

1 court determine whether Location Labs should be ordered to produce the six documents that it
2 identified on the privilege log that it provided to Callwave on January 20, 2015. (2/6/2015 Joint
3 Letter, ECF No. 63 at 1.) The court’s answer is “no.”

4 **STATEMENT**

5 This miscellaneous action relates to five patent infringement actions (the “Underlying
6 Litigation”) that currently are pending in the United States District Court for the District of
7 Delaware in which Callwave claims that one of its patents (U.S. Patent No. 6,771,970 (the “970
8 Patent”) was infringed. (See 5/5/2014 Joint Letter, ECF No. 17 at 1.) According to Callwave,
9 Location Labs provides some of the defendants to the Underlying Litigation with customized
10 software for locating mobile devices, which Callwave says is the infringing functionality in the
11 defendants’ products. (*Id.*) One of the defendants to the Underlying Litigation is AT&T.

12 On January 20, 2015, Location Labs provided Callwave with a privilege log. (2/6/2015 Joint
13 Letter, ECF No. 63 at 1-2 & Ex. D (privilege log).) It lists six documents. (*Id.*, Ex. D.) For five of
14 the documents, Location Labs asserts that the documents are protected from disclosure under the
15 attorney work-product doctrine and the common interest doctrine. (*Id.*, Ex. D.) For the sixth
16 document, Location Labs asserts that it is protected from disclosure under the attorney work-product
17 doctrine, the common interest doctrine, and the attorney-client privilege. (*Id.*, Ex. D.) Callwave
18 argues that Location Labs’s assertions are without merit. (See *id.* at 2-3.)

19 **ANALYSIS**

20 **I. THE COURT APPLIES FEDERAL LAW TO THIS DISPUTE**

21 “Questions of privilege that arise in the course of the adjudication of federal rights are ‘governed
22 by the principles of the common law as they may be interpreted by the courts of the United States in
23 the light of reason and experience.’” *United States v. Zolin*, 491 U.S. 554, 562 (1989) (quoting
24 Federal Rule of Evidence 501); see *Heathman v. United States District Court*, 503 F.2d 1032, 1034
25 (9th Cir. 1974) (“[I]n federal question cases the clear weight of authority and logic supports
26 reference to federal law on the issue of the existence and scope of an asserted privilege.”). Federal
27 law applies to privilege-based discovery disputes involving federal claims, even if allied with by
28 pendent state law claims. See, e.g., *Pagano v. Oroville Hospital*, 145 F.R.D. 683, 687 (E.D. Cal.

1 1993); *Martinez v. City of Stockton*, 132 F.R.D. 677, 681-83 (E.D. Cal. 1990). Because this
2 miscellaneous action is an outgrowth of the five federal law-based patent infringement actions
3 pending in the District of Delaware, the court applies federal law when resolving the parties'
4 dispute.

5 **II. THE SIXTH DOCUMENT IS NOT PROTECTED UNDER THE ATTORNEY-CLIENT**
6 **PRIVILEGE**

7 Location Labs asserts that the sixth document is protected from disclosure under the attorney-
8 client privilege. Location Labs describes the document on its privilege log as a chain of emails
9 among AT&T's outside counsel, AT&T's in-house counsel, and Location Labs's outside counsel
10 regarding "indemnification/defense and issues related thereto." (2/6/2015 Joint Letter, ECF No. 63,
11 Ex. D.) AT&T's outside counsel (Chad Rutkowski Jacqueline Lesser, and Michelle Miller) and
12 AT&T's in-house counsel (Brian Gaffney) are listed as the authors of the communications, and
13 Location Labs's outside counsel (Imran Khaliq, Mark Hogge, and Shailendra Maheshwari) are listed
14 as the recipients of the communications. (*Id.*, Ex. D.)

15 Location Labs says in its section of the parties' joint letter that the document is protected under
16 the attorney-client privilege because it "involve[s] matter[s] confidentially disclosed between an
17 attorney and client" and that Callwave "does not and cannot dispute this." (*Id.* at 4.) This is not
18 correct. In its section of the letter, Callwave clearly argues (albeit in a footnote) that the document is
19 not privileged because there is no attorney-client relationship between AT&T and Location Labs's
20 counsel, or between AT&T's counsel and Location Labs. (*Id.* at 2 n.1.)

21 In any event, the court finds that Location Labs has not met its burden to show that the document
22 is protected. *United States v. Ruehle*, 583 F.3d 600, 607 (9th Cir. 2009) ("[A] party asserting the
23 attorney-client privilege has the burden of establishing the [existence of an attorney-client]
24 relationship and the privileged nature of the communication.") (quoting *United States v. Bauer*, 132
25 F.3d 504, 507 (9th Cir. 1997)). "Because it impedes full and free discovery of the truth, the
26 attorney-client privilege is strictly construed." *Id.* (quoting *United States v. Martin*, 278 F.3d 988,
27 999 (9th Cir. 2002)). An eight-part test determines whether information is covered by the
28 attorney-client privilege:

1 (1) Where legal advice of any kind is sought (2) from a professional legal adviser in
2 his capacity as such, (3) the communications relating to that purpose, (4) made in
3 confidence (5) by the client, (6) are at his instance permanently protected (7) from
disclosure by himself or by the legal adviser, (8) unless the protection be waived.

4 *Id.* (quoting *In re Grand Jury Investigation*, 974 F.2d 1068, 1071 n.2 (9th Cir. 1992)). “The party
5 asserting the privilege bears the burden of proving each essential element.” *Id.* at 608 (citing *United*
6 *States v. Munoz*, 233 F.3d 1117, 1128 (9th Cir.2000), *superseded on other grounds as stated in*
7 *United States v. Van Alstyne*, 584 F.3d 803, 817 (9th Cir. 2009)).

8 Under this standard, Location Labs’s simple statement that the document is protected under the
9 attorney-client privilege because it “involve[s] matter[s] confidentially disclosed between an
10 attorney and client” clearly is insufficient, and Callwave’s point about the lack of an attorney-client
11 relationship is well-taken. Accordingly, the court finds that Location Labs did not establish that the
12 sixth document listed on its privilege log is protected under the attorney-client privilege. Whether it
13 is protected as attorney work product is discussed below.

14 **III. THE DOCUMENTS ARE SUBJECT TO THE ATTORNEY WORK-PRODUCT**
15 **DOCTRINE**

16 Location Labs also asserts that all six of the documents listed on its privilege log—including the
17 sixth document discussed above—are protected from disclosure under the attorney work-product
18 doctrine. As the party asserting the privilege, Location Labs has the burden of establishing that it
19 applies to these documents. *See Skynet Elec. Co. Ltd. v. Flextronics Int’l, Ltd.*, No. C 12–06317
20 WHA, 2013 WL 6623874, at *2 (N.D. Cal. Dec. 13, 2013) (“Where a party asserts work-product
21 immunity over a piece of evidence, the proponent of the privilege bears the burden of establishing its
22 applicability to the present circumstances.”) (citing *P. & B. Marina, Ltd. v. Logrande*, 136 F.R.D.
23 50, 53-54 (E.D.N.Y. 1991)). The attorney work-product doctrine is incorporated into Federal Rule
24 of Civil Procedure 26(b)(3)(A), which states: “Ordinarily, a party may not discover documents and
25 tangible things that are prepared in anticipation of litigation or for trial by of for another party or its
26 representative (including the other party’s attorney, consultant, surety, indemnitor, insurer, or
27 agent).” *See also In re Grand Jury Subpoena*, 357 F.3d 900, 906 (9th Cir. 2004) (quoting *Admiral*
28 *Ins. Co. v. U.S. Dist. Court*, 881 F.2d 1486, 1494 (9th Cir. 1989)). The plain language of Rule 26

1 limits the scope of the attorney work-product doctrine to documents and tangible things, not the
2 underlying facts.

3 The Ninth Circuit has adopted the “because of” standard for determining whether a document
4 was prepared “in anticipation of litigation.” See *In re Grand Jury Subpoena*, 357 F.3d at 907. More
5 specifically,

6 a document should be deemed prepared “in anticipation of litigation” and thus
7 eligible for work product protection under Rule 26(b)(3) if “in light of the nature of
8 the document and the factual situation in the particular case, the document can be
9 fairly said to have been prepared or obtained because of the prospect of litigation.” 8
10 Charles Alan Wright, Arthur R. Miller, and Richard L. Marcus, *FED. PRACTICE &*
11 *PROC.* § 2024 (2d ed. 1994). . . . The “because of” standard does not consider
12 whether litigation was a primary or secondary motive behind the creation of a
13 document. Rather, it considers the totality of the circumstances and affords
14 protection when it can fairly be said that the “document was created because of
15 anticipated litigation, and would not have been created in substantially similar form
16 but for the prospect of that litigation[.]” [*United States v. Adlman*, 134 F.3d 1194,
17 1195 (2d Cir. 1998)].

18 *Id.* at 907-08. In making this “totality of the circumstances” inquiry, courts must look at whether the
19 documents were created for dual purposes, e.g., both litigation and business purposes. “When there
20 is a true independent purpose for creating a document, work product protection is less likely, but
21 when two purposes are profoundly interconnected, the analysis is more complicated.” *Id.* at 908.
22 But “[d]ocuments prepared in the ordinary course of business or that would have been created in
23 essentially similar form irrespective of the litigation are not protectable as work product.” *Arfa v.*
24 *Zionist Org. of Am.*, CV 13–2942 ABC SS, 2014 WL 815496, at *4 (C.D. Cal. Mar. 3, 2014)
25 (quoting *Umpqua Bank v. First American Title Ins. Co.*, 2011 WL 997212, at *4 (E.D. Cal. Mar. 17,
26 2011)).

27 Callwave argues that Location Labs has not shown that the documents are protected under the
28 attorney work-product doctrine because Locations Labs has not shown that “the documents contain
the ‘mental impressions, conclusions, opinions, or legal theories of a party’s attorney.’” (2/6/2015
Joint Letter, ECF No. 63 at 2 (quoting Fed. R. Civ. P. 26(b)(3)(B)). On the privilege log, Location
Labs describes the documents as letters or emails between AT&T’s outside counsel and Location
Labs’s outside counsel regarding “indemnification/defense and issues related thereto.” (*Id.*, Ex. D.)
And in its section of the parties’ joint letter, Location Labs says that “[a]ll of the documents are

1 subject to the work[-]product doctrine because they involve matters discussed between counsel for
2 defense in on-going litigation.” (2/6/2015 Letter, ECF No. 63 at 4.) Although Location Labs did
3 not state that the documents “were created in anticipation of” or “because of” the Underlying
4 Litigation, the court believes that this point is implied in this context, where AT&T is a defendant to
5 the Underlying Litigation and where Location Labs and AT&T apparently have agreed to
6 indemnification in relation to it. The court finds that Location Labs has met its burden to show that
7 the documents are subject to the attorney work-product doctrine. Whether Location Labs has
8 waived the protection of the attorney work-product doctrine is discussed below.

9 **IV. UNDER THE COMMON INTEREST DOCTRINE, LOCATION LABS DID NOT**
10 **WAIVE THE PROTECTIONS OF THE ATTORNEY WORK-PRODUCT DOCTRINE**

11 The parties focus most of their arguments on whether Location Labs waived the protection of the
12 attorney work-product doctrine by sharing the documents with AT&T’s outside counsel. Location
13 Labs argues that, under the common interest doctrine, it did not waive the protection because it has a
14 common interest with AT&T in defending against the Callwave’s claims in the Underlying
15 Litigation.

16 The common interest doctrine is not a privilege in and of itself, but rather serves as an exception
17 to waiver of the attorney-client or attorney work product privilege. *See Nidec Corp. v. Victor Co. of*
18 *Japan*, 249 F.R.D. 575, 578 (N.D. Cal. 2007) (citing *United States v. Bergonzi*, 216 F.R.D. 487, 495-
19 96 (N.D. Cal. 2003) (discussing “the common interest exception to waiver of the
20 attorney-client/work product privilege”)).³ Because the common interest privilege “is an anti-waiver
21 exception, it comes into play only if the communication at issue is privileged in the first instance.”
22 *Id.*

24
25 ³ In their letter, the parties refer to the common interest “privilege” rather than the common
26 interest “doctrine.” The court prefers the term “doctrine.” Although some courts have referred to it
27 as a privilege, other courts have made clear that the doctrine is not a privilege, but instead is an
28 exception to general rules that the attorney-client privilege is waived if the attorney-client
communications are made in the presence of, or shared with, third-parties, and that the work-product
privilege is waived by disclosure to third parties which results in disclosure to an adversary party.
See, e.g., Nidec Corp. v. Victor Co. of Japan, 249 F.R.D. 575, 578 (N.D. Cal. 2007).

1 For the common interest doctrine to apply, the party asserting the privilege must show: “(1) the
2 communication is made by separate parties in the course of a matter of common interest; (2) the
3 communication is designed to further that effort; and (3) the privilege has not been waived.” *See*
4 *Bergonzi*, 216 F.R.D. at 495 (citing *In re Mortgage Realty Trust*, 212 B.R. 649, 653 (Bankr. C.D.
5 Cal. 1997)). “The privilege does not require a complete unity of interests among the participants,
6 and it may apply where the parties’ interests are adverse in substantial respects.” *Bergonzi*, 216
7 F.R.D. at 495 (quoting *In re Grand Jury Subpoena Duces Tecum*, 406 F. Supp. 381, 392 (S.D.N.Y.
8 1975)). The parties, however, must have “a common legal, as opposed to commercial, interest.”
9 *Nidec*, 249 F.R.D. at 579 (quoting *Bank Brussels Lambert v. Credit Lyonnais (Suisse) S.A.*, 160
10 F.R.D. 437, 447 (S.D.N.Y. 1995)). “[I]t [also] is clear that no written agreement is required, and
11 that a [joint defense agreement] may be implied from conduct and situation, such as attorneys
12 exchanging confidential communications from clients who are or potentially may be codefendants or
13 have common interests in litigation.” *United States v. Gonzalez*, 669 F.3d 974, 979 (9th Cir. 2012).

14 Here, Location Labs says that it shares with AT&T a common interest “in a joint defense against
15 the allegations by Callwave.” (2/6/2015 Joint Letter, ECF No. 63 at 4.) It says that it and AT&T, “a
16 licensee and licensor, had a common interest in defending against the claims of Callwave, extending
17 to any indemnification provided, and it is precisely these matters of common interest that were
18 discussed in the documents at issue.” (*Id.* at 5.) The court agrees. First, both Location Labs and
19 AT&T have an interest in defeating Callwave’s claims of patent infringement in the Underlying
20 Litigation. That they also have negotiated possible indemnification with respect to those claims
21 does not necessarily cancel that out. (*See Am. Eagle Outfitters, Inc. v. Payless ShoeSource, Inc.*, No.
22 CV 07-1675(ERK)(VVP), 2009 WL 3786210, at *3-4 (E.D.N.Y. Nov. 12, 2009).) Second,
23 according to Location Labs, the documents reflect its and AT&T’s efforts to further their common
24 interest. Third, Location Labs has not waived the protections of the attorney work-product doctrine,
25 as Callwave has not gained access to the documents. *Pecover v. Elec. Arts Inc.*, No. C08-2820 CW
26 (BZ), 2011 WL 6020412, at 1 (N.D. Cal. Dec. 2, 2011)(“Work product protection is waived where
27 disclosure of the otherwise protected document is made to a third party, and that disclosure enables
28 an adversary to gain access to the information.”)(citing *McMorgan & Co. v. First Cal. Mortg.*, 931

1 F. Supp. 703 (N.D. Cal. 1996)). Because all three requirements are met, the court concludes that all
2 six documents are protected from disclosure as attorney work product and that, under the common
3 interest doctrine, Location Labs did not waive that protection.

4 **V. CALLWAVE HAS NOT MET ITS BURDEN TO SHOW THAT IT HAS A**
5 **SUBSTANTIAL NEED FOR THE DOCUMENTS**

6 Finally, Callwave argues that it should still gain access to the “facts” contained in the documents
7 because it has a “substantial need” for them. One district court recently has explained when the
8 protections of the attorney work-product doctrine may be overcome:

9 Even if certain materials qualify as work product, they may still be discovered
10 under certain circumstances. There are two types of work product, which entail two
11 different standards for discovery. *See Arfa*, 2014 WL 815496, at *4. “Ordinary”
12 work product includes “raw factual information” while “opinion” work product
13 includes “mental impressions, conclusions, opinions, or legal theories of a party’s
14 attorney or other representative concerning the litigation.” *Id.* (citing *St. Paul*
15 *Reinsurance Co. v. Commercial Fin. Corp.*, 197 F.R.D. 620, 628 (N.D. Iowa 2000);
16 Fed. R. Civ. P. 26(b)(3)(B)); *Caremark*, 195 F.R.D. at 616. Ordinary work product
17 may be discovered if the party seeking the discovery demonstrates a “substantial
18 need” for the materials and there is no other means for obtaining that information
19 without undue hardship. Fed. R. Civ. P. 26(b)(3); *Hickman*, 329 U.S. at 511. In
20 contrast, opinion work product enjoys stronger protection, and it may be discovered
21 only “when mental impressions are at issue in a case and the need for the material is
22 compelling.” *Holmgren v. State Farm Mut. Auto. Ins. Co.*, 976 F.2d 573, 577 (9th
23 Cir. 1992) (citing *Upjohn Co. v. United States*, 449 U.S. 383, 401-02 (1981)) (“A
24 party seeking opinion work product must make a showing beyond the substantial
25 need/undue hardship test required under Rule 26(b)(3) for non-opinion work
26 product.”).

19 *Hooke v. Foss Maritime Co.*, Case No. 13-cv-00994-JCS, 2014 WL 1457582, at *2 (N.D. Cal. Apr.
20 10, 2014). Callwave posits that the documents likely contain facts (*i.e.*, ordinary work product), and
21 not mental impressions, relevant to the issue of whether Location Labs is in privity with AT&T.
22 (Whether Location Labs and AT&T are in privity is important to Callwave because, if they are, it
23 could mean that Location Labs improperly filed its second petition for inter partes review with the
24 United States Patent and Trademark Office. (*See* 2/6/2015 Joint Letter, ECF No. 63 at 3 n.2 (citing
25 35 U.S.C. § 315(b)).) Callwave says that Location Labs’s and AT&T’s discussions about the scope
26 of indemnification and their relative responsibilities are likely to show privity-related facts.
27 Callwave also says that it has not been able to get information about this issue in the pending *inter*
28 *partes review* proceedings, which allow for only limited discovery.

1 The court does not believe that Callwave has met its burden to demonstrate a “it has substantial
2 need for the materials to prepare its case and cannot, without undue hardship, obtain their substantial
3 equivalent by other means.” Fed. R. Civ. P. 26(b)(3). As Location Labs points out, Callwave fails
4 to acknowledge “the numerous documents regarding the indemnification agreement between AT&T
5 and Location Labs [that] have already been produced to Callwave, including the indemnification
6 agreements and all correspondence between Location Labs and [AT&T] prior to the date Location
7 Labs accepted the defense.” (2/6/2015 Joint Letter, ECF No. 63 at 6.) Indeed, nowhere in its
8 section of the parties’ letter does Callwave say that these already-produced documents do not bear
9 upon the privity issue. Perhaps this is because saying so would undercut its other argument—that
10 the six documents listed on the privilege log “likely” contain facts showing privity. If the
11 indemnification-related documents already produced do not bear upon the privity of Location Labs
12 and AT&T, then the documents Location Labs listed on the privilege log likely do not either. But if
13 the indemnification-related documents already produced do bear upon the privity of Location Labs
14 and AT&T, then Callwave would not have a substantial need for the documents protected by the
15 attorney work-product doctrine. On this record, then, the court concludes that Callwave has met its
16 burden to overcome Location Labs’s assertion of the attorney work-product doctrine for the six
17 documents that Location Labs listed on its privilege log. Location Labs will not be required to
18 produce them to Callwave.

19 **CONCLUSION**

20 For the reasons describe above, the court denies Callwave’s request for an order requiring
21 Location Labs to produce the six documents that it identified on the privilege log that it provided to
22 Callwave on January 20, 2015.

23 **IT IS SO ORDERED.**

24 Dated: February 23, 2015



25 LAUREL BEELER
United States Magistrate Judge