

United States District Court
For the Northern District of California

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

REALTEK SEMICONDUCTOR CORPORATION,

Movant,

v.

LSI CORPORATION.

Respondent.

) Case No. 5:14-mc-80197-BLF-PSG

) **ORDER GRANTING REALTEK'S**
) **MOTION TO COMPEL**

) **(Re: Docket No. 1)**

Before the court is Realtek Semiconductor Corporation's motion to compel LSI Corporation.¹ LSI opposes. On August 19, 2014, the parties appeared for a hearing.² Having considered the arguments, the Court GRANTS Realtek's motion.

I. BACKGROUND

On August 27, 2012, Commonwealth Scientific and Industrial Research Organisation filed a complaint in the Eastern District of Texas alleging Realtek infringed a patent relating to the IEEE 802.11 industry wireless local area network standard.³ To support its defense that CSIRO failed to

¹ See Docket No. 1.

² See Docket No. 14.

³ See *Commonwealth Scientific and Industrial Research Organization v. MediaTek Inc., et al.*, Case No. 6:12-cv-00578-LED, Docket No. 1 (E.D. Tex. 2012).

1 comply with its obligation to license the patent on reasonable and non-discriminatory terms,
2 Realtek seeks to introduce materials from its prior litigation against LSI in this court.⁴ In the
3 Realtek-LSI litigation, the court held that LSI breached its contract with the IEEE to license two
4 802.11 standard essential patents.⁵ On April 29, 2014, Realtek served a subpoena requiring LSI to
5 produce all documents related to its 802.11 RAND patent licensing obligations and the calculation
6 of a RAND patent royalty that were “relied on or referenced in any way at trial, summary judgment
7 proceedings, hearings, depositions, post-trial proceedings, or in expert reports.”⁶
8

9 II. LEGAL STANDARDS

10 Rule 45 of the Federal Rules of Civil Procedure authorizes the issuance of a subpoena to
11 command a nonparty to “attend and testify; produce designated documents, electronically stored
12 information, or tangible things in that person’s possession, custody, or control; or permit the
13 inspection of premises.”⁷ “It is well settled that the scope of discovery under a subpoena is the
14 same as the scope of discovery under Rule 26(b).”⁸ Rule 26(b) authorizes parties to “obtain
15 discovery regarding any nonprivileged matter that is relevant to any party’s claim or defense.”⁹
16

17 Although relevance is broadly construed pursuant to Rule 26, it does have “ultimate and
18 necessary boundaries.”¹⁰ While discovery should not be unnecessarily restricted, a court may limit
19

20 ⁴ See *Realtek Semiconductor Corp. v. LSI Corp.*, 946 F. Supp. 2d 998, 1008 (N.D. Cal. 2013).

21 ⁵ See *id.*

22 ⁶ Docket No. 1, Ex. A.

23 ⁷ Fed. R. Civ. P. 45(a)(1)(A)(iii).

24 ⁸ *Edwards v. California Dairies, Inc.*, Case No. 1:14-mc-00007-SAB, 2014 WL 2465934, at *1
25 (E.D. Cal. June 2, 2014) (citing *Goodyear Tire & Rubber Co. v. Kirk’s Tire & Auto Service Center*,
26 211 F.R.D. 648, 662 (D. Kan. 2003) (quoting the Advisory Committee Notes to the 1970
27 Amendment of Rule 45(d)(1) and explaining that the amendments “make it clear that the scope of
discovery through a subpoena is the same as that applicable to Rule 34 and the other discovery
rules.”)).

28 ⁹ Fed. R. Civ. P. 26(b)(1).

1 discovery if “the discovery sought” is “obtainable from some other source that is more convenient,
2 less burdensome, or less expensive” or if “the burden or expense of the proposed discovery
3 outweighs its likely benefit.”¹¹ Discovery also may be limited to “protect third parties from
4 harassment, inconvenience, or disclosure of confidential documents.”¹² A “court determining the
5 propriety of a subpoena balances the relevance of the discovery sought, the requesting party’s need,
6 and the potential hardship to the party subject to the subpoena.”¹³

7
8 “Once the moving party establishes that the information requested is within the scope of
9 permissible discovery, the burden shifts to the party opposing discovery.”¹⁴ “An opposing party
10 can meet its burden by demonstrating that the information is being sought to delay bringing the
11 case to trial, to embarrass or harass, is irrelevant or privileged, or that the person seeking discovery
12 fails to show need for the information.”¹⁵ A nonparty withholding subpoenaed information on the
13 grounds of privilege must serve a privilege log describing the nature of the documents withheld so
14 that the other parties may assess the privilege claimed.¹⁶

17 ¹⁰ *Gonzales v. Google, Inc.*, 234 F.R.D. 674, 680 (N.D. Cal. 2006) (citations omitted); *see also In*
18 *re Subpoena to Apple, Inc.*, Case No. 5:14-mc-80139, 2014 U.S. Dist. LEXIS 84357 (N.D. Cal.
19 June 19, 2014).

20 ¹¹ Fed. R. Civ. P. 45(c)(3)(A)(iv); Fed. R. Civ. P. 26(b)(2)(c).

21 ¹² *Dart Industries Co., Inc v. Westwood Chemical Co., Inc.*, 649 F.2d 646, 649 (9th Cir. 1980)
(citations omitted).

22 ¹³ *Gonzales*, 234 F.R.D. at 680 (citing *Heat & Control, Inc. v. Hester Industries, Inc.*,
23 785 F.2d 1017, 1024 (Fed. Cir. 1986)).

24 ¹⁴ *Khalilpour v. CELLCO P-ship*, Case No. 3:09-cv-02712-CW-MEJ, 2010 WL 1267749, at *1
25 (N.D. Cal. Apr. 1, 2010) (citing *Ellison v. Patterson-UTI Drilling*, Case No. V-08-67,
26 2009 WL 3247193, at *2 (S.D. Tex. Sept. 23, 2009) (“Once the moving party establishes that the
materials requested are within the scope of permissible discovery, the burden shifts to the party
resisting discovery to show why the discovery is irrelevant, overly broad, or unduly burdensome or
oppressive, and thus should not be permitted.”)).

27 ¹⁵ *Id.* (citing *Oppenheimer Fund, Inc. v. Sanders*, 437 U.S. 340, 353, n.17 (1978) (noting that
28 “discovery should be denied when a party’s aim is to delay bringing a case to trial, or embarrass or
harass the person from whom he seeks discovery.”)).

1 Fed. R. Civ. P. 45(d)(2)(B)(ii) “states that, when a court orders compliance with a subpoena
2 over an objection, ‘the order must protect a person who is neither a party nor a party’s officer from
3 significant expense resulting from compliance.’”¹⁷ Only “two considerations are relevant” under
4 Fed. R. Civ. P. 45(d)(2)(B)(ii); “[1] whether the subpoena imposes expenses on the non-party, and
5 [2] whether those expenses are ‘significant. If these two requirements are satisfied, the court must
6 protect the non-party by requiring the party seeking discovery to bear at least enough of the
7 expense to render the remainder ‘non-significant.’”¹⁸

9 III. DISCUSSION

10 LSI does not contest Realtek’s authority to issue the subpoena.¹⁹ LSI instead urges that
11 Realtek’s subpoena is not relevant to the CSIRO litigation nor reasonably calculated to lead to the
12 discovery of admissible evidence, the subpoena seeks confidential information subject to a
13 protective order, and the categories of information sought by the subpoena are overly broad.²⁰ The
14 court disagrees.

15 First, LSI argues that the information is not relevant to the determination of a reasonable
16 royalty rate because the patent royalties discussed in the Realtek-LSI dispute were limited to the
17 particular patents at issue in that case.²¹ LSI may be right when it points out that hundreds of
18 patents are designated as essential to the 802.11 standard and that the CSIRO patent covers a
19

20
21 ¹⁶ See Fed. R. Civ. P. 45(d)(2)(A)(ii); see also *Compaq Computer Corp. v. Packard Bell*
22 *Electronics, Inc.*, 163 F.R.D. 329, 337 (N.D. Cal. 1995) (ordering production of privilege log to
substantiate nonparty’s objections to subpoena).

23 ¹⁷ *Legal Voice v. Stormans Inc.*, 738 F.3d 1178, 1184 (9th Cir. 2013) (quoting
24 Fed. R. Civ. P. 45(d)(2)(B)(ii)).

25 ¹⁸ *Id.* (quoting *Linder v. Calero-Portocarrero*, 251 F.3d 178, 182 (D.C. Cir. 2001)) (internal
26 quotations omitted).

27 ¹⁹ See Docket No. 10 at 3.

28 ²⁰ See Docket No. 10.

²¹ See *id.* at 5.

1 different aspect of this standard than the inventions in the previous litigation. But the standard for
2 discovery under Rule 26(b) only requires that the documents be reasonably calculated to lead to the
3 discovery of admissible evidence.²² Two houses on the same block may have very different
4 features, and yet a real estate appraiser’s report will usually consider both. The patents at issue
5 here were all asserted against Realtek and were all declared essential to the 802.11 standard. In
6 addition, the patents are all claimed to be subject to an identical RAND commitment. In short,
7 while the factual differences between the LSI and CSIRO cases may dampen the probative value of
8 the evidence, the discoverability of the evidence cannot be disputed.

9
10 Second, LSI’s confidentiality concerns do not warrant any modification of the subpoena.
11 The protective order in place in both lawsuits provides sufficient protection for whatever
12 confidential information is included in the materials at issue.

13 Third, LSI again may be right that “courts tend to find document requests seeking all
14 documents related to a claim or defense as lacking particularity.”²³ Realtek requests “all
15 documents related to RAND patent licensing obligations” and “all documents related to the
16 calculation of a RAND patent royalty.”²⁴ But LSI overlooks the additional requirement of the
17 subpoena that limits the request to only those documents “which were relied upon or referenced at
18 trial.”²⁵ Because these documents are all gathered and are in the hands of counsel, LSI’s burden of
19 production is limited and does not warrant any shifting of expenses.

20
21 In sum, the discovery sought is warranted. LSI shall produce all responsive documents
22 within 14 days.

23
24
25

²² See Fed. R. Civ. P. 26(b)(1).

26 ²³ See Docket No. 10 at 8 (citing *Lopez v. Chertoff*, Case No. 07-cv-1566-LEW, 2009 WL
1575214, at *2 (E.D. Cal. June 2, 2009)).

27 ²⁴ See Docket No. 10.

28 ²⁵ *Id.*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IT IS SO ORDERED.

Dated: September 3, 2014


PAUL S. GREWAL
United States Magistrate Judge