

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

Anascape, Ltd.,

Plaintiff,

v.

Microsoft Corp., and
Nintendo of America, Inc.,

Defendants.

Civil Action No. 9:06-cv-158-RC

**ANASCAPE, LTD.'S OBJECTION TO DEFENDANTS' NOTICES OF
SUBMISSION OF DOCUMENTS FOR *IN CAMERA* REVIEW**

Anascape, Ltd. (“Anascape”) files its Objection to Defendants’ Notices of Submission of Documents for *In Camera* Review (Docket Nos. 269, 271), and respectfully shows as follows:

Anascape objects to Defendants’ attempted use of the privilege as a sword and a shield in support of their willfulness summary judgment motion and requests that this Court (i) find any previously held privilege associated with the *ex parte, in camera* submitted documents waived and (ii) order production of these documents (and those documents for which the privilege has been waived). Without these documents, Anascape cannot effectively or meaningfully respond to the contents of these documents. Alternatively, if Defendants withdraw the submitted documents from the Court’s consideration, Anascape will not ask that these documents (and those documents for which the privilege has been waived) be produced absent Defendants waiving privilege in some other manner.

Defendants have moved for summary judgment of no willful infringement. (Docket No. 225.) In their motion, Defendants argued that there is no record evidence that they had pre-suit knowledge of the ‘700 patent, and that the alleged lack of such evidence combined with Anascape’s failure to move for a preliminary injunction doomed Anascape’s willfulness

case. (*Id.* at 1-2.) Anascape responded by, among other things, pointing to the numerous pre-suit contacts between Anascape and Defendants and to certain entries on Defendants’ privilege log that show that Defendants were anticipating litigation against Anascape post-issuance of the ‘700 patent but pre-suit. Anascape asserted that, from these contacts and the fact that these entries exist,¹ a reasonable jury could conclude that Defendants had pre-suit knowledge of the ‘700 patent. (Docket No. 252 at 2-14, 22, 24.) In their reply, Defendants stated that they would submit certain documents listed on their privilege logs to the Court *ex parte*, allowing the Court to “see [that] these documents contain no evidence that either Defendant had pre-suit knowledge of the ‘700 patent.”² (Defendants’ Reply, Docket No. 258 at 4 n.3.)

It is clear that Defendants are attempting to use their privilege as both a sword and a shield. On the one hand, Defendants have shielded these relevant documents from discovery by asserting privilege. On the other hand, they have submitted these relevant documents to the Court *ex parte* to consider as evidence when deciding whether to grant their summary judgment motion. Simply put, Defendants cannot have it both ways.

Courts have recognized that Defendants’ tactic is “wholly unacceptable”:

Simultaneously, therefore, the Government presents the Court, *in camera*, with material which it asserts must be withheld from plaintiffs as privileged, yet which it requests the Court to consider in ascertaining material facts and drawing legal conclusions concerning dispositive issues in the case. In this Court’s view such a course is wholly unacceptable. **Our system of justice does not encompass *ex parte* determinations on the merits of cases in**

¹ Of course, the fact that a privileged communication did indeed take place is not privileged (nor is the general subject matter of such communication).

² Defendants miss the point. Even if the entries submitted *ex parte* do not contain a *specific reference* to the ‘700 patent, a reasonable jury could still be justified in concluding that, because Defendants were preparing for litigation against Anascape after the ‘700 patent issued and before Anascape file the instant suit, they had knowledge of the ‘700 patent. Said another way, simply because the documents do not contain a specific reference to the ‘700 patent does not mean that Defendants were unaware of the ‘700 patent. Should the *ex parte* documents reference the ‘700 patent’s patents or the application number of the ‘700 patent, this conclusion would arguably be even stronger.

civil litigation. Either the documents are privileged, and the litigation must continue as best it can without them, or they should be disclosed at least to the parties, in which case the Court will rule after full argument on the merits.

Kinoy v. Mitchell, 67 F.R.D. 1, 15 (S.D.N.Y. 1975) (emphasis added); *see also Application of Eisenberg*, 654 F.2d 1107, 1112 (5th Cir. 1981) (“Our adversarial legal system generally does not tolerate *ex parte* determinations on the merits of a civil case. . . . [T]he right granted a party by the due process clause to a full and fair hearing encompasses the individual’s right to be aware of and refute the evidence against the merits of his case.”); *Abourezk v. Reagan*, 785 F.2d 1043, 1060-61 (D.C. Cir. 1986) (“It is a hallmark of our adversary system that we safeguard party access to the evidence tendered in support of a requested court judgment. The openness of judicial proceedings serves to preserve both the appearance and the reality of fairness in the adjudications of United States courts. It is therefore the firmly held main rule that a court may not dispose of the merits of a case on the basis of *ex parte, in camera* submissions.”); *Vining v. Runyon*, 99 F.3d 1056, 1058 (11th Cir. 1996) (“[W]e conclude that the district court erred in using information obtained in its *ex parte, in camera* examination of the personnel files to judge the merits of Vining’s Title VII claim[.]”); *Hansberry v. Father Flanagan’s Boys’ Home*, No. CV-03-3006(CPS), 2004 WL 3152393, at *4 n.9 (E.D.N.Y. Nov. 29, 2004) (declining “to consider evidence submitted by one party *in camera* in ruling on a summary judgment motion”); *Winton v. Board of Com’rs of Tulsa County*, 188 F.R.D. 398, 402 (N.D. Okla. 1999) (“Defendants will not, therefore, be permitted to use the documents submitted in camera as both a shield and a sword.”).³

³ *Accord In re Seagate Tech., LLC*, 497 F.3d 1360, 1373 (Fed. Cir. 2007) (a litigant cannot “us[e] the privilege as both a sword and a shield”); *In re EchoStar Commun’cs Corp.*, 448 F.3d 1294, 1301 (Fed. Cir. 2006) (“[S]elective waiver of the privilege may lead to the inequitable result that the waiving party could waive its privilege for favorable advice while asserting its privilege on unfavorable advice. In such a case, the party uses the attorney-client privilege as both a sword and a shield.”); *In re Rhone-Poulenc Rorer, Inc.*, 185 F.3d 879 (Fed. Cir. 1998) (“In short, the attorney-client privilege ‘cannot at once be used as a shield and a sword.’ Thus, ‘[a] defendant may not use the privilege to prejudice his opponent’s case or to disclose some

Anascape expects Defendants to argue that, since they submitted the documents only to the Court, they could not have waived privilege. This argument is unpersuasive. While it is true that a litigant does not waive privilege by submitting privileged documents *in camera* for the Court to determine whether such documents are privileged, Defendants here are relying on the submitted documents as *ex parte summary judgment evidence*.⁴ Willfulness is a question of fact for the jury. *See, e.g., Pall Corp. v. Micron Separations*, 66 F.3d 1211, 1221 (Fed. Cir. 1995). Defendants are asking the Court to find, based on their *ex parte* submission, that no reasonable jury could find that Defendants had pre-suit knowledge of the ‘700 patent. Waiver therefore applies. The District of Columbia Circuit Court of Appeals explained in *Abourezk v. Reagan*, 785 F.2d 1043, 1061 (D.C. Cir. 1986), with respect to *in camera* submissions, that:

[I]nspection of materials by a judge isolated in chambers may occur when a party seeks to prevent use of the materials in the litigation. When one side, seeking to block consideration of relevant matter, asserts an evidentiary privilege, the court may inspect the evidence *in camera* and alone for the limited purpose of determining whether the asserted privilege is genuinely applicable. If the court finds that the claimed privilege does not apply, then the other side must be given access to the information; if the court’s finding is that the privilege does apply, then the court may not rely upon the information in reaching its judgment. **In either case, no party will be faced—as were the plaintiffs in this case—with a decision against him based on evidence he was never permitted to see and to rebut.**

(emphasis added).

selected communications for self-serving purposes.”) (citing and quoting *United States v. Bilzerian*, 926 F.2d 1285, 1292 (2d Cir. 1991)).

⁴ If Defendants believed Anascape’s reference to their privilege logs was not appropriate or persuasive, the proper course of action would have been to point this out or argue that a reasonable jury could not conclude that Defendants had knowledge of the ‘700 patent pre-suit based on their anticipation of litigation as evidenced by the privilege log—not to submit the underlying documents to enable the Court to “see [that] these documents contain no evidence that either Defendant had pre-suit knowledge of the ‘700 patent.” (Defendants’ Reply at 4 n.3.)

Defendants' argument could result in exactly what *Abourezk* counsel's against: a summary judgment being granted against Anascape based on evidence it was never allowed to see and rebut.

Accordingly, Anascape requests that the Court compel Defendants to produce the documents submitted *in camera* (and all documents for which Defendants have waived privilege) so that Anascape may controvert such documents in its sur-reply. In the alternative, if Defendants agree to withdraw the *in camera* documents from the Court's consideration, Anascape will not seek production unless Defendants waive privilege in some other manner.

DATED: April 17, 2008

Respectfully submitted,

McKOOL SMITH, P.C.

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ATTORNEYS FOR PLAINTIFF ANASCAPE, LTD.

CERTIFICATE OF CONFERENCE

The undersigned certifies that, on April 15, 2008, a telephone meet and confer was conducted between himself and Nintendo's counsel, James Blank. On April 16, 2008, a telephone meet and confer was conducted between himself, James Blank, Bob Gunther (counsel for Nintendo) and Chris Carraway (counsel for Microsoft). On April 17, 2008, another telephone meet and confer was conducted between himself and Mr. Carraway; and between himself and Mr. Gunther. During these meet and confers, the parties attempted to resolve the instant dispute without the Court's intervention. Unfortunately, the parties were not able to resolve the dispute. The undersigned has been advised that Defendants oppose the relief requested in this filing.

/s/ Steven Callahan
Steven Callahan

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a) on April 17, 2008. As such, this notice was served on all counsel who have consented to electronic service. Local Rule CV-5(a)(3)(A).

/s/ Steven Callahan
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