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 ELAN MICROELECTRONICS CORPORATION

11
 12 UNITED STATES DISTRICT COURT
 13 NORTHERN DISTRICT OF CALIFORNIA
 14 SAN JOSE DIVISION

15 ELAN MICROELECTRONICS CORPORATION,
 16
 17 Plaintiff and Counterdefendant,
 18 v.
 19 APPLE, INC.,
 20 Defendant and Counterplaintiff.

Case No. 09-01531 RS (PVT)
ELAN MICROELECTRONICS CORPORATION'S OPPOSITION TO APPLE INC.'S MOTION TO COMPEL JAMES EAKIN TO PRODUCE DOCUMENTS PURSUANT TO SUBPOENA DUCES TECUM

21 AND RELATED COUNTERCLAIMS

DATE: September 7, 2010
 TIME: 10:00 p.m.
 JUDGE: Patricia V. Trumbull
 CTRM: Courtroom 5, 4th Floor

23
 24 **I. INTRODUCTION**

25 Elan is the owner of U.S. Patent No. 5,825,352 (the "'352 patent"), which it acquired,
 26 indirectly, from the original assignee, Logitech, Inc. Logitech's communications with its patent
 27 attorney, Mr. Eakin, were protected by attorney-client privilege. Only the holder of a privilege
 28 can waive that privilege. Elan, through a chain of title, acquired not only the '352 patent but the

1 the touch pad business that was formerly Logitech's. Accordingly, Elan became the current
2 holder of attorney-client privilege attached to the communications made in confidence during the
3 course of relationship between Logitech, Inc. and Mr. Eakin concerning the prosecution of the
4 '352 patent. Elan has never waived any of those privileges. Thus, Apple's request that the Court
5 hold that objections with respect to the attorney-client privilege, and any other applicable
6 privilege, immunity or protection, to a subpoena have been waived, due to the alleged failure on
7 the part of Mr. Eakin to timely object, has no merit and should be denied. Elan requests an
8 opportunity to review for privilege any documents produced by Mr. Eakin pursuant to Apple's
9 subpoena and withhold such documents from the production to Apple. Elan does not oppose
10 Apple's motion to compel with respect to non-privileged documents.

11 **II. STATEMENT OF FACTS**

12 Logitech Inc. was the original assignee of the '352 patent from its inventor-employees.
13 *See* Declaration of Sean P. DeBruine In Support of Elan's Opposition to Apple's Motion to
14 Compel James Eakin to Produce Documents Pursuant to Subpoena Duces Tecum, ("DeBruine
15 Decl."), ¶ 2, and Ex. 1. Mr. Eakin is the attorney who prosecuted the '352 patent. *See* Exhibit A,
16 certain pages of certified file history of the '352 patent, to the Declaration of Nathan A. Greenblatt
17 in Support of Apple's Motion to Compel ("Nathan Decl.").

18 On November 30, 1999, KOA T&T Corporation ("KTT"), Logitech Inc. and Logitech Far
19 East Ltd. entered into an agreement titled "Agreement For The Sale And Purchase Of Assets"
20 ("Asset Purchase Agreement"), in which KTT purchased the touchpad businesses, including the
21 '352 patent and other intellectual property related to the touchpad business. *See* DeBruine Decl. at
22 ¶ 3. With that purchase, KTT effectively stepped into the shoes of Logitech. The control of this
23 ongoing touchpad business was transferred to new management under KTT. KTT later changed
24 its name to K-Tech Devices Corp. ("K-Tech"). *Id.* On July 9, 2003, K-Tech formed a joint
25 venture company with Elan, called Elantech Devices Corporation ("Elantech") by injecting its
26 entire touchpad business into Elantech, together with the patents that KTT had acquired from
27 Logitech and certain equipment. *Id.* Later, Elan bought out K-Tech's interest in Elantech. In
28 2008, Elantech merged into Elan. *Id.* Through the above chain of title, Elan obtained all the

1 rights and interests in the '352 patent.

2 On May 12, 2010, Apple served a subpoena duces tecum on Mr. Eakin for the production
3 of certain documents related to the prosecution of the '352 patent. *See* Nathan Decl., Ex. B.
4 These requests require Mr. Eakin to produce, among other things, certain documents which
5 contain information which is subject to attorney-client privilege. *See id.*, Request Nos. 4, 7, 8, 14-
6 17, 20. By way of example, Request No. 4 requests, “All documents relating to any
7 communications with Logitech or any named inventor relating to the subject matter of the
8 '352 patent, including any predecessor or successor in interest to any of the foregoing”; Request
9 No. 7 requests, “All documents and things prepared by or at the direction of the named inventors
10 of the '352 patent relating to the subject matter of any claim of the '352 patent”; Request No. 14
11 requests, “All documents relating to the scope, validity, infringement, enforceability, inventorship of,
12 and/or construction of claim terms...including any opinions of counsel, claim construction
13 analyses, briefs or decisions...”.

14 Upon notice of Apple’s subpoena to Mr. Eakin, Elan promptly, through its counsel, offered
15 to assist Mr. Eakin in responding to Apple’s subpoena to preserve any privilege that Elan has with
16 respect to the documents requested. Mr. Eakin declined that offer. *See* DeBruine Decl. ¶¶ 5-6.
17 Elan has never waived its privilege with respect to Logitech’s communications with its attorney or
18 agreed to the production of any privileged material by Mr. Eakin. *See id.*, at ¶ 10.

19 **III. ARGUMENT**

20 **A. Elan Has Standing To Assert Attorney-Client Privilege With Respect To A Third**
21 **Party’s Documents**

22 **1. Apple’s Subpoena Requests Documents Containing Privileged**
23 **Communications**

24 Federal Circuit law applies when deciding whether particular written or other materials are
25 discoverable in a patent case, if those materials relate to an issue of substantive patent law.
26 *Advanced Cardiovascular Sys. Inc. v. Medtronic, Inc.*, 265 F.3d 1294, 1307 (Fed. Cir. 2001); *In re*
27 *EchoStar Commc’ns Corp.*, 448 F.3d 1294, 1298 (Fed. Cir. 2006). The Federal Circuit has held
28 that a request for legal advice or services need not be an express request, nor need the implied

1 request necessarily appear on the face of the document for the document to be covered by
2 attorney-client privilege. *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800, 805 (Fed. Cir.
3 2000) (an invention record constitutes a privileged communication, when provided to an attorney
4 for the purpose of securing primarily legal opinion, or legal services, or assistance in a legal
5 proceeding).

6 The requests in Apple’s subpoena to Mr. Eakin require the production of certain privileged
7 documents. By way of examples, Request No. 4 requests, “All documents relating to any
8 communications with Logitech or any named inventor relating to the subject matter of the
9 ’352 patent, including any predecessor or successor in interest to any of the foregoing”; Request
10 No. 7 requests, “All documents and things prepared by or at the direction of the named inventors
11 of the '352 patent relating to the subject matter of any claim of the '352 patent”; Request No. 14
12 requests, “All documents relating to the scope, validity, infringement, enforceability, inventorship of,
13 and/or construction of claim terms...including any opinions of counsel, claim construction
14 analyses, briefs or decisions...”. These requests will likely contain privileged documents of Elan
15 that require protection.

16 2. Elan Is The Holder Of Privilege

17 When control of a corporation passes to new management, the authority to assert and
18 waive the corporation's attorney-client privilege passes as well. *See, e.g., Commodity Futures*
19 *Trading Comm’n. v. Weintraub*, 471 U.S. 343, 349, (1985); *Tekni-Plex, Inc. v. Meyner and*
20 *Landis*, 674 N.E.2d 663, 668 (NY. 1986); *Ramada Franchise Sys. v. Hotel of Gainesville Assocs* ,
21 988 F. Supp. 1460, 1463 (N.D. Ga. 1997); *Soverain Software LLC v. Gap, Inc.*, 340 F. Supp. 2d
22 760, 763 (E.D. Tex. 2004).

23 Whether the attorney-client relationship transfers to the new owners turns on the practical
24 consequences rather than the formalities of the particular transaction. *See Soverain Software*, 340
25 F. Supp. 2d at 763 (citing *Tekni-Plex, Inc. v. Meyer and Landis*, 674 N.E.2d at 668; *Ramada*
26 *Franchise*, 988 F. Supp. at 1464). In *Soverain*, the court held that “if the practical consequences
27 of the transaction result in the transfer of control of the business and the continuation of the
28 business under new management, the authority to assert or waive the attorney-client privilege will

