

E-Filed 10/30/2009

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

STEPHANIE LENZ,
Plaintiff
v.
UNIVERSAL MUSIC CORP., et al.,
Defendants

Case Number C 07-3783 JF (RS)

ORDER OVERRULING OBJECTION
TO AUGUST 25, 2009 ORDER
GRANTING MOTION TO COMPEL
PRODUCTION OF UNIVERSAL-
PRINCE COMMUNICATIONS AS TO
WHICH UNIVERSAL ASSERTS
PRIVILEGE

I. BACKGROUND

Plaintiff Stephanie Lenz brought the instant action against Defendants Universal Music Corp., Universal Music Publishing, Inc., and Universal Music Publishing Group (collectively “Universal”) alleging a violation of 17 U.S.C. § 512(f) stemming from a thirty second video she posted on YouTube. The video features her young toddler performing an impromptu dance to the song “Let’s Go Crazy” by the artist professionally known as Prince. Universal administers the copyright to the composition. Lenz entitled the video “Let’s Go Crazy #1.” On June 4, 2007, Universal sent YouTube a notice requesting that YouTube remove the video. YouTube complied and sent Lenz an e-mail notifying her that it had done so. After receiving two e-mails from Lenz

1 demanding that the video be restored, YouTube agreed. Lenz thereafter brought suit against
2 Universal in connection with its takedown notice.

3 On August 25, 2009, Magistrate Judge Seeborg granted in part and denied in part
4 Plaintiffs' motion to compel production of communications between Universal, Prince, and third
5 parties as well as policies, procedures, and documents relating to the takedown notice, the scope
6 of Universal's interest in the copyrighted work at issue, and attempts to exploit the market for the
7 "Let's Go Crazy" composition ("August 25th Order"). Universal has filed a timely objection to
8 the August 25th Order, and the parties have submitted appropriate briefing. For the reasons
9 discussed below, the objection will be overruled.

10 II. LEGAL STANDARD

11 Universal has the burden of showing that the magistrate judge's ruling is clearly
12 erroneous or contrary to law. "[T]he magistrate's decision on a nondispositive issue will be
13 reviewed by the district court judge under the clearly erroneous standard." *Bahn v. NME*
14 *Hospitals, Inc.*, 929 F.2d 1404, 1414 (9th Cir. 1991); *see also* FED. R. CIV. P. 72(a) ("The district
15 judge in the case must . . . set aside any part of the order that is clearly erroneous or is contrary to
16 law."). "In finding that the magistrate judge's decision is 'clearly erroneous,' the Court must
17 arrive at a definite and firm conviction that a mistake has been committed." *EEOC v. Lexus of*
18 *Serramonte*, No. C 05-0962 SBA, 2006 WL 2619367, at *2 (N.D. Cal. Sept. 5, 2006). "This
19 standard is extremely deferential and the [m]agistrate's rulings should be considered the final
20 decisions of the [d]istrict [c]ourt." *Id.*

21 III. DISCUSSION

22 A. Universal's Communications Are Not Privileged

23 Universal claims that the communications between Universal and Prince relating to the
24 enforcement of Prince's copyrights are privileged. The general privilege standard under federal
25 law is that "confidential communications made by a client to an attorney to obtain legal services
26 are protected from disclosure." *Clarke v. American Commerce Nat'l Bank*, 974 F.2d 127, 129
27 (9th Cir. 1992). Universal bears the burden of establishing each element of attorney-client

1 privilege. *Tennenbaum v. Deloitte & Touche*, 77 F.3d 337, 341 (9th Cir. 1996). For the attorney-
2 client privilege to apply, (1) legal advice must be sought, (2) from a professional legal adviser in
3 his or her capacity as such, (3) with the communication relating to that purpose, (4) made in
4 confidence, (5) by the client. *Admiral Ins. Co. v. U.S. Dist. Ct.*, 881 F.2d 1486, 1492 (9th Cir.
5 1989). The common-interest privilege is an exception to the rule that disclosure of an attorney-
6 client privileged communication to a third party destroys confidentiality and thereby waives the
7 privilege. *See Nidex Corp. v. Victor Co. of Japan*, 249 F.R.D. 575, 578 (N.D. Cal. 2007). The
8 common-interest privilege saves an otherwise privileged communication from waiver only where
9 the communication is shared with the third party in order to further a matter of common *legal*
10 interest. *See id.* at 579-80. It does not protect communications made in furtherance only of a
11 common *business* interest. *Bank Brussels Lambert v. Credit Lyonnaise (Suisse) S.A.*, 160 F.R.D.
12 437, 448 (S.D.N.Y. 1995).

13 Universal has failed to satisfy its burden to demonstrate that the subject communications
14 are protected by attorney-client privilege. Universal argues that pursuant to a 2005
15 Administration Agreement giving it the sole right to take legal action on Prince's behalf,
16 Universal is acting as Prince's agent or attorney-in-fact. However, Magistrate Judge Seeborg
17 found that

18 the agreement provides that if Prince notifies Universal of
19 infringement, Universal may choose to retain attorneys to pursue
20 the matter, but is not required to do so. If an attorney is retained,
21 Universal maintains complete control over the litigation. If
22 Universal declines to hire counsel, Prince is left to decide
23 whether he wants to pursue legal action at his own expense. In
24 short, it appears that the agreement simply designates Universal
25 to act as an agent with respect to Prince's business interests, but
26 does not represent retention of Universal in-house counsel to
27 provide him with legal services.

28 Universal's counsel also explicitly disavowed any claim that Universal and Prince have an
attorney-client relationship of their own: "I want to be clear in terms of what the proposed—the
claim is not that Universal is Prince's attorney." Miksch Decl. Exh. D at 34:16-18.

The fact that the communications are related to information provided to or by attorneys

1 who work for Universal does not in itself make the communications privileged. “[T]he
2 presumption that attaches to communications with outside counsel does not extend to
3 communications with in-house counsel . . . [b]ecause in-house counsel may operate in a purely or
4 primarily business capacity in connection with many corporate endeavors.” *United States v.*
5 *ChevronTexaco Corp.*, 241 F. Supp. 2d 1065, 1076 (N.D. Cal. 2002). Universal has not shown
6 that the primary purpose of any communications reflecting Universal’s practices with respect to
7 takedown notices was to render legal advice. As Magistrate Judge Seeborg found, “it is entirely
8 plausible that . . . such notices may be dispatched a part of a business strategy to appease clients.”
9 Without more, the magistrate judge’s determination is not clearly erroneous.

10 Because it has failed to establish the applicability of the attorney-client privilege,
11 Universal’s argument with respect to the common-interest privilege is moot.

12 **B. Universal Waived Work Product Doctrine Protection**

13 Universal also claims that the subject communications are protected by the work product
14 doctrine. “Boilerplate objections or blanket refusals inserted into a response to a Rule 34 request
15 for the production of documents are insufficient to assert a privilege.” *Burlington N. & Santa Fe*
16 *R.R. Co. v. U.S. Dist. Ct.*, 408 F.3d 1142, 1149 (9th Cir. 2005). A privilege should be asserted
17 within thirty days of a request for production. FED. R. CIV. P. 34(b)(2)(A). However, the Ninth
18 Circuit has rejected a per se waiver rule. *Burlington*, 408 F.3d at 1149. To determine whether a
19 privilege is waived, the Court must consider: (1) the degree to which the objection or assertion of
20 privilege enables the litigant seeking discovery and the court to evaluate whether each of the
21 withheld documents is privileged; (2) the timeliness of the objection and accompanying
22 information about the withheld documents; (3) the magnitude of the document production; and
23 (4) other particular circumstances of the litigation that make responding to discovery unusually
24 easy or unusually hard. *Id.* “These factors should be applied in the context of a holistic
25 reasonableness analysis, intended to forestall needless waste of time and resources, as well as
26 tactical manipulation of the rules and the discovery process.” *Id.*

27 Universal is a sophisticated corporate litigant and a repeat player in lawsuits regarding
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1 copyrighted material it administers on behalf of artists who own the copyrights. Universal
2 admits that it did not raise the work product doctrine in its original privilege logs, in defending
3 against Plaintiff's motion to compel, or before Magistrate Judge Seeborg. Rather, Universal
4 asserted the work product doctrine's protections for the first time in its revised logs *after*
5 Magistrate Judge Seeborg issued the August 25th Order. Having failed to make a specific and
6 timely assertion of work product protection, Universal waived such protection.

7 **IV. ORDER**

8 The objection is OVERRULED.

9 **IT IS SO ORDERED.**

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11 DATED: 10/29/2009

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13 
14 JEREMY FOGEL
United States District Judge

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