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7 Attorneys for Defendants and Counterclaimant
TOWNSHEND INTELLECTUAL
8 PROPERTY, L.L.C.
and BRENT TOWNSHEND

9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 SAN JOSE DIVISION

12 IN RE TOWNSHEND PATENT LITIGATION)

Master File No.: C-02-4833 JF (PVT)

13 _____)
14 This document relates to:

This document relates to: C-01-1300 JF

15 ESS TECHNOLOGY, INC., a California)
16 corporation,)

17 Plaintiff,)

18 v.)

19 BRENT TOWNSHEND, an individual, and)
20 TOWNSHEND INTELLECTUAL PROPERTY,)
L.L.C., a California L.L.C.,)

21 Defendants.)

22 _____)
23 TOWNSHEND INTELLECTUAL PROPERTY,)
L.L.C., a California L.L.C.)

24 Counterclaimant,)

25 v.)

26 ESS TECHNOLOGY, INC., a California)
27 corporation,)

28 Counterdefendant.)

**DECLARATION OF BRENT
TOWNSHEND, PH.D. IN
OPPOSITION TO ESS' MOTION
FOR IN CAMERA REVIEW OF
REDACTED "LAB" [SIC]
NOTEBOOKS**

[REDACTED VERSION]

Date: October 4, 2005
Time: 10:00 am
Ctm: Hon. Patricia V. Trumbull

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I, Brent Townshend, declare as follows:

1. I am the inventor of the patents-in-suit in this case, and am a defendant in the lawsuit that ESS Technology filed against me in March 2001. I am managing member of Townshend Intellectual Property, L.L.C., the current owner of the patents-in-suit, the counterclaimant in this action. I have personal knowledge of the facts set forth herein, and if called as a witness, I could and would testify thereto.

COMMON INTEREST WITH US ROBOTICS AND 3COM

2. [REDACTED]

3. Subsequently, USR entered into a corporate transaction with 3Com Corporation (“3Com”), and 3Com Corporation succeeded to the license rights of USR.

[REDACTED]

5. [REDACTED]

1 6. The exhibits attached hereto, and the descriptions of them in the foregoing
2 paragraphs, contain information that I understand to be subject to duties of confidentiality to
3 3Com. The exhibits have been designated as “outside counsel only” in this case based on such
4 confidentiality issues. It would cause harm if the documents were filed in the public record,
5 specifically: (i) the competitive interests of both 3Com and me as licensors would be impaired if
6 its competitors knew the specific terms of our agreements; (ii) the confidentiality interests of
7 3Com would be impaired, because 3Com has not been named as a party in this case and
8 therefore is not in a position to object to the disclosure; and (iii) such disclosure could lead to
9 allegations of breach of confidentiality under the confidentiality provisions of the licenses.

10 7. In 1999, Rockwell International Corporation and Conexant Systems, Inc.
11 (collectively “Rockwell”) sued me and 3Com as joint counterdefendants in a lawsuit relating to
12 the Townshend Patents. Rockwell alleged that 3Com and I conspired to commit antitrust
13 violations and to defraud the modem industry. During that lawsuit, 3Com and I conducted a
14 joint defense. Rockwell’s allegations were later dismissed with prejudice at the pleading stage,
15 and ultimately the entire matter was settled.

16 8. Based on the existence of our common interest and joint defense interests, from
17 the beginning of our relationship, I agreed with 3Com and understood that we would share legal
18 advice/work product from our respective attorneys and that such information would be kept
19 confidential in the same manner as legal advice/work product made to a single party. I have
20 always acted consistently with this understanding, and I am not aware of 3Com acting
21 differently.

22 9. In March 1998, 3Com (and all of its entities, including USR) and I reaffirmed and
23 memorialized our prior common interests in a written agreement entitled “Common Interest
24 Privilege Agreement.” This document memorializes the parties’ intention of confidentiality
25 concerning shared privileged information exchanged beginning in 1996 through the present.

26 10. 3Com and I have joint defense interests relating to the current lawsuit. Both ESS
27 Technology and Cisco Systems, Inc. have alleged in their complaint and counterclaims,
28 respectively, that 3Com and I conspired to defraud the modem industry. While 3Com has not

1 been named as a party in this action, allegations of wrongdoing have been made against it,
2 raising the possibility that current parties to this suit may seek to join 3Com as a defendant (as
3 Rockwell did) in the future or may file a separate lawsuit against 3Com.

4 **NOTEBOOK ENTRIES RE: COMMUNICATIONS WITH COUNSEL**

5 11. I have had a practice of noting various types of information in notebooks. These
6 notebooks are personal journals that I did not intend for anyone else to read. These journals
7 contain day-to-day notes on a wide variety of topics, including notes of conversations.

8 12. I have kept the contents of the notebooks confidential. In particular, I do not
9 recall any occasions on which entries relating to communications with attorneys have been
10 disclosed to anyone other than my attorneys. I did not intend for these entries to be disclosed to
11 third parties, and can recall no occasion on which they were.

12 13. Because the entries in the notebooks are simply my personal notes, and are not
13 intended to communicate any information to anyone else, I did not generally include any
14 background about the matters reflected therein. Accordingly, because it would be very difficult
15 for anyone other than myself to interpret these notes, I personally reviewed the notebooks prior
16 to their production in this case in August 2005. During that review, I marked entries that
17 reflect, to the best of my recollection, communications with attorneys on the subject of legal
18 advice and/or that were prepared in anticipation of litigation. It is my understanding that these
19 entries were then reviewed by my counsel, and a log of redacted entries was prepared by
20 counsel and has been provided to other parties in this case.

21 14. In some cases, my notes do not reflect the names of the person(s) to whom I was
22 speaking. However, based on the content of the notes and to the best of my recollection, it is
23 my belief that they reflect communications with counsel relating to legal advice and/or prepared
24 in anticipation of litigation.

25 15. I am informed that ESS has cited certain representative entries in the privilege log
26 that it asserted are insufficient to support a claim of privilege. Below, I explain the context of
27 those entries, to the best of my recollection, without revealing the content of the entries.

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1 16. To the best of my recollection, TIP046324 contains notes reflecting my discussion
2 with an attorney or attorneys regarding licensing with USR. The privilege log listed “WSGR
3 attorneys” under the “participants” field because at that time WSGR was my licensing and
4 transactional counsel. I had such discussions with a number of attorneys from WSGR about
5 that subject matter. I recall no one else with whom I had discussions about these items other
6 than counsel. Those discussions were for the purpose of seeking legal advice that I held in
7 confidence.

8 17. To the best of my recollection, TIP046377, TIP046379, TIP46508 contain notes
9 reflecting my discussion with an attorney or attorneys regarding strategies in the *Rockwell*
10 litigation. The privilege log listed “WSGR attorneys” or “WSGR litigation attorneys” under the
11 “participants” field because at that time WSGR was my litigation counsel in the *Rockwell*
12 litigation I had such discussions with a number of attorneys from WSGR about that subject
13 matter. I recall no one else with whom I had discussions about these items other than counsel.
14 Those discussions were for the purpose of seeking legal advice that I held in confidence.

15 18. To the best of my recollection, TIP046523 contains notes reflecting my discussion
16 with an attorney or attorneys regarding Townshend Intellectual Property L.L.C.’s corporate
17 formation. The privilege log listed “WSGR corporate attorney (John)” under the “participants”
18 field because at that time WSGR was my transactional and licensing attorney. The note
19 references a person named “John,” and I recall working with an attorney named John at WSGR,
20 but I do not recall his last name with certainty (it may have been “Donahue”). I recall no one
21 else with whom I had discussions about these items other than counsel. Those discussions were
22 for the purpose of seeking legal advice that I held in confidence.

23 19. To the best of my recollection, TIP046267 contains notes reflecting my discussion
24 with Steve Borsand and George Vinyard, attorneys at 3Com, regarding potential litigation
25 regarding the Townshend Patents, the subject of our common interest. Attorneys Borsand and
26 Vinyard provided legal advice on a variety of topics related to the common interest and joint
27 defense interest between me and 3Com. I kept those discussions confidential, pursuant to the
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1 agreement between me and 3Com that such information would be shared on a confidential
2 basis.

3 20. To the best of my recollection, TIP046199 contains notes reflecting my discussion
4 with attorneys from WSGR, Ian Edvalson and Ken Clark or Ken Wilson, regarding litigation. I
5 cannot recall if the attorney "Ken" in that instance was Ken Clark or Ken Wilson, but both were
6 partners at WSGR with whom I was having discussions in the October 1996 time frame so I am
7 certain it must have been one of them. At that time, WSGR was my transactional, licensing,
8 and litigation counsel. My discussions with attorneys Edvalson, Clark, and Wilson were for the
9 purpose of seeking legal advice that I held in confidence.

10 21. To the best of my recollection, TIP046348 contains notes reflecting my discussion
11 with an attorney or attorneys regarding strategies for the potential litigation against Rockwell.
12 The privilege log listed "WSGR or 3Com lawyers" under the "participants" field because at that
13 time WSGR was my litigation counsel, and I was also having discussions in that time frame
14 with 3Com attorneys about 3Com's potential involvement in that case. I typically had such
15 discussions with a number of attorneys from WSGR and 3Com about that subject matter. I
16 recall no one else with whom I had discussions about these items other than counsel. Those
17 discussions were for the purpose of seeking legal advice that I held in confidence.

18 22. To the best of my recollection, TIP046355 contains notes reflecting my discussion
19 with an attorney or attorneys regarding the strategy for participation in the ITU 56K modem
20 standard, as well as managing press coverage relating thereto. The privilege log listed "3Com
21 attorneys (George Vinyard, Esq. or Steve Borsand, Esq.)" under the "participants" field because
22 at that time I typically had such discussions with attorney Vinyard and/or attorney Borsand
23 about 3Com's and my common interest in enforcing my 56K modem patents. In particular, in
24 the August 1997 time frame, I was working with 3Com lawyers (as well as my WSGR lawyers)
25 on issues relating to ITU meetings and disclosures, about which I received legal advice, and
26 about which we anticipated litigation (which has, in fact, resulted in litigation, both the earlier
27 action filed by Rockwell and the instant litigation).

1 23. To the best of my recollection, TIP046198 contains notes reflecting my discussion
2 with an attorney or attorneys regarding patent licensing and potential lawsuit. The privilege log
3 listed "3Com attorneys/Steve Borsand, Esq." because at that time I typically had such
4 discussions with 3Com attorneys, including particularly attorney Borsand, about 3Com's and
5 my common interest in licensing and enforcing my 56K modem patents. This entry discusses a
6 particular entity with whom 3Com later entered into a sublicense, so I believe this was a
7 conversation with a 3Com attorney about a potential structure for licensing that entity. Those
8 discussions related to legal advice that I held in confidence.

9 24. To the best of my recollection, TIP046345-46 contains notes reflecting my
10 discussion with attorneys at WSGR and 3Com – Hank Jones, George Vinyard, Steve Borsand,
11 and Ian Edvalson – regarding strategies in the *Rockwell* litigation and patent licensing. I had
12 such discussions with those WSGR and 3Com attorneys about 3Com's and my common interest
13 in licensing and enforcing my 56K modem patents. Those discussions related to legal advice
14 that I held in confidence.

15 25. To the best of my recollection, TIP046864, TIP046886, and TIP046902 contain
16 notes reflecting my discussions with Julia Martin, an attorney at WSGR, about licensing issues.
17 At that time, WSGR was my transactional and licensing counsel. I typically had such
18 discussions with her about that subject matter, and do not recall discussing these items with
19 anyone other than counsel. Those discussions related to legal advice that I held in confidence.

20 26. To the best of my recollection, TIP046889 contains notes reflecting several
21 conversations with different attorneys. First, it contains notes reflecting a discussion with Jim
22 Lewis, an attorney from McCutchen, Doyle, Brown and Enersen, regarding litigation and
23 licensing issues. At that time, McCutchen served as one of my litigation and licensing counsel.
24 Second, the page contains notes reflecting a conversation with Steve Borsand, an attorney at
25 3Com, regarding licensing strategies. At that time, 3Com and I had a common interest in
26 licensing and enforcing my 56K modem patents. Third, the page contains notes reflecting a
27 conversation with Ivan Humphreys and Bruce Cohen, my tax attorneys, whom I consulted for
28 legal advice on the subject of taxes, which I kept in confidence.

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27. The foregoing reflects examples that I understand have been cited by ESS. However, I believe that the same analysis generally applies to the entries on the logs at issue in ESS's motion, and am prepared to submit any further information as may be requested in this regard.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 13th day of September, 2005, at Montreal, Canada.

/s/ Brent Townshend, Ph.D.
Brent Townshend, Ph.D.

