, in 2008. In October 2008, to obtain assistance in pursuit of this investigation (in the form of product testing and reverse engineering), Lambeth contacted [REDACTED] and [REDACTED], [REDACTED] with relevant expertise. By early 2009, Lambeth began reaching out to attorneys to seek representation to enforce his patent. The law firms he contacted included [REDACTED]. Following these law firm contacts, Lambeth formally engaged [REDACTED] and [REDACTED] as consultants on June 10, 2009, as is evident from the consulting agreements attached to Plaintiff's Opposition Briefs. The consulting agreements each state [REDACTED] [REDACTED] (Exs. 3-4 to Opposition to Seagate; Exs. 3-4 to Opposition to Western Digital.) Under advice from counsel at [REDACTED], and in consultation with [REDACTED], Lambeth directed reverse engineering work

---

<sup>2</sup> Unless otherwise cited, the facts pertaining to Plaintiff's assertions of privilege are contained in the sealed exhibits to Plaintiff's Opposition to Seagate's Motion to Compel (Civil Action No. 16-583, Doc. 96) and Plaintiff's Opposition to Western Digital's Motion to Compel (Civil Action No. 16-541, Doc. 108). These sealed exhibits are, respectively, Lambeth's Affidavit, Jimmy Goo's Affidavit, Lambeth's consulting agreement with [REDACTED], and Lambeth's consulting agreement with [REDACTED].

# 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.