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 13 Apple Inc.

14 UNITED STATES DISTRICT COURT  
 15 NORTHERN DISTRICT OF CALIFORNIA  
 16 SAN FRANCISCO DIVISION

17 ELAN MICROELECTRONICS  
 18 CORPORATION,  
 19 Plaintiff and Counterclaim  
 Defendant,  
 20 v.  
 21 APPLE INC.,  
 22 Defendant and Counterclaim  
 23 Plaintiff.

Case No. C-09-01531 RS (PSG)  
**APPLE INC.'S RESPONSE TO ELAN  
 MICROELECTRONICS  
 CORPORATION'S OBJECTIONS TO  
 NON-DISPOSITIVE RULING OF  
 MAGISTRATE JUDGE  
 (DOCKET NO. 406)**

1 **I. INTRODUCTION**

2 Magistrate Judge Grewal acted well within his discretion in finding Elan’s privilege  
3 claims waived for Elan’s internal communications with its in-house IPR Department comprised  
4 of non-lawyers. As Magistrate Judge Grewal noted, Elan’s privilege logs did not indicate *any*  
5 involvement of *any* U.S. counsel for the communications at issue until after Apple filed its motion  
6 to compel. Order Granting-in-Part Defendant Apple Inc.’s Motions to Compel (Dkt No. 382)  
7 (“Order”) at 9. Only after briefing on Apple’s motion to compel was complete and on the eve of  
8 the hearing on that motion did Elan suddenly, conveniently assert that “all communications  
9 involving the in-house IPR department previously withheld on the basis of privilege also included  
10 an unnamed U.S. counsel.” *Id.* Accordingly, on Friday evening before the July 4th holiday  
11 (with a hearing on Apple’s motion to compel scheduled for 10 am on July 5th), Elan served  
12 “second revisions” to its privilege logs withdrawing or changing privilege assertions on *hundreds*  
13 of documents. In some cases, Elan had originally described documents as privileged (e.g.,  
14 “prepared at direction of Elan legal department and/or counsel in anticipation of litigation and/or  
15 for purposes of seeking/providing legal advice”) only to unceremoniously drop its privilege  
16 assertions and agree to produce the documents. In other cases, Elan simply changed descriptions  
17 to “[i]rrelevant and non-responsive.” In yet other cases, Elan provided revised descriptions,  
18 including identifying for the first time the alleged involvement of U.S. counsel. All told, these  
19 revisions reduced the total number of documents originally withheld on the basis of privilege  
20 *from 1273 to 377*. Given that Elan waited until nearly a year after the Rule 34 timeline to make  
21 these drastic changes to its logs, the Magistrate Judge Grewal did not clearly err in finding the  
22 revised logs untimely. *Id.* at 9-10.

23 Moreover, despite their untimeliness, Magistrate Judge Grewal nevertheless evaluated  
24 Elan’s revised privilege logs, holding that the “logs are deficient because they do not permit  
25 Apple or the court to adequately assess the claim of privilege,” as they “fail to identify by name  
26 even a single attorney who was involved in or that requested any of the disputed communications  
27 that Elan continues to withhold.” *Id.* This holding is not clearly erroneous, particularly in light of  
28 Elan’s last-minute, wholesale revisions to its privilege logs and Elan’s pattern of asserting

1 admittedly-baseless privilege claims in this case. *Id.* at 6-10. Furthermore, having already  
2 evaluated one set of newly revised logs, Magistrate Judge Grewal was under no obligation to  
3 conduct an *in camera* review or to evaluate yet another set of revised logs after the hearing.  
4 While Elan attempts to blame Apple (for allegedly filing a motion to compel three business days  
5 after raising the issue), the legal issues themselves (for allegedly being “especially difficult”), and  
6 Magistrate Judge Grewal (for not accepting a third revised privilege log) for the allegedly “harsh”  
7 result here, the record does not support Elan’s assertions. Not only did Apple raise the specific  
8 issue with Elan’s privilege logs last year, only to be rebuffed with the statement that “[w]e do not  
9 believe that any continued discussions of the issue would be productive,” but the waiver ruling  
10 cannot be considered unduly harsh considering the effort and expense Apple and the Court have  
11 been forced to incur in repeatedly exposing privilege claims which have fallen “far short of the  
12 mark.” *Id.* at 7.

13 **II. MAGISTRATE JUDGE GREWAL DID NOT CLEARLY ERR IN REJECTING**  
14 **ELAN’S UNTIMELY, INSUFFICIENT PRIVILEGE ASSERTIONS**

15 To obtain relief from Magistrate Judge Grewal’s Order, Elan bears the burden of proving  
16 that the Order constitutes clear error or is contrary to law. *See* Fed. R. Civ. P. 72(a) (the district  
17 judge may modify or set aside part of a nondispositive ruling of a magistrate judge if the ruling  
18 “is clearly erroneous or is contrary to law”); Declaration of Nathan Greenblatt In Support of  
19 Apple Inc.’s Response to Elan Microelectronics Corporation’s Objectives to Non-Dispositive  
20 Ruling of Magistrate Judge (“Greenblatt Decl.”), Exh. A (*Coleman v. Schwarzenegger*, 2008 WL  
21 4415324, \*1 (N.D. Cal. Sept. 25, 2008)) (“A finding is ‘clearly erroneous’ when although there  
22 is evidence to support it, the reviewing court on the entire evidence is left with the definite and  
23 firm conviction that a mistake has been committed.”) (quoting *United States v. U.S. Gypsum Co.*,  
24 333 U.S. 364, 395 (1948)). The Ninth Circuit’s decision in *Burlington Northern* governs when a  
25 district court may find waiver based on an inadequate privilege log, and therefore governs  
26 whether Magistrate Judge Grewal’s Order is erroneous in this case. In *Burlington Northern*, the  
27 Ninth Circuit upheld the district court’s finding of a waiver based on five grounds: (1) the  
28 applicable privilege log was filed five months after Rule 34 time limit, (2) the plaintiff was a

1 sophisticated corporate litigant, (3) many of the same documents were previously produced in a  
2 prior lawsuit, (4) even the untimely assertion of privileges by the plaintiff were insufficient, and  
3 (5) “even after producing the privilege log, [plaintiff] made substantive changes to that log,  
4 removing ‘documents which, upon additional review, were not responsive,’” which the district  
5 court was permitted to view as gamesmanship. *See Burlington Northern & Santa Fe Ry. v.*  
6 *United States Dist. Court*, 408 F.3d 1142, 1149-50 (9th Cir. 2005). As set forth below, at least  
7 four out of five of these considerations support a finding of waiver here, thereby confirming that  
8 Magistrate Judge Grewal’s Order is not clearly erroneous or contrary to law.

9 **A. Elan’s July 1, 2011 Privilege Logs Are Untimely**

10 In an attempt to excuse its failure to timely provide adequate privilege logs, Elan contends  
11 that “Apple first raised questions regarding the documents at issue here on May 25, 2011.” Mot.  
12 at 2. Of course, as Magistrate Judge Grewal noted, Elan’s complaint “misapprehends the burden  
13 [of] claiming privilege in a timely manner.” Order at 9. “A log that sufficiently justifies a claim  
14 of privilege should be served when the claim is made, not only after a motion to the court is  
15 threatened.” *Id.* In any event, as noted in Apple’s motion to compel, Elan had ample notice of  
16 the deficiencies in its privilege logs with respect to communications with employees of Elan’s in-  
17 house IPR department. Apple raised the issue regarding the nature and scope of Elan’s privilege  
18 assertions with respect to Elan in-house employees as early as October 2010, and again on  
19 December 3, 2010, following the admission of the head of Elan’s IPR department that the  
20 department does not employ any attorneys. *See Apple Mot. to Compel* at 18-19 n.6 & Exhs. 3,  
21 35; Order at 9. After several follow-up meet and confer efforts by Apple, Elan brusquely  
22 responded that “[w]e do not believe that any continued discussions of the issue would be  
23 productive.” *See Apple Mot. to Compel*, Exh. 35.

24 In fact, Elan did nothing to attempt to remedy the deficiencies Apple had identified in  
25 Elan’s privilege logs until Apple embarked on motion practice. Even then, Elan waited over a  
26 month, until the eve of the hearing and after all briefing was complete, before submitting “second  
27 revisions” to its privilege logs on July 1, 2011. In these revisions, Elan asserted for the first time  
28 that “all communications involving the in-house IPR department previously withheld on the basis

1 of privilege also included an unnamed U.S. counsel.” Order at 9. Elan had not made this claim  
2 before either in its privilege logs or in the meet and confer with Apple. Given that Elan originally  
3 served its privilege logs in 2010 and had notice of the deficiencies Apple had identified in late  
4 2010, Magistrate Judge Grewal had ample justification for finding that Elan’s revised logs were  
5 untimely. Order at 9-10. Under *Burlington Northern*, “this fact alone would immunize  
6 [Magistrate Judge Grewal’s] ruling from reversal[.]” See 408 F.3d at 1149.

7 **B. Elan’s July 1, 2011 Privilege Logs Are Insufficient**

8 Magistrate Judge Grewal did not clearly err in finding that “[e]ven if the revised logs were  
9 timely, which they are not, the court agrees that Elan’s logs are deficient because they do not  
10 permit Apple or the court to adequately assess the claim of privilege.” Order at 10. As  
11 Magistrate Judge Grewal explained, “[t]he individual entries on Elan’s privilege logs fail even to  
12 name the U.S. counsel who was involved or directed the specific communications for which  
13 privilege is claimed.” *Id.* To the contrary, Elan’s July 1, 2011 revised privilege logs represent a  
14 wholesale reclassification of communications with its IPR department as communications made  
15 for the purpose of seeking legal advice from unnamed U.S. counsel. Order at 9. Yet, beyond the  
16 assertion that that the communications relay or seek advice from U.S. counsel, Elan’s revised  
17 privilege logs fall far short of providing adequate information regarding the role, if any, of U.S.  
18 counsel in the particular communications at issue, the nature of the communications, or the  
19 expectation, if any, of confidence associated with those communications. See Greenblatt Decl.,  
20 Exh. B (*E.E.O.C. v. Safeway Store, Inc.*, 2002 WL31947153, \*4) (N.D. Cal. Sept. 16, 2002)  
21 (quoting *United States v. Martin*, 278 F.3d 988, 999 (9th Cir. 2002)); Bu Decl., Exhs. F-H. In  
22 these circumstances, and where Elan’s sudden and all-too-convenient revised privilege assertions  
23 call for particular scrutiny, Magistrate Judge Grewal did not clearly err in finding that Elan’s  
24 revised logs are insufficient for Apple or the Court to adequately assess Elan’s claims of  
25 privilege. Under *Burlington Northern*, the insufficiency of Elan’s revised logs further supports a  
26 finding of waiver. See 408 F.3d at 1150.

27 **C. Elan’s Shifting Privilege Assertions Support A Finding Of Waiver**

28 As the Ninth Circuit recognized in *Burlington Northern*, the fact that “even after

1 producing the privilege log, [a party] made substantive changes to that log, removing ‘documents  
2 which, upon additional review, were not responsive’” also supports a finding of waiver. *Id.*  
3 Here, after producing its privilege logs, Elan made extensive changes including agreeing to  
4 produce hundreds of documents previously withheld on the basis of privilege and reclassifying  
5 dozens more as “[i]rrelevant and non-responsive” without explanation. Such practices belie  
6 Elan’s claims that “any issues with Elan’s privilege logs” amount to “[m]inor procedural  
7 violations” that “militate against finding waiver.” Mot. at 1. To the contrary, Elan’s wholesale  
8 revisions to its logs on the eve of the hearing, after Elan previously indicated that it did “not  
9 believe that any continued discussions of the issue would be productive,” is much more justifiably  
10 viewed as “evidence of footdragging or a cavalier attitude towards following court orders and the  
11 discovery rules [that] supports finding waiver.” See Greenblatt Decl., Exh. B (*E.E.O.C.*, 2002  
12 WL31947153 at \*2 (quoting *Ritacca v. Abbott Labs.*, 203 F.R.D. 332, 335 (N.D. Ill. 2001));  
13 *Burlington*, 408 F.3d at 1150.

#### 14 **D. Magistrate Judge Grewal’s Ruling Is Not Unduly Harsh**

15 Elan complains that Magistrate Judge Grewal’s ruling is an “unduly harsh sanction,” and  
16 that “[h]ad the Magistrate applied the *Burlington Northern* factors, there could be no order  
17 finding waiver.” Mot. at 5. Because at least four out of five *Burlington Northern* factors favor a  
18 finding of waiver here, Magistrate Judge Grewal committed no clear error. That the judge  
19 considered the relevant issues without expressly citing *Burlington Northern* is of no moment.  
20 See, e.g., Greenblatt Decl., Exh. A (*Coleman*, 2008 WL 4415324, \*4) (a magistrate judge’s ruling  
21 “does not merit reversal simply because it fails to extensively detail its reasoning.”). Moreover,  
22 under the circumstances Elan cannot fault Magistrate Judge Grewal for electing not to conduct an  
23 *in camera* review of the documents, which “rests in the sound discretion of the district court.”  
24 *U.S. v. Zolin*, 491 U.S. 554, 572 (1989); *U.S. v. Reese*, 145 F.3d 1343, \*1 (9th Cir. 1998).

### 25 **III. CONCLUSION**

26 Elan has put Apple and the Court to great effort and expense in repeatedly addressing  
27 baseless privilege claims and has already had ample opportunity to fix any such mistakes in  
28 revised privilege logs. As such, a finding of waiver is not clearly erroneous or contrary to law.

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Dated: September 9, 2011

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