



1 further discovery and another opportunity for summary judgment. The Ventures in turn allege that  
2 although Stainbrook waived privilege as to “prosecution of the patents and patent application at  
3 issue,”<sup>3</sup> Stainbrook inadvertently disclosed to Barrett privileged documents that fall outside of that  
4 waiver. The Ventures say they timely requested that Barrett return or destroy those documents  
5 pursuant to Fed. R. Civ. P. 26(b)(5), but Barrett refused. The Ventures request that Barrett return  
6 or destroy the documents and any derivative materials.<sup>4</sup> They separately move for \$5,000 in  
7 attorney’s fees.<sup>5</sup>

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9 The court GRANTS-IN-PART Barrett’s motion and GRANTS the Ventures’ motion to  
10 compel. Barrett is entitled to the contracts and a further deposition on the subject of those  
11 contracts. Default judgment and a second motion for summary judgment, however, are not  
12 warranted. For his part, Barrett shall destroy or return the communications and drafts that the  
13 Ventures requested. The court DENIES all parties any fees or costs.

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15 **I.**

16 Fed. R. Civ. P. 37(b)(2)(A) provides remedies for violations of discovery orders, including  
17 “rendering a default judgment against the disobedient party.”<sup>6</sup> “A court must consider the  
18 following five factors before declaring default: (1) the public’s interest in expeditious resolution of  
19 litigation; (2) the court’s need to manage its docket; (3) the risk of prejudice to the other party; (4)  
20 the public policy favoring the disposition of cases on their merits; and (5) the availability of less  
21 drastic sanctions.”<sup>7</sup>

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23 <sup>3</sup> Docket No. 109 at ¶ 8.

24 <sup>4</sup> See Docket No. 119 at 7.

25 <sup>5</sup> See Docket No. 120.

26 <sup>6</sup> Fed. R. Civ. P. 37(b)(2)(A)(vi); see also *Hester v. Vision Airlines, Inc.*, 687 F.3d 1162, 1169 (9th  
27 Cir. 2012).

28 <sup>7</sup> *Hester*, 687 F.3d at 1169.

1 Barrett requests default judgment that (1) both Ventures “waived” assignment of VDSI’s  
2 invention agreement clause and are estopped from asserting that the VDSI invention agreement is  
3 the basis for the assignment of Barrett’s inventions to the Ventures; and (2) the assignments of  
4 Barrett’s invention rights to VCL were transferred for the consideration of the joint venture,  
5 because VCL needed to purchase the inventions to avoid Agilent.<sup>8</sup> Barrett further requests that the  
6 Ventures pay all of Barrett’s accrued attorney’s fees and costs until the date of the disclosure and  
7 that the Ventures produce all Agilent contracts.<sup>9</sup> At the very least, Barrett says he should be able to  
8 conduct one more deposition on the contracts, and file a second motion for summary judgment.<sup>10</sup>  
9 As explained below, the court agrees with Barrett that relief is warranted, but only up to a point.  
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11 As an initial matter, Barrett fails to establish that the Ventures violated a court order as Rule  
12 37 requires. Barrett points to this court’s October 14 order, but that order deals with the  
13 organization and form of the Ventures’ production, not any specific failure by the Ventures to  
14 produce the disputed contracts.<sup>11</sup> Even if that order did address the contracts now at issue, Barrett  
15 has not established that default is the appropriate remedy.  
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17 *First*, the public’s interest in speedy resolution might normally favor Barrett, but in this  
18 case, trial is less than a month away. The case has been active for nearly two years. A default  
19 judgment would not materially expedite resolution.

20 *Second*, the court’s need to manage its docket is not a significant factor. While any hiccup  
21 in the lead-up to trial creates burdens on the court’s docket, the court is fully capable of managing a  
22 trial in this case in the coming weeks.  
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24 <sup>8</sup> See Docket No. 111 at 9-10.

25 <sup>9</sup> See *id.*

26 <sup>10</sup> See Docket No. 168.

27 <sup>11</sup> See Docket No. 62.



1 [privilege] claim has been resolved.”<sup>15</sup> Fed. R. Evid. 502(d) provides that “[a] federal court may  
2 order that the privilege or protection is not waived by disclosure connected with the litigation  
3 pending before the court—in which even the disclosure is also not a waiver in any other federal or  
4 state proceeding.”<sup>16</sup> Such an order allows the clawing back of an inadvertent production of  
5 privileged material without any risk of waiver even where the producing party has not conducted  
6 any privilege review.<sup>17</sup>

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8 The parties’ protective order incorporates Rule 502(d) and broadens Rule 26(b)(5)’s  
9 requirement. In this case, any recipient of documents “shall not challenge the propriety of the  
10 privilege or protection claimed on the grounds that the privilege or protection was waived by  
11 production of the documents.”<sup>18</sup> The protective order further states that “no use shall be made of  
12 such documents during deposition” before the recipient challenges the propriety of the privilege  
13 claim on some basis other than the production of the document.<sup>19</sup> If the receiving party fails to  
14 seek or secure determination of the propriety of the privilege, then the recipient must return the  
15 privileged documents and also “confirm in writing that any analyses, memoranda or notes which  
16 were internally generated based upon such inadvertently produced information have been  
17 destroyed.”<sup>20</sup>

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19 Barrett might be right that the stipulated privilege waiver as to Stainbrook, Stainbrook’s  
20 role as attorney to both Barrett and the Ventures and the Ventures’ delay in claiming privilege have  
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22 <sup>15</sup> Fed. R. Civ. P. 26(b)(5).

23 <sup>16</sup> Fed. R. Evid. 502(d)

24 <sup>17</sup> See *Zubulake v. UBS Warburg LLC*, 216 F.R.D. 280, 290 (S.D.N.Y. 2003); accord comments to  
25 FRE 502(d) (citing *Zubulake*).

26 <sup>18</sup> Docket No. 37 at ¶ 12.3.

27 <sup>19</sup> *Id.*

28 <sup>20</sup> *Id.*

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all rendered Barrett's obligations unclear. But the protective order together with the federal rules are clear: without any further delay, Barrett must return or destroy the documents at issue and any materials derived from them. Given the ambiguity of the parties' stipulation and waiver, however, no fees on this issue are warranted.

**SO ORDERED.**

Dated: April 29, 2015

  
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PAUL S. GREWAL  
United States Magistrate Judge