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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

THE REGENTS OF THE UNIVERSITY
OF CALIFORNIA; and BECTON,
DICKINSON and COMPANY,

Plaintiffs,

v.

AFFYMETRIX, INC.; and LIFE
TECHNOLOGIES CORP.,

Defendants.

Case No.: 17-cv-01394-H-NLS

ORDER:

**(1) GRANTING JOINT MOTION
FOR DETERMINATION OF
DISCOVERY DISPUTE NO. 5; AND**

[Doc. No. 292.]

**(2) GRANTING PLAINTIFFS'
MOTION TO COMPEL
PRODUCTION OF CERTAIN
DOCUMENTS**

On October 3, 2018, the parties filed a one-page joint motion for determination of a discovery dispute. (Doc. No. 292.) In the joint motion, Plaintiffs move for an order compelling Defendants to produce certain documents that Defendants assert are protected by the common interest privilege. (Id.) For the reasons below, the Court rejects

1 Defendants' assertion of the common interest privilege as to the documents at issue, and
2 the Court grants Plaintiffs' motion to compel production of the documents.¹

3 Background

4 The Court has previously resolved a similar discovery dispute between the parties
5 regarding the common interest privilege. On November 15, 2017, in response to a
6 subpoena, third-party AAT BioQuest produced an email dated July 15, 2013 that was sent
7 from Travis Jennings, an Affymetrix scientist, to Steven Yee, Affymetrix's in-house IP
8 counsel, and Ryan Simon, Affymetrix's general counsel. (Doc. No. 212-1, Jennings Decl.
9 ¶ 6.) The email was also sent to Dr. Jack Diwu, lead scientist and principal for third-party
10 AAT BioQuest, Inc., as a carbon copy recipient. (Id. ¶ 7.) It is undisputed that at the time
11 of that email communication, AAT was not represented by its own counsel. (Doc. No. 212
12 at 1, 5.) Further, Defendants do not assert that AAT was represented by Affymetrix's in-
13 house counsel. (Doc. No. 197 at 7 n.2.)

14 On March 7, 2018, Defendants asserted a claim of privilege as to the July 15, 2013
15 email in their privilege log and clawed the document back under the terms of the protective
16 order in this case. (Doc. No. 198-1, Ex. C.) Plaintiffs disputed Defendants' claim of
17 privilege as to the document but complied with Defendants' request to destroy the
18 document. (Id.)

19 On April 20, 2018, the parties filed a one-page joint motion for determination of a
20 discovery dispute. (Doc. No. 165.) In the joint letter, Plaintiffs challenged Defendants'
21 assertion of common interest privilege as to the July 15, 2013 email. (Id.) On April 25,
22 2018, the Court referred the parties' discovery dispute to the Magistrate Judge. (Doc. No.
23 166.) On May 23, 2018, the parties filed a joint motion for the determination of a discovery
24 dispute before the Magistrate Judge. (Doc. No. 186.)

25
26 ¹ The Court notes that the parties have previously briefed the issue of common interest privilege as
27 it relates to the relationship between Affymetrix and AAT both before this Court and before the Magistrate
28 Judge, and the parties have presented oral arguments to the Court on this issue at a prior hearing. (Doc.
Nos. 186, 205, 234, 238, 254.) In light of this, the Court declines to order additional briefing or to schedule
a hearing on the present discovery dispute.

1 On June 19, 2018, the Magistrate Judge issued an order on the parties' joint motion,
2 rejecting Defendants' assertion of common interest privilege as to the July 15, 2013 email
3 and granting Plaintiffs' motion to compel production of the document. (Doc. No. 197 at
4 1, 10.) On July 3, 2018, Defendants filed objections pursuant to Federal Rule of Civil
5 Procedure 72(a) to the Magistrate Judge's June 19, 2018 order. (Doc. No. 205.) On August
6 6, 2018, the Court held that Defendants failed to establish applicability of the common
7 interest privilege and denied Defendants' Rule 72(a) objections. (Doc. No. 259.)
8 Specifically, the Court held that Defendants had failed to show that the communication at
9 issue was made in pursuit of a joint strategy in accordance with some form of agreement.
10 (Id. at 7-9.) In addition, the Court held that the Magistrate Judge did not err in denying
11 Defendants' assertion of common interest privilege on the basis that AAT was not
12 represented by counsel of its own during the relevant time. (Id. at 9-11.)

13 In the present discovery dispute, Plaintiffs again challenge Defendants' assertion of
14 the common interest privilege as to certain documents. (Doc. No. 292.) Specifically, the
15 parties dispute whether Defendants may invoke the common interest privilege with respect
16 to attorney-client communications Affymetrix shared with third-party AAT after the
17 effective date of a supply and license agreement that Affymetrix and AAT signed in 2014.
18 (Id.)

19 Discussion

20 **I. Legal Standards for Attorney-Client Privilege and Common Interest Privilege**

21 Privilege determinations in patent cases are governed by the law of the regional
22 circuit, here the Ninth Circuit. See Waymo LLC v. Uber Technologies, Inc., 870 F.3d
23 1350, 1359 (Fed. Cir. 2017) (“We apply Ninth Circuit law to determine whether the District
24 Court erred in its privilege determination.”); In re Regents of University of California, 101
25 F.3d 1386, 1390 & n.2 (Fed. Cir. 1996). “The attorney-client privilege protects
26 confidential disclosures made by a client to an attorney in order to obtain legal advice, . . .
27 as well as an attorney's advice in response to such disclosures.” United States v. Ruehle,
28 583 F.3d 600, 607 (9th Cir. 2009). The Ninth Circuit has explained that “[b]ecause it

1 impedes full and free discovery of the truth, the attorney-client privilege is strictly
2 construed.’” United States v. Martin, 278 F.3d 988, 999 (9th Cir. 2002), as amended on
3 denial of reh’g (Mar. 13, 2002); see also Ruehle, 583 F.3d at 607 (“[T]he [attorney-client]
4 privilege stands in derogation of the public’s right to every man’s evidence and as an
5 obstacle to the investigation of the truth, [and] thus, . . . [i]t ought to be strictly confined
6 within the narrowest possible limits consistent with the logic of its principle.”).

7 The party asserting the privilege bears the burden of proving all of the elements in
8 the following eight-part test:

9 (1) Where legal advice of any kind is sought (2) from a professional legal
10 adviser in his capacity as such, (3) the communications relating to that
11 purpose, (4) made in confidence (5) by the client, (6) are at his instance
12 permanently protected (7) from disclosure by himself or by the legal adviser,
(8) unless the protection be waived.

13 Ruehle, 583 F.3d at 607-08; accord Martin, 278 F.3d at 999-1000; see also Weil v.
14 Inv./Indicators, Research & Mgmt., Inc., 647 F.2d 18, 25 (9th Cir. 1981) (“As with all
15 evidentiary privileges, the burden of proving that the attorney-client privilege applies rests
16 not with the party contesting the privilege, but with the party asserting it.”).

17 “Under the attorney-client privilege, it is a general rule that attorney-client
18 communications made ‘in the presence of, or shared with, third-parties destroys the
19 confidentiality of the communications and the privilege protection that is dependent upon
20 that confidentiality.’” Nidec Corp. v. Victor Co. of Japan, 249 F.R.D. 575, 578 (N.D. Cal.
21 2007); see In re Pac. Pictures Corp., 679 F.3d 1121, 1126-27 (9th Cir. 2012) (“[V]oluntarily
22 disclosing privileged documents to third parties will generally destroy the privilege.”);
23 Cohen v. Trump, No. 13-CV-2519-GPC WVG, 2015 WL 3617124, at *13 (S.D. Cal. June
24 9, 2015) (“As a general rule, the attorney-client privilege is waived by voluntary disclosure
25 of private communications to third parties.”). “The reason behind this rule is that, [i]f
26 clients themselves divulge such information to third parties, chances are that they would
27 also have divulged it to their attorneys, even without the protection of the privilege.” Pac.
28 Pictures, 679 F.3d at 1127.

1 The joint defense privilege also known as the “common interest” privilege is an
2 exception to the general rule that disclosure of privileged communications to a third party
3 destroys the privilege. Nidec, 249 F.R.D. at 578. The Ninth Circuit has explained that the
4 common interest privilege is not “a separate privilege.” Pac. Pictures, 679 F.3d at 1129.
5 Rather, it “is ‘an extension of the attorney-client privilege.’” United States v. Gonzalez,
6 669 F.3d 974, 978 (9th Cir. 2012). The common interest privilege is “designed to allow
7 attorneys for different clients pursuing a common legal strategy to communicate with each
8 other.” Pac. Pictures, 679 F.3d at 1129; Gonzalez, 669 F.3d at 978 (“[T]he rationale for
9 the joint defense rule [is that] persons who share a common interest in litigation should be
10 able to communicate with their respective attorneys and with each other to more effectively
11 prosecute or defend their claims.”).

12 The common interest privilege applies where: “(1) the communication is made by
13 separate parties in the course of a matter of common interest; (2) the communication is
14 designed to further that effort; and (3) the privilege has not been waived.” United States
15 v. Bergonzi, 216 F.R.D. 487, 495 (N.D. Cal. 2003); accord Nidec, 249 F.R.D. at 578.
16 Further, “the parties must make the communication in pursuit of a joint strategy in
17 accordance with some form of agreement—whether written or unwritten.” Pac. Pictures,
18 679 F.3d at 1129. “[A] shared desire to see the same outcome in a legal matter is
19 insufficient to bring a communication between two parties within [the privilege].” Id.

20 **II. Analysis**

21 Although the present discovery dispute is similar to the parties’ prior dispute, the
22 present dispute is different because, here, it is undisputed that the documents at issue in the
23 present dispute were generated after Affymetrix and AAT had entered in a supply and
24 license agreement in 2014. (Doc. No. 292 at 1; see Doc. No. 196, Quina Decl. Ex. B.)
25 Nevertheless, it is also undisputed that during the relevant time period, AAT was not
26 represented by separate counsel, and Defendants do not assert that their counsel represented
27 AAT. (Doc. No. 292 at 1.) Plaintiffs argue that the Court should again reject Defendants’
28 assertion of common interest privilege in light of the fact that AAT was not represented by

1 counsel during the time of the communications at issue. (Id.) The Court agrees with
2 Plaintiffs.

3 The bulk of the case law supports Plaintiffs' position that the common interest
4 privilege does not apply under these circumstances because AAT was not represented by
5 counsel during the relevant time period. The Ninth Circuit has explained that the common
6 interest privilege is "designed to allow attorneys for different clients . . . to communicate
7 with each other." Pac. Pictures, 679 F.3d at 1129. The Ninth Circuit has further stated that
8 the rationale for the common interest privilege is that "persons who share a common
9 interest in litigation should be able to communicate with their respective attorneys and with
10 each other to more effectively prosecute or defend their claims." Gonzalez, 669 F.3d at
11 978. Thus, in describing the purpose of the common interest privilege, the Ninth Circuit
12 has described the privilege as existing in situations where the parties sharing the common
13 interest are each represented by counsel.

14 Further, several district courts within the Ninth Circuit have expressly held that the
15 common interest "privilege only applies when clients are represented by separate counsel."
16 Sec. & Exch. Comm'n v. Aequitas Mgmt., LLC, No. 3:16-CV-438-PK, 2017 WL 6329716,
17 at *3 (D. Or. July 7, 2017), objections overruled sub nom. Sec. & Exch. Commission v.
18 Aequitas Mgmt., LLC, No. 3:16-CV-00438-PK, 2017 WL 6328150 (D. Or. Dec. 11, 2017);
19 see, e.g., Swortwood v. Tenedora de Empresas, S.A. de C.V., No. 13CV362-BTM (BLM),
20 2014 WL 895456, at *4 (S.D. Cal. Mar. 6, 2014) ("Since Mr. Diez Barroso was not
21 individually represented by counsel, Defendant can not establish the applicability of the
22 common interest doctrine."); Finisar Corp. v. U.S. Bank Tr. Nat. Ass'n, No. C 07-04052
23 JF (PVT), 2008 WL 2622864, at *4 (N.D. Cal. June 30, 2008) ("Under the strict confines
24 of the common interest doctrine, the lack of representation for the remaining parties vitiates
25 any claim to a privilege." (quoting Cavallaro v. United States, 153 F. Supp. 2d 52, 61 (D.
26 Mass. 2001))); OTR Wheel Eng'g, Inc. v. W. Worldwide Servs., Inc., No. CV-14-085-
27 LRS, 2015 WL 11117150, at *2 (E.D. Wash. June 1, 2015) (explaining that for the common
28 interest privilege to apply "[t]he communications, however, must be shared by attorneys

1 for the separate parties”); Carl Zeiss Vision Int’l Gmbh v. Signet Armorlite Inc., No. CIV
2 07CV-0894DMS POR, 2009 WL 4642388, at *7 (S.D. Cal. Dec. 1, 2009). In addition, the
3 Third Circuit has also expressly held that the common interest “privilege only applies when
4 clients are represented by separate counsel.” In re Teleglobe Commc’ns Corp., 493 F.3d
5 345, 365 (3d Cir. 2007). Also, the Restatement (3d) of the Law Governing Lawyers
6 provides: “A person who is not represented by a lawyer and who is not himself or herself
7 a lawyer cannot participate in a common-interest arrangement” Restatement (3d) of
8 the Law Governing Lawyers § 76(1) cmt. d (2000). As such, Plaintiffs’ position that the
9 common interest privilege does not apply here because AAT was not represented by
10 separate counsel is well supported by the law.

11 Defendants have previously argued that there is no binding Ninth Circuit precedent
12 expressly holding that for the common interest privilege to apply, both parties must be
13 represented by separate counsel. (Doc. No. 212 at 6-7.) Although this is true, as shown
14 above, there is ample case law within the Ninth Circuit supporting Plaintiffs’ position.
15 Moreover, notably, Defendants have failed to identify any Ninth Circuit case law in support
16 of their position. Defendants fail to identify any decision where the Ninth Circuit or a
17 district court within the Ninth Circuit found the common interest privilege applicable even
18 though one of the parties to the agreement was not represented by counsel.² Further, even
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20 ² The Court does not find persuasive Defendants’ citation to United States v. Montgomery, 990 F.2d
21 1264, 1993 WL 74314 (9th Cir. 1993). (Doc. No. 212 at 7-8.) Montgomery is easily distinguishable from
22 the present case. In Montgomery, the Ninth Circuit found privileged a statement made by a co-defendant
23 while the two co-defendants were discussing with an Assistant Federal Public Defender the process for
24 obtaining a public defender. See id. at 1-2, 5. The Ninth Circuit found the statement to be privileged even
25 though the public defender at issue ultimately did not represent the defendant who made the statement.
26 See id.

25 But the Ninth Circuit has explained that “[p]rospective clients’ communications with a view to
26 obtaining legal services are plainly covered by the attorney-client privilege under California law, . . .
27 regardless of whether they ever retain the lawyer.” Barton v. U.S. Dist. Court for Cent. Dist. of Cal., 410
28 F.3d 1104, 1111 (9th Cir. 2005). Thus, the co-defendant in Montgomery had an attorney-client
relationship for privilege purposes with that federal defender with respect to the communications at issue
in that case even though the federal defender was never ultimately retained as her counsel. See
Montgomery, 1993 WL 74314, at *3 (“[T]he district court reasonably concluded that McMeniman sought

1 assuming that it could be argued that the law is unclear on this particular issue, the Ninth
2 Circuit has explained that the common interest privilege is an extension of the attorney-
3 client privilege. Gonzalez, 669 F.3d at 978. And the attorney-client privilege is “to be
4 strictly confined within the narrowest possible limits consistent with the logic of its
5 principle.”³ Ruehle, 583 F.3d at 607; see Martin, 278 F.3d at 999.

6 Moreover, Plaintiffs’ position that the common interest privilege does not apply here
7 because AAT was not represented by separate counsel is also supported by a review of the
8 relevant agreement. The Affymetrix-AAT agreement provides in section 11 entitled
9 “General Provisions” the following:

10 11.9. Relationship of the Parties. In all matters relating to this Agreement
11 each Party hereto shall be solely responsible for the acts of its employees and
12 agents, and employees or agents of one Party shall not be considered
13 employees or agents of the other Party. Except as otherwise provided herein,
14 no Party shall have any right, power or authority to create any obligation,
15 express or implied, on behalf of any other Party. Nothing in this Agreement
is intended to create or constitute a joint venture, partnership, agency, trust or
other association of any kind between the Parties or persons referred to herein.

16 Doc. No. 296, Quina Decl. Ex. B at 71.) In sum, Defendants have failed to meet their
17 burden of establishing applicability of the common interest privilege, and the Court rejects
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20 legal advice from Nelson because he was an attorney, wanted his help in obtaining counsel, and discussed
21 with him the charges for which she required representation.”). In contrast, here, Defendants do not assert
22 that AAT or its principle Dr. Diwu ever engaged in communications with Affymetrix’s legal counsel with
a view towards obtaining legal services. As such, Montgomery is inapplicable to the present case.

23 In addition, Montgomery is unpublished disposition from 1993. As a result, Defendants are not
24 permitted to cite Montgomery to this Court under 9th Circuit Rule 36-3(c). Moreover, the Court notes
25 that all of the other cases cited by Defendants in their prior briefing in support of their position are non-
binding out-of-circuit district court decisions or state court decisions. (See Doc. No. 212 at 8-10; Doc.
No. 238 at 5-6.)

26 ³ In addition, the Court rejects Defendants’ policy arguments in favor of finding the common interest
27 privilege applicable in these circumstances. (See Doc. No. 212 at 12-15.) The Court agrees with Plaintiffs
28 that Defendants’ policy arguments are no more than criticisms of the attorney-client privilege itself and
misconstrue the purposes of the attorney-client privilege. (Doc. No. 241 at 12-15.)

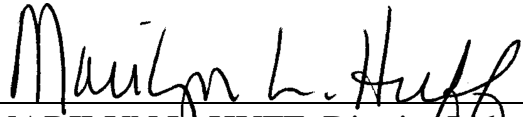
1 Defendants' assertion of the common interest privilege.⁴

2 **Conclusion**

3 For the reasons above, the Court rejects Defendants' assertion of the common
4 interest privilege as to the documents at issue. Because Defendants have failed to establish
5 the applicability of the common interest privilege as to the documents at issue, any claim
6 of attorney-client privilege as to those documents was waived when the documents were
7 shared with third-party AAT. See Pac. Pictures Corp., 679 F.3d at 1126-27; Nidec, 249
8 F.R.D. at 578; Cohen, 2015 WL 3617124, at *13. As a result, the Court grants Plaintiffs'
9 motion to compel and orders Defendants to produce the documents at issue within **14 days**
10 from the date this order is filed.

11 **IT IS SO ORDERED.**

12 DATED: October 9, 2018

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15 MARILYN L. HUFF, District Judge
16 UNITED STATES DISTRICT COURT
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26 ⁴ The Court reiterates that it is not holding that there is a bright-line rule requiring that in order for
27 the common interest privilege to apply, the parties to the relevant agreement must always be represented
28 by separate counsel. Rather, the Court simply concludes that under the facts of this civil case, the common
interest privilege does not apply in light of the fact that business entity AAT was not represented by
counsel during the relevant time period.