

1 UNITED STATES DISTRICT COURT
2 DISTRICT OF NEVADA

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CLERK US DISTRICT COURT
DISTRICT OF NEVADA
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3
4 SERVER TECHNOLOGY, INC.)

5 Plaintiff,)

6 v.)

7 AMERICAN POWER CONVERSION)
8 CORPORATION)

9 Defendant.)

3:06-cv-00698-LRH-VPC

ORDER

April 14, 2011

10
11 Before the court is American Power Conversion Corporation's ("APC") motion to compel
12 (#'s 235 & 235-1);¹ Server Technology, Inc.'s ("STI") opposition (#236); and APC's reply (#240).
13 The court held a hearing on the instant motion on April 4, 2011 (#248). Upon thorough review of
14 the motion and consideration of oral argument, the court grants in part and denies in part APC's
15 motion to compel, according to the specific guidance outlined in this order.

16 **I. FACTUAL & PROCEDURAL BACKGROUND**

17 The subject of the instant dispute is whether STI waived its attorney-client privilege and
18 attorney work product protection when it allowed Messrs. Ryan and Main, STI's patent attorneys,
19 and Mr. Ewing, STI's president and lead inventor, to provide deposition testimony regarding
20 disclosures to STI's attorneys and to the U.S. Patent and Trademark Office ("PTO"), and when STI
21 allowed Mr. Main to refresh his recollection prior to providing deposition testimony by reading a
22 letter he drafted in 2001 (#235-1, p. 2-4). Without providing an exhaustive case description, the court
23 outlines basic facts, which are essential to comprehend the nature of the current dispute.

24 STI initiated the present patent infringement action against APC, alleging in its second
25 amended complaint that APC's products infringe four of STI's patents: United States Patent numbers
26 7,099,934 ("the '934 patent"); 7,043,543 ("the '543 patent"); 7,141,461 ("the '461 patent"); and
27

28 ¹ Refers to the court's docket number.

1 7,702,771 ("the '771 patent") (#185). In its amended answer, APC asserts the affirmative defenses
2 of invalidity, claiming that STI's patents failed to meet the conditions for patentability, and
3 unenforceability, alleging that STI engaged in inequitable conduct (#208, p. 8). APC also filed
4 several counterclaims against STI, explaining that all inventors and attorneys before the PTO have
5 a duty to be candid, which includes the duty to disclose to the PTO "all information known to that
6 individual to be material to the patentability of the application." *Id.* at 9.

7 APC's second counterclaim alleges:

8 The inventors of the STI patents asserted against APC in this litigation, and the
9 attorneys who represented those inventors and STI as the assignee on those patents,
10 violated their duty of candor before the PTO. As a result of this inequitable conduct,
each of the '934, '543, '461, and '771 patents is irreparably corrupted and
unenforceable.

11 *Id.* at 9-10. Specifically, APC believes STI knew that APC's MasterSwitch VM, among other
12 products, predated STI's products for which it sought patents, but failed to disclose this information
13 to its patent prosecution attorney or to the PTO. (#240, p. 4) Rather, APC argues, STI provided
14 information about APC's MasterSwitch VM and other products to STI's counsel to "analyze them
15 for a potential infringement action" against STI's then-existing patents, not to comply with STI's
16 duty to disclose relevant prior art to its counsel and the PTO as it related to the prosecution of new
17 patents. *Id.* APC tested this theory in its deposition questioning of STI's attorneys, Messrs. Ryan
18 and Main, and STI's president and lead inventor, Mr. Ewing (#235-1, p. 6-11).

19 STI explains that APC's assertion of an inequitable conduct claim "creates a dilemma for
20 inventors and their attorneys: in order to defend themselves, they must describe what they knew,
21 when they knew it, and why they did or did not make certain disclosures to the USPTO" (#236, p.
22 2). STI further notes that "these very facts inevitably involve communications between the inventors
23 and their attorney, many of which might be privileged," and in an effort to defend against the claim
24 "inventors must risk having the adverse party claim they have waived the attorney-client and/or work
25 product privilege."² *Id.* at 2-3.

26
27 ² APC comments that this problem is of particular concern to STI because STI used the same
28 counsel for both patent prosecution and patent litigation on two occasions (#240, p. 14). APC explains:
"This is unusual in the practice of patent law because using the same attorney for prosecution and litigation

1 STI believes that in the instant dispute involving three depositions, it has avoided waiving
2 the attorney client and/or work product privilege by allowing “the inventors and their attorney to
3 testify to *facts* that are not confidential and that were not communicated in confidence between the
4 attorney and his clients, and that do not involve the attorney’s opinions and mental impressions.”
5 *Id.* at 3 (emphasis in original). APC argues that “STI, in defending itself against the allegations of
6 inequitable conduct, has attempted to selectively waive the attorney client privilege as to testimony
7 that it deems helpful to its position and bar any inquiry into related testimony that is not helpful”
8 (#235-1, p. 6). The following lines of deposition questioning are at issue in this instant dispute:

9 (1) Mr. Ryan’s deposition testimony: Mr. Ryan testified that he advised Mr. Ewing
10 of his duty of candor, that Mr. Ewing gave him “great assurances that tremendous
11 effort has been made to disclose everything and more than had to be,” and that Mr.
12 Ewing assured him of this fact when Mr. Ryan was first retained and that the two
13 men discussed the duty of candor “multiple times . . . every month or two” (#235-5,
14 p. 3-8). Following these responses, STI’s counsel directed Mr. Ryan not to answer
15 the following question: “What is it that Mr. Ewing told you in terms of what he has
16 done to ensure that he has complied with his Rule 56 obligations?” *Id.* at 7.

17 (2) Mr. Main’s deposition testimony: Mr. Main testified that he asked Mr. Ewing for
18 information regarding the MasterSwitch VM, likely in December 2000, and that
19 though Mr. Ewing did not have any information about the product at the time, Mr.
20 Ewing indicated that he was actively seeking such information and that he would
21 share it with Mr. Main when he obtained it (#235-3, p. 11). Mr. Main also testified
22 that he wanted information about the MasterSwitch VM because it was “a good lead
23 to pursue for at least additional background information, like the background
24 information I wrote for the patent application,” and that he “pumped” Mr. Ewing for
25 information about the MasterSwitch VM because he believed Mr. Ewing was the best
26 source of research regarding the product. *Id.* at 11, 19-20. Finally, Mr. Main also
27 testified that his “best guess” as to his legal analysis regarding the MasterSwitch VM
28 is that he “must not have considered it to be prior art.” *Id.* at 17. Following these
responses, STI’s counsel directed Mr. Ryan not to answer the following question:
“Did you ever have a conversation with anybody at STI regarding whether –
regarding when the MasterSwitch VM was introduced into the market?” *Id.* at 16-17.
STI’s counsel also directed Mr. Main not to answer the following question regarding
a conversation between Mr. Main and Mr. Ewing about a trade show Mr. Ewing
attended, at which APC’s MasterSwitch VM product was displayed: “Okay. The
- trade show you were mentioning earlier, do you recall when you had that
communication?” *Id.* at 13-14.

(3) Mr. Ewing’s deposition testimony: Mr. Ewing first testified that he gave the
MasterSwitch Plus and MasterSwitch VM product manual and user guide to Mr.
Main and asked him “how this product information related to his work that he was
currently doing on the reexam of the ‘974 patent” (#240-3, p. 6). In the following
deposition session, Mr. Ewing testified that he provided Mr. Ryan with information
about APC’s products primarily in order to comply with his duty to disclose prior art

leads to a number of complex conflict and potential disqualification issues.” *Id.*

1 (#235-4, p. 6-10). After providing this testimony, STI's counsel directed Mr. Ewing
2 not to answer the following question: "Do you know, Mr. Ewing, whether or not
3 there's a purpose recited in Exhibit 92 that's consistent with what you just described
4 as your purpose for asking – providing information to Mr. Main? *Id.* at 12. STI's
5 counsel also directed Mr. Ewing not to answer the following question: "Did you ever
6 discuss the MasterSwitch VM with Mr. Ryan in connection with your duty of
7 candor?" *Id.* at 15-16.

8 In addition to these specific disputed instances of what APC characterizes as STI's waiver
9 of its privilege, APC believes STI also waived its right to protect a letter sent in 2001 by Mr. Main
10 to Mr. Ewing, which STI gave to Mr. Main to refresh his recollection in preparation for his
11 deposition (#235-1, p. 11). APC believes the letter is "highly probative of what Mr. Ewing and his
12 counsel knew about the APC vertical product at least as of January 2001, and relevant to Mr.
13 Ewing's repeated assertion that Mr. Ewing complied with his duty of candor." *Id.* at 11. Mr. Main
14 testified that his review of the letter refreshed his memory about the existence of the letter, APC's
15 MasterSwitch VM product, and the events that occurred in 2000-2001 (#235-3, p. 3-8). Likewise,
16 Mr. Main testified that the letter reminded him that Mr. Ewing provided him with a copy of APC's
17 MasterSwitch VM manual. *Id.*

18 During Mr. Ewing's deposition, STI noted that it produced a redacted version of the letter
19 to APC "for the sole purpose of corroborating by using the factual information in that letter that
20 indeed information concerning the MasterSwitch VM and the BayTech products was provided to
21 counsel" (#235-4, p. 11). Additionally, STI repeatedly instructed Mr. Main and Mr. Ewing not to
22 answer questions about the content of the letter (#235-1, p. 13). APC seeks an unredacted version
23 of the letter, claiming that STI waived its right to protect the contents of the letter by allowing Mr.
24 Main to testify to the fact that Mr. Ewing provided him with the MasterSwitch VM manual. *Id.* at
25 12. APC believes it should be able to view the original copy of the letter to corroborate Mr. Ewing's
26 testimony that he provided this information to comply with his duty of candor. *Id.* at 16-17.

27 APC believes that Federal Rule of Evidence 612 provides an additional basis for requiring
28 STI to disclose an unredacted copy of the January 2001 letter. *Id.* at 17. APC argues that FRE 612
requires that the document used to refresh a witness's memory before testifying be made available
for inspection and cross-examination, including privileged documents, which become discoverable
when they are used to refresh recollection. *Id.* at 17-18. STI argues that whether the letter must be

1 disclosed is governed by a three-part test articulated in *Parry* that balances whether the witness was
2 coached, whether the content of the document is opinion or fact, and if the request for the document
3 is a fishing expedition (#236, p. 14). STI also states that the 2001 letter contains “core opinion work
4 product,” which is protected from disclosure by Federal Rule of Civil Procedure 26 unless there is
5 a showing that the witness was coached. *Id.* STI explains that there are no allegations of witness
6 coaching in this case and that the letter clearly contains core opinion work product as it “reflects Mr.
7 Main’s opinions on the products provided by Mr. Ewing.” *Id.* at 15. In APC’s reply brief, it argues
8 that the content of the letter is not core opinion work product because it speaks to a patent not at
9 issue in the current case and, therefore, is unrelated to STI’s current litigation strategy (#240, p. 17).
10 As a result of this distinction, APC believes it should have access to an unredacted version of the
11 letter that it may use “to inquire into facts that reveal Mr. Ewing’s motivations and state of mind.”
12 *Id.*

13 APC requests that STI’s witnesses be compelled to answer questions about communication
14 between STI, its inventors, and its patent prosecution counsel about STI’s “disclosures (and lack of
15 disclosures) to the USPTO in the prosecution of the patents-in-suit, their compliance with the duty
16 of candor to the USPTO, and their awareness of the APC MasterSwitch VM and BayTech products
17 when prosecuting the patents-in-suit before the USPTO (#235-1, p. 20). APC also requests that STI,
18 its inventors, and its patent prosecution counsel be required to answer questions about the January
19 8, 2001 letter drafted by Mr. Main and the materials referenced therein. *Id.* Finally, APC requests
20 that STI be compelled to deliver an unredacted copy of the January 8, 2001 letter. *Id.*

21 STI urges the court to find that it “properly drew the line between factual information to
22 which no privilege applies and privileged substantive communication,” and that “the testimony by
23 [STI’s] witnesses and the redacted letter have not waived any privilege” (#236, p. 14). Further, STI
24 argues that Mr. Main’s review of the letter prior to his deposition does not waive any privilege under
25 FRE 612. *Id.* at 16. STI also argues that, in the event the court finds that there has been a waiver,
26 the waiver should be limited to “communications between [STI] and its inventors and their
27 prosecution counsel regarding [STI’s] disclosures to the USPTO in the prosecution of the patents-in-
28 suit, their compliance with the duty of candor to the USPTO, and their awareness of the APC

1 MasterSwitch.VM and BayTech products when prosecuting the patents-in-suit.” *Id.* at 18-19.

2 **II. LEGAL DISCUSSION AND ANALYSIS**

3 **A. Discussion**

4 **1. Waiver of the Attorney-Client Privilege and Work Product Protection**

5 Privileges available to witnesses are governed by common law principles as they are
6 interpreted by courts. Fed. R. Evid. 501; *Upjohn Co. v. United States*, 449 U.S. 383, 389 (1981)
7 (quoting FRE 501). “The attorney-client privilege is the oldest of the privileges for confidential
8 communications known to the common law.” *Upjohn Co.*, 449 U.S. at 389 (citing 8 J. Wigmore,
9 Evidence § 2290 (McNaughton rev. 1961)). The privilege is intended to “encourage clients to make
10 full disclosure to their attorneys.” *Fisher v. United States*, 425 U.S. 391, 403 (1976). The related
11 work product doctrine is codified in Federal Rule of Civil Procedure 26(b)(3), and protects attorneys
12 from being required to divulge materials prepared in anticipation of litigation. Fed. R. Civ. P.
13 26(b)(3). The attorney-client privilege “only protects disclosure of communications; it does not
14 protect disclosure of the underlying facts by those who communicated with the attorney.” *Upjohn*
15 *Co.*, 449 U.S. at 395. Likewise, the work product doctrine does not protect from discovery factual
16 information contained within an attorney’s papers; rather, only an attorney’s “mental impressions,
17 conclusions, opinions, or legal theories” are protected. *In re Seagate Tech.*, 497 F.3d 1360, 1375
18 (Fed. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008); *see United States v. Fort*, 472 F.3d 1106, 1128
19 (9th Cir. 2007).

20 Federal Rule of Evidence 502 explains that attorney-client privilege and work product
21 protection can be waived by disclosures made during a federal proceeding if:

- 22 (1) the waiver is intentional;
- 23 (2) the disclosed and undisclosed communications or information concern the same
subject matter; and
- 24 (3) they ought in fairness be considered together.

25 Fed. R. Evid. 502. “In general, a party’s voluntary disclosure of one or more privileged
26 communications between the party and his attorney waives the privilege as to all communications
27 between the party and his attorney on the same subject.” *Starsight Telecast, Inc. v. Gemstar Dev.*
28 *Corp.*, 158 F.R.D. 650, 653 (N.D. Cal. 1994). It would be unfair to allow a party to disclose facts

1 beneficial to its case, but then assert the attorney-client privilege or work product protection to refuse
2 disclose facts adverse to its case. *Id.* (citing *Hercules, Inc. v. Exxon Corp.*, 434 F.Supp. 136, 156 (D.
3 Del. 1977)).

4 Patent litigation can result in counterclaims alleging patent invalidity or inequitable conduct
5 due to a party's purported intent to defraud the PTO. *See, e.g., Starsight Telecast, Inc.*, 158 F.R.D.
6 at 653; *General Elec. Co. V. Hoechst Celanese Corp.*, 15 U.S.P.Q.2d 1673 (D. Del. 1990); *Lorenz*
7 *v. Valley Forge Insurance Co.*, 815 F.2d 1095 (7th Cir. 1987). When parties' intent in providing
8 documentation to the PTO is at issue, "a party should not be permitted to testify about its state of
9 mind at the time alleged privileged communication[s] occurred, without pointing to nonprivileged
10 evidence to substantiate its claim or allowing the opposition to discover the privileged
11 communications themselves." *Starsight Telecast, Inc.*, 158 F.R.D. at 653; *see Holmgren v. State*
12 *Farm Mut. Auto. Ins. Co.*, 976 F.2d 573, 577 (9th Cir. 1992) (discussing waiver of work product
13 protection and finding that "opinion work product may be discovered and admitted when mental
14 impressions are *at issue* in a case and the need for the material is compelling")(emphasis in original).
15 On the other hand, "[a] mere denial of intent, without more, is insufficient to constitute a waiver."
16 *Starsight Telecast, Inc.*, 158 F.R.D. at 653 (citing *Lorenz*, 815 F.2d at 1098).

17 In *Starsight*, an inventor provided a declaration stating that he was "personally familiar with
18 the rules and regulations of the United States Patent Office as they affect inventors . . . [i]n particular
19 . . . the duty to disclose information material to patentability." *Id.* at 654. The inventor also stated
20 in his declaration that he disclosed all prior art relevant to the patent at issue to his attorney, and his
21 attorney stated in his declaration that he submitted the art to the PTO. *Id.* Additionally, two patent
22 attorneys testified at their depositions "regarding how the claims of the '713 Patent differ from the
23 prior art described in conversations with, and correspondence from Starsight." *Id.* The court found
24 that the testimony and declarations addressed "two key elements of the parties' inequitable conduct
25 claim: knowledge of the purported prior art, and the relevancy or materiality of such art." *Id.* The
26 court determined that "under the totality of these circumstances" the parties "have done more than
27 merely deny Starsight's charge of inequitable conduct, and therefore they have partially waived the
28 attorney-client privilege." *Id.* The court construed the waiver narrowly and required the discovery

1 of relevant facts that relate to the "particular, narrow subject matter [that has] been disclosed." *Id.*
2 at 655.

3 2. Federal Rule of Evidence 612

4 Federal Rule of Evidence 612 provides:

5 [I]f a witness uses a writing to refresh memory for the purpose of testifying, either--

6 (1) while testifying, or

7 (2) before testifying, if the court in its discretion determines it is necessary in the
8 interests of justice,

9 an adverse party is entitled to have the writing produced at the hearing, to inspect it,
10 to cross-examine the witness thereon, and to introduce in evidence those portions
11 which relate to the testimony of the witness. If it is claimed that the writing contains
12 matters not related to the subject matter of the testimony the court shall examine the
13 writing in camera, excise any portions not so related, and order delivery of the
14 remainder to the party entitled thereto.

15 Fed. R. Evid. 612. The Advisory Committee "amended the Rule so as still to require the production
16 of writings used by a witness while testifying, but to render the production of writing used by a
17 witness to refresh his memory before testifying discretionary with the court." Advisory Committee
18 Notes, FRE 612 (1974). Further, the Committee noted that "nothing in the Rule . . . bar[s] the
19 assertion of a privilege with respect to writings used by a witness to refresh his memory." *Id.*
20 However, some courts believe that "Rule 612(2) . . . permit[s] discovery of writings (or portions
21 thereof) that a witness reviewed before his or her recollection; any privilege or work product
22 protection against disclosure is deemed waived as to those portions so reviewed." *United States v.*
23 *22.80 Acres of Land*, 107 F.R.D. 20, 25 (N.D. Cal. 1985). "The court then may order disclosure if,
24 in its discretion, it determines disclosure is in the interest of justice." *Id.* The court in *22.80 Acres*
25 *of Land* further explained:

26 [C]ourts must balance on a case-by-case basis, the competing interests present: the
27 objective of full disclosure and ascertainment of the truth that Rule 612 and the
28 federal discovery rules reflect, against the interest in maintaining the confidentiality
of protected material, as is represented by the work product doctrine.

Id. at 26.

Some courts have recognized that FRE 612 "does not expressly exempt privileged matter
from disclosure and, therefore, conflicts, to some extent with Rule 26(b)(3)." *Parry v. Highlight*

1 *Indus., Inc.*, 125 F.R.D. 449, 452 (W.D. Mich. 1989). Federal Rule of Civil Procedure 26(b)(3) (A)-
2 (B) provides:

3 (3) Trial Preparation: Materials.

4 (A) *Documents and Tangible Things*. Ordinarily, a party may not discover
5 documents and tangible things that are prepared in anticipation of litigation
6 or for trial by or for another party or its representative (including the other
party's attorney, consultant, surety, indemnitor, insurer, or agent). But,
subject to Rule 26(b)(4), those materials may be discovered if:

7 (i) they are otherwise discoverable under Rule 26(b)(1); and

8 (ii) the party shows that it has substantial need for the materials to
9 prepare its case and cannot, without undue hardship, obtain their
substantial equivalent by other means.

10 (B) *Protection Against Disclosure*. If the court orders discovery of those
11 materials, it must protect against disclosure of the mental impressions,
conclusions, opinions, or legal theories of a party's attorney or other
12 representative concerning the litigation.

13 Fed. R. Civ. P. 26(b)(3)(A)-(B).

14 While *Parry* is not controlling in this jurisdiction, the case is instructive. In addressing the
15 potential conflict between FRE 612 and FRCP 26(b)(3), the *Parry* Court articulated a three-part test
16 that "balance[s] the need for full disclosure against the need to protect the integrity of the adversary
17 system." *Id.* Specifically, the test balances "whether witness 'coaching' may have occurred; whether
18 the document reviewed constituted 'factual' or 'opinion' work product; and 'whether the request
19 constitutes a fishing expedition.'" *Id.* (quoting *In re Joint E. & S. Dist. Asbestos Litig.*, 119 F.R.D.
20 4, 6 (E.D. & S.D.N.Y. 1988). In *Parry*, after *in camera* review of the documents in question, the
21 Court found that "plaintiffs have failed to establish either a substantial need to review the documents
22 at issue or that disclosure is necessary in the interests of justice." *Id.* The Court further determined
23 that the "opinion letter written by defendant's counsel" and the second document, which "describe[d]
24 the defendant's product and counsel's understanding of plaintiffs' best argument that the product
25 infringes their patent," are both "core 'opinion' work product which is absolutely privileged against
26 disclosure." *Id.* at 452-53.

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28

1 **B. Analysis**

2 **1. Waiver of the Attorney-Client Privilege and Work Product Protection**

3 The parties fundamentally disagree about the nature of the disclosures made by Messers.
4 Ryan, Main, and Ewing. APC believes the information provided by these witnesses is privileged,
5 thus waiving the attorney-client privilege and opening the door to further cross-examination by APC.
6 STI argues that the witnesses merely disclosed factual information, which is not subject to the
7 attorney-client privilege and, therefore, APC is not permitted to question the witnesses further to
8 elicit privileged information.

9 In addition to determining whether the information provided by STI's witnesses was merely
10 factual, and not protected by any privilege, the court must also examine the information provided
11 in light of the guidance in *Starsight Telecast*, which applies to cases in which inequitable conduct
12 has been alleged, thereby calling into question parties' intent when providing information to the
13 PTO. In other words, the court must assess whether the information provided by Messrs. Ryan,
14 Main, and Ewing merely denied their intent to defraud the PTO, or if their testimony addresses, more
15 substantively, their respective states of mind when disclosing information about the MasterSwitch
16 VM and other details to plaintiff's counsel and to the PTO. According to *Starlight Telecast*, a mere
17 denial does not require further testimony or evidence, while testimony about state of mind requires
18 provision of nonprivileged evidence of the state of mind or the allowance of discovery of privileged
19 information. The court begins by examining the deposition testimony of each witnesses.

20
21 Mr. Ryan testified that he received "great assurances" that any and all information that
22 needed to be disclosed by Mr. Ewing to Mr. Ryan had indeed been provided (#235-5, p. 6). Further,
23 Mr. Ryan testified that he and Mr. Ewing discussed the duty of candor "multiple times." *Id.* at 8.
24 STI believes these statements simply convey "the fact that patent counsel informed Server Tech's
25 inventors of their duties" (#236, p. 10). APC believes this information "allowed Mr. Ryan to reveal
26 privileged information supporting a one-sided conclusion that STI had complied with the duty of
27 candor," but prevented APC from "test[ing] the veracity of that one-sided statement" (#240, p. 7).

28 The court agrees with APC. These statements are not mere confirmations that counsel

1 discussed applicable duties with its client or that the client complied with such duties; rather, they
2 are statements designed to impress upon the listener that not only did counsel and client comply with
3 their duties, but they did so deliberately and thoroughly. Had Mr. Ryan simply testified that he
4 counseled his client regarding the duty of candor, STI's characterization of the statement would be
5 accurate - it would merely be a statement of fact. However, Mr. Ryan went beyond a factual
6 assertion when he testified that he had received "great assurances" that all measures to comply with
7 the duty had been taken, and that he and Mr. Ewing discussed the duty "multiple times." These
8 statements reflect Mr. Ryan's opinion of the quality of the efforts made by himself and his client to
9 comply with the duty of candor. Mr. Ryan's opinion is protected by the attorney-client privilege;
10 therefore, when he elected to share his impression, he waived the privilege as to other protected
11 information particular to the subject matter. Further, these statements go beyond mere denial of the
12 intent not to defraud the PTO and instead are affirmative representations of Mr. Ryan's and Mr.
13 Ewing's state of mind.

14 Mr. Main testified that he requested information about the MasterSwitch VM from Mr.
15 Ewing because it was "a good lead to pursue for at least additional background information, like the
16 background information [Mr. Main] wrote for the patent application" (#235-3, p. 11). Additionally,
17 Mr. Main testified that he "pumped" Mr. Ewing for this information because thought he would be
18 the best source of research on the MasterSwitch VM. *Id.* at 13-14. Mr. Main also said that Mr.
19 Ewing was "actively looking to get more information" about the product and that the conversation
20 likely took place in December 2000. *Id.* at 11. STI believes these statements establish the "fact that
21 Server Tech provided the APC MasterSwitch VM manual to Mr. Main (#236, p. 10). APC believes
22 that the "testimony is not limited to 'facts,' as STI contends, but reveals the content of several
23 communications between Mr. Main and Mr. Ewing, including information regarding allegedly '*why*'
24 Mr. Ewing was looking for information about the MasterSwitch VM for Mr. Main" (#240, p. 8)
25 (emphasis in original).

26 Again, the court agrees with APC. Mr. Main did not simply testify that his client provided
27 him with information regarding APC's MasterSwitch VM product. Rather, Mr. Main explained that
28

1 both he and Mr. Ewing were actively seeking information about the product and Mr. Main further
2 detailed why he wanted information about the MasterSwitch VM. Again, Mr. Main's testimony goes
3 beyond simply stating that he did not intend to defraud the PTO and, instead, explains his opinion
4 of the value and relevance of the MasterSwitch VM. APC is entitled to corroborate Mr. Main's
5 assertions about his intended uses of the information in or around December 2000. However, Mr.
6 Main's testimony does not open the door for APC to discover the details of communication between
7 STI employees and Mr. Main regarding when the MasterSwitch VM product was introduced to the
8 market or discussion about the 1999 tradeshow. Mr. Main only called into question his state of mind
9 and intended uses when he requested information about the MasterSwitch VM from Mr. Ewing in
10 or around December 2000. He did not open the door to a full exploration of his communications
11 about the product with other individuals or at other times.

12 Mr. Main also testified that his "best guess" as to his legal analysis regarding the
13 MasterSwitch VM is that he "must not have considered it to be prior art" (#235-3, p. 17). APC
14 argues that Mr. Main's speculation as to why he did not disclose the MasterSwitch VM to the PTO
15 "reveals mental impressions of Mr. Main, and implicates the advice of counsel that Mr. Main may
16 have given when he was prosecuting the STI patents" (#240, p. 10). The court agrees with APC that
17 Mr. Main's legal analysis is not simply a factual assertion, but rather it is his recollection that his
18 opinion at the time was that the MasterSwitch VM was not prior art. Further, Mr. Main's testimony
19 is not simply a denial that he did not intend to deceive the PTO office, but again an affirmative
20 representation of his state of mind, which was that the MasterSwitch VM product was not relevant
21 as prior art. APC should be, and was, permitted to test Mr. Main's recollection of his opinion. APC
22 asked several follow up questions in deposition about Mr. Main's decision that the MasterSwitch
23 VM was not prior art. Mr. Main answered that had he considered it to be prior art he would have
24 disclosed it to the PTO, so his basis for the statement that it was not prior art was the fact that he did
25 not include it in his application to the PTO. The court finds that this response, in combination with
26 the redacted version of the letter provided by STI, discussed below, adequately answers APC's
27 questions about Mr. Main's treatment of the information he received from Mr. Ewing about the
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1 MasterSwitch VM and his intent, to the extent he can recall, in not disclosing the information to the
2 PTO.

3 Mr. Ewing testified that he provided information about APC's products to Mr. Main in order
4 to comply with his duty of candor (#235-4, p. 6-10). However, Mr. Ewing also testified that he
5 turned over a MasterSwitch Plus and MasterSwitch VM product manual and user guide to Mr. Main
6 and asked him "how this product information related to his work that he was currently doing on the
7 reexam of the '974 patent" (#240-3, p. 6). APC believes this testimony "was intentionally structured
8 to reveal not merely 'facts,' but the content of and alleged reasons and motivations for
9 communications between attorney and client." *Id.* STI says this testimony simply establishes the
10 facts that "Server Tech obtained an APC MasterSwitch Plus, which included a compact disk that
11 included a manual for the MasterSwitch VM," and the fact that these items were provided to Mr.
12 Main by STI (#236, p. 10).

13 The court agrees with APC that Mr. Ewing expressed more than the fact that he disclosed
14 these items to Mr. Main. Rather, he disclosed his intentions in disclosing this information, which
15 includes his belief that he was required to disclose the information to comply with the duty of candor
16 and his statement that he wanted Mr. Main's opinion on how the information related to his ongoing
17 work on the reexamination of the '974 patent. As this information speaks to Mr. Ewing's intentions,
18 it more than a simple factual assertion that he provided the information. It is two affirmative
19 statements, albeit somewhat conflicting, of Mr. Ewing's state of mind. As such, APC is entitled to
20 test the veracity of the statement by requesting confirmation of Mr. Ewing's intention in providing
21 this information to Mr. Main.

22 With regard to Mr. Main's and Mr. Ewing's testimony, APC argues that Mr. Main's review
23 of the January 2001 letter he drafted, in combination with Mr. Main and Mr. Ewing's testimony,
24 waived any attorney-client privilege or work product protection STI has over the content of the letter.
25 As a result, APC believes STI must disclose an unredacted version of the January 2001 letter. The
26 court now addresses waiver of work product protection under FRCP 26(b)(3) to determine if: (1)
27 mental impressions are at issue in the case, and (2) APC's need for an unredacted verison of the
28

1 letter is compelling. *Holmgren*, 976 F.2d at 577.

2 The court agrees, as noted above, that APC is entitled to test the veracity of the following
3 statements: (1) Mr. Ryan's statements about the quality of the efforts made by himself and his client
4 to comply with the duty of candor, (2) Mr. Main's statements about his state of mind and intended
5 uses when he requested information about the MasterSwitch VM from Mr. Ewing in or around
6 December 2000, and (3) Mr. Ewing's statements about his state of mind in providing the
7 MasterSwitch Plus and MasterSwitch VM manual to Mr. Main. APC's counterclaim of inequitable
8 conduct calls into question the state of mind of STI's patent counsel and inventors. Likewise, the
9 testimony of Messrs. Ryan, Main, and Ewing, which includes affirmative representations of their
10 respective states of mind, put squarely at issue their intent in disclosing information about the
11 MasterSwitch VM to the PTO. Therefore, the court finds that mental impressions are at issue in the
12 instant dispute. However, the court does not agree that APC has demonstrated a compelling need
13 for the unredacted version of the letter. *In camera* comparison of the redacted and unredacted
14 versions of Mr. Main's January 2001 letter reveal that all relevant portions of the letter remain
15 unredacted by STI. Generally speaking, the redacted portions of the letter include attorney work
16 product, impressions, and opinions not applicable to APC's allowable lines of inquiry - namely, the
17 intent of Mr. Ewing in providing information about the MasterSwitch VM to his patent counsel and
18 the intent of the Messrs. Ryan and Main in reviewing the information provided. Through the
19 deposition questioning that has already occurred, any future questioning of Messrs. Ryan, Main, and
20 Ewing conducted pursuant to this Order, and the unredacted portions of the January 2001 letter, APC
21 has the materials it needs to prepare its case.

22 **2. FRE 612**

23
24 Aside from its argument that STI waived its right to protect the January 2001 letter discussed
25 above, APC contends that FRE 612 requires STI to disclose an unredacted copy of the January 2001
26 letter, which Mr. Main read to refresh his recollection prior to his deposition testimony. STI believes
27 that the committee notes to FRE 612 and *Parry* - which is not binding, but is instructive - prevents
28 STI from being required to disclose "core opinion work product," which is protected by FRCP

1 26(b)(3).

2 As an initial matter, STI relies heavily on *Parry*, which is a Western District of Michigan
3 case. The court finds this case informative, but also feels that it is critical, in the absence of relevant
4 Ninth Circuit Court of Appeals law, to include the guidance of other District Courts within the Ninth
5 Circuit regarding FRE 612. To that end, the court not only reviewed *Parry*, but also considered
6 *United States v. 22.80 Acres of Land*, 107 F.R.D. 70 (N.D. Cal. 1985). The court finds that these
7 cases do not conflict, but rather support the same conclusion, which is that FRE 612 does not
8 mandate the disclosure of documents used to refresh a witnesses recollection prior to deposition
9 testimony. The mechanism by which each court arrives at this conclusion is not identical. *Parry*
10 articulates a three-part test, which courts should use in determining whether or not to determine if
11 privilege has been waived by the party reviewing the document. The test weighs whether witness
12 coaching occurred, whether the document includes factual or opinion work product, and whether the
13 request for the document is a fishing expedition. In *22.80 Acres of Land*, the U.S. District Court for
14 the Northern District of California finds that use of a document to refresh a witness's recollection
15 waives privilege as to the portions reviewed, but also states that courts may use their discretion to
16 determine if it is in the interests of justice to require disclosure of all or part of the document.
17 Further, the court states that it is necessary to balance the FRE 612 interest in discerning the truth
18 against the need to protect the confidentiality of attorney work product.

19 Regardless of which test or standard is employed, this court agrees with STI that production
20 of the unredacted version of the letter is not required and, in the instant dispute, is not necessary.
21 The court conducted an *in camera* review of the documents and finds that the unredacted portions
22 of the January 2001 letter address the portions of Messrs. Main's and Ewing's deposition testimony
23 that are of concern to APC. APC seeks to explore STI's defense to APC's inequitable conduct
24 claim, which is "to construct an argument that Mr. Ewing did all he possibly could to fulfill his duty
25 of candor to the USPTO," thereby lacking the requisite state of mind for an inequitable conduct
26 claim. The court believes that APC has access to the relevant portions of the January 2001 letter
27 referenced by Messrs. Main and Ewing in their respective depositions; therefore, it is not in the
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1 interests of justice to require STI to disclose an unredacted version. Further, the remaining portion
2 of the letter reveals attorney opinions and litigation strategies. Absent a showing that STI coached
3 its witnesses, the Parry balancing test also weighs in favor of not requiring STI to disclose an
4 unredacted copy of the letter, which includes extensive attorney work product.

5
6 **III. CONCLUSION**

7 The court finds that STI waived its attorney-client privilege with respect to the following
8 narrow issues: (1) Mr. Ryan's statements about the quality of the efforts made by himself and his
9 client to comply with the duty of candor, (2) Mr. Main's statements about his state of mind and
10 intended uses when he requested information about the MasterSwitch VM from Mr. Ewing in or
11 around December 2000, and (3) Mr. Ewing's statements about his state of mind in providing the
12 MasterSwitch Plus and MasterSwitch VM manual to Mr. Main. APC is permitted to inquire into
13 the veracity of these statements by conducting further deposition questioning or by requesting that
14 STI provide other evidence to support these statements. APC is not permitted to further question
15 STI, its inventors, and its patent prosecution counsel about the unredacted portions of the January
16 8, 2001 letter drafted by Mr. Main and the materials referenced therein. Further, APC is not entitled
17 to receive an unredacted copy of the January 8, 2001 letter.

18 **IT IS THEREFORE ORDERED** that APC's motion to compel (#235) is **GRANTED** in
19 part, and **DENIED** in part.

20 **IT IS FURTHER ORDERED** that the parties shall meet and confer to develop an amended
21 discovery schedule for this case. The parties shall submit the schedule to this court for approval.

22 **IT IS SO ORDERED.**

23 **DATED:** April 14, 2011.

24 
25 _____
26 **UNITED STATES MAGISTRATE JUDGE**