

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

<p><b>WI-LAN INC.,</b></p> <p style="padding-left: 40px;"><b>Plaintiff,</b></p> <p><b>v.</b></p> <p><b>ALCATEL-LUCENT USA, INC., et al.,</b></p> <p style="padding-left: 40px;"><b>Defendants.</b></p>	<p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p>	<p><b>CASE NO. 6:10-CV-521-LED</b></p> <p><b>JURY TRIAL DEMANDED</b></p>
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**ORDER**

Before the Court is HTC’s Request for *In Camera* Review of Non-Privileged Documents on Wi-Lan’s Privilege Log (Dkt. No. 330). The Court has examined the documents submitted for *in camera* review. Plaintiff is **ORDERED** to conduct a full and thorough review, in light of this order, of the documents previously withheld as privileged. Plaintiff is then **ORDERED** to produce the documents it deems non-privileged by March 18, 2013 at noon. Plaintiff is also **ORDERED** to submit an amended privilege log to Defendant HTC and to the Court by March 18, 2013 at noon. Thereafter, Defendant HTC may make a second selection of twenty-five (25) documents on Plaintiff’s privilege log for *in camera* review by March 19, 2013 at noon. Wi-Lan is then **ORDERED** to submit the documents selected by Defendants for *in camera* review by March 20, 2013 at 10:00 A.M. with a copy of the specific assertions of privilege.

**BACKGROUND**

On October 2010, Plaintiff Wi-Lan Inc. (“Wi-Lan”) filed suit against HTC Corporation, HTC America, Inc., Exedeia, Inc. (collectively, “HTC”), and eight other defendants for patent infringement. Wi-Lan served its Original Privilege Log on January 6, 2012. On May 22, 2012,

HTC informed Wi-Lan of deficiencies in the log, regarding assertions of attorney-client privilege. On August 1, 2012, Wi-Lan provided an updated Cumulative Amended Privilege Log that claimed privilege over 13,762 communications and documents. On October 26, 2012, HTC filed a motion to compel documents withheld as privileged (Dkt. No. 240).

HTC moved to compel production of documents Wi-Lan improperly withheld under the assertion of attorney-client privilege. HTC contends that, to avoid production, Wi-Lan simply attached the term “legal advice” to anything related to licensing negotiations. HTC argues that many of the communications are between Wi-Lan’s executives or non-attorney employees, with in-house counsel simply copied as a secondary recipient. Thus, HTC contends most of the communications likely relate to Wi-lan’s core business function, licensing, and do not qualify as legal advice. HTC also contends that Wi-Lan’s privilege log is deficient because the entries fail to make a *prima facie* showing of privilege. Wi-Lan responds that it has not asserted a blanket attorney-client privilege for all communications and documents involving in-house counsel. Wi-Lan argues that while in-house counsel are involved in Wi-Lan’s business activities, their primary role is to provide advice to Wi-Lan in a legal capacity.

Following a hearing on the motion to compel, the Court ordered HTC to choose eighty (80) documents from Wi-Lan’s Cumulative Amended Privilege Log for *in camera* review. On February 28, 2013, HTC submitted notice with its selection of documents and on March 4, 2013, Wi-Lan submitted all but twelve of the selected documents. In its submission to the Court, Wi-Lan stated that it had already produced eight of those twelve documents to HTC, but had inadvertently left the corresponding entries in its Cumulative Amended Privilege Log. Wi-Lan also asserted that of the remaining four documents, one had already been produced in alternate form and two were merely non-substantive transmittal copies of already-produced documents.

Wi-Lan withdrew its claim of privilege as to the remaining document.

### **APPLICABLE LAW**

Under Federal Rule of Civil Procedure 26(b)(5), a party claiming privilege must: (1) expressly claim privilege; and (2) sufficiently describe the nature of documents or communications, without revealing the protected information, such that the opposing party is able “to assess the claim.” FED. R. CIV. P. 26(b)(5)(A). The purpose of the attorney-client privilege is to “encourage full and frank communication between lawyers and their clients.” *U.S. v. Robinson*, 121 F.3d 971, 974 (5th Cir. 1997) (internal citations omitted). However, because the assertion of privilege inhibits the search for the truth, and is subject to abuse, “it applies only where necessary to achieve its purpose.” *Id.* (quoting *Fisher v. United States*, 425 U.S. 391, 403 (1976)). Confidential communications made to a lawyer, or his subordinate, for the primary purpose of obtaining legal advice or services are privileged. *Id.* However, the privilege “only protects disclosure of confidential communications between the client and the attorney; it does not protect the disclosure of underlying facts.” *Upjohn Co. v. United States*, 449 U.S. 383, 395–96, 101 S.Ct. 677 (1981).

The attorney-client privilege applies in a corporate setting; however, the increased level of participation by in-house counsel in the day-to-day operations of the corporation makes it more difficult to define the scope of the privilege when a communication is made to in-house counsel. *See Upjohn Co.*, 449 U.S. at 389, 101 S.Ct. 677. Thus, in such a setting, the attorney-client privilege attaches only to communications made for the purpose of giving or obtaining legal advice, not business advice, technical advice, or management decisions. *Navigant Consulting, Inc. v. Wilkinson*, 220 F.R.D. 467, 474 (N.D. Tex. 2004); *See also In re Google Inc.*, 462 Fed. Appx. 975, 978 (Fed. Cir. 2012); *Stoffels v. SBC Communications, Inc.*, 263 F.R.D.

406, 411 (W.D. Tex. 2009). The party asserting the privilege has the burden of proving its applicability. *See U.S. v. Harrelson*, 754 F.2d 1153, 1167 (5th Cir. 1985). Furthermore, a privilege log should provide facts that “would suffice to establish each element of the privilege or immunity that is claimed.” *Taylor Energy Co., L.L.C. v. Underwriters at Lloyd’s London Subscribing to Insur. Coverage Evidence by Policy No. HJ109303*, 2010 WL 3952208, at \*1 (E.D. La. Oct. 7, 2010) (internal citation omitted); *see* FED. R. CIV. P. 26(b)(5)(A).

### ANALYSIS

The Court has reviewed the documents submitted by Wi-Lan. There are three categories of documents submitted: 1) fully privileged documents; 2) documents that do not contain privileged communications; and 3) e-mail strings that contain a combination of privileged and non-privileged e-mail messages.

Even using a broad scope of privilege, several documents are not privileged. For example, Document 3283 is an e-mail from Wi-Lan Executive Officer Christian Dubuc to Vice President Andrew Parolin, and Wi-Lan in-house counsel William Middleton and Curt Dodd. The e-mail is part of an e-mail string regarding licensing negotiations with ZTE Corporation (“ZTE”). HTC produced the underlying e-mail from ZTE but withheld the subsequent internal e-mail exchange, asserting privilege because it “occurred in the context of a discussion of strategic legal issues concerning ZTE Corporation.” This internal exchange centered on whether there is a “‘yes’ on the \$\$ just yet.” Although the communication involves Middleton and Dodd, Wi-Lan’s in-house counsel, this is not a communication made for the purpose of giving or obtaining legal advice. *See In re Google Inc*, 462 Fed. Appx. at 978. Instead, the parties involved in the e-mail exchange were acting in their management capacities related to Wi-Lan’s business.

The only advice given or sought throughout the document is to “[not] offer them a free

pen to sign the deal. They might need more info on that as well.” Such advice is purely of a business, not legal, nature. The attorney-client privilege is narrowly construed. *Trammel v. United States*, 445 U.S. 40, 50, 100 S. Ct. 906 (1980). Even if the parties to this e-mail exchange were contemporaneously discussing legal issues related to ZTE, this e-mail string was not concerning legal advice, thus it is not privileged.

Document 9412 is an example of an e-mail string that contains a combination of privileged and non-privileged e-mail messages.<sup>1</sup> The email string consists of five e-mails. Chronologically, the first two emails are privileged because they concern a request from in-house counsel, Curt Dodd, for information to allow him to provide legal advice. The subsequent messages, however, contain an exchange between Executive Officer Christian Dubuc and Vice President Andrew Parolin, discussing who should be in charge of certain projects. These later e-mails relate to Mr. Dodd’s request marginally, at best. Rather than being in furtherance of obtaining legal advice, they are a management discussion about how to better conduct business. Therefore, they are not privileged.

The documents produced for *in camera* review include several similar e-mail exchanges

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<sup>1</sup> There is no real consensus in the case law on how to treat e-mail strings that contain both privileged and non-privileged communications. See *Baxter Healthcare Corp. v. Fresenius Med. Care Holding, Inc.*, 2008 WL 4547190, at \*1 (N.D. Cal. 2008) (“Each e-mail is a separate communication, for which a privilege may or may not be applicable. Defendants cannot justify aggregating authors and recipients for all e-mails in a string and then claiming privilege for the aggregated e-mails.”); *Universal Service Fund Telephone Billing Practices Litigation*, 232 F.R.D. 669, 674 (D. Kan. 2005) (in the preparation of privilege logs, “list each email within a strand as a separate entry.”); *Chemtech Royalty Assoc., L.P. v. United States*, Nos. 05-cv-944, 06-cv-258, 07-cv-405 (M.D. La. Mar. 30, 2009) (“Asserting privilege for an entire email thread in the privilege log, but only describing the last message in the thread is deficient.”); *Rhoads Industries v. Building Materials Corp. of America.*, 254 F.R.D. 238 (E.D. Pa. 2008) (“[I]f the email messages are part of routine business affairs, and not for the purpose of securing legal advice, then the underlying emails would be discoverable . . . because they are eventually sent to the attorney, the messages become privileged.”); *Muro v. Target Copr.*, 250 F.R.D. 350, 363 (N.D. Ill. 2007) (even though one email is not privileged, a subsequent and privileged email, will allow the privilege to attach to the entire email chain, including the prior email message.); *Barton v. Zimmer*, 2008 WL 80647 (N.D.Ind. 2008) (“[E]ven though one email is not privileged, a second email forwarding the prior email to counsel might be privileged in its entirety.”); Paul R. Rice, *Attorney Client Privilege in the United States* § 11:6.1 (2d ed. 2008) (“[E]ach email message should be separately described in the privilege log, and each separate message must stand on its own.”).

that contain some privileged legal communication but also turn to business discussions between Wi-Lan's executives. Though courts across districts go different ways, this District has a policy of liberal and open discovery. Accordingly, the business communications that are not privileged must be produced. However, any privileged communications in the underlying messages can be redacted in the produced e-mail string.

As a further matter, Wi-Lan did not submit twelve of the documents identified by HTC for *in camera* review. A party claiming privilege must sufficiently describe, in their privilege log, the nature of documents or communications withheld under a privilege. Wi-Lan states that it already produced eight of the omitted documents but inadvertently left them on the privilege log. Wi-Lan also withdrew its claim of privilege as to one of the identified documents. By its own admission, Wi-Lan's privilege log is deficient for the opposing party to properly assess Wi-Lan's assertion of privilege. The Court expects Wi-Lan to thoroughly review and update its privilege log. In addition, to comply with its duty to sufficiently describe the nature of the documents withheld under a privilege, Wi-Lan must identify the documents that contain a combination of privileged and non-privileged communications. Specifically, the e-mail strings that contain unprivileged business discussions and privileged communications seeking legal advice must be accompanied by a detailed description of each subpart in the privilege log. The privileged messages should be redacted and the unprivileged materials must be produced.

### **CONCLUSION**

The Court expects and encourages the parties to conduct a diligent review of all documents requested in discovery. It is apparent that Wi-Lan has not conducted a thorough and fair review of the documents requested, and has asserted the attorney-client privilege too broadly. Therefore, Wi-Lan is **ORDERED** to conduct a full and thorough review of the

documents withheld, in light of the current order. Wi-Lan is then **ORDERED** to produce the documents it deems not privileged by March 18, 2013 at noon. Wi-Lan is also **ORDERED** to submit, by March 18, 2013 at noon, an amended privilege log to Defendant HTC and to the Court. Thereafter, HTC may make a second selection of twenty-five (25) documents on Plaintiff's privilege log for *in camera* review by March 19, 2013 at noon<sup>2</sup>. Wi-Lan is then **ORDERED** to submit the documents selected by HTC for *in camera* review by March 20, 2013 at 10:00 A.M., with a copy of the specific assertions of privilege. If the Court finds that Plaintiff continues to improperly withhold documents, the Court will appoint a special master and Plaintiff may be subject to loss of its trial setting and sanctions.

**So ORDERED and SIGNED this 14th day of March, 2013.**

A handwritten signature in black ink, appearing to read 'Leonard Davis', written over a horizontal line.

**LEONARD DAVIS  
UNITED STATES DISTRICT JUDGE**

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<sup>2</sup> HTC's selection of documents may include documents previously selected in HTC's February 28, 2013 selection of documents for *in camera* review and not produced by Wi-Lan.