

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

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| Case No. | CV 16-3714-GW (AGRx) | Date | March 19, 2018 |
| Title | The California Institute of Technology v. Broadcom Limited, et al. | | |

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| Present: The Honorable | Alicia G. Rosenberg, United States Magistrate Judge |
|------------------------|---|

Karl Lozada

n/a

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

None

None

Proceedings: (In Chamber) ORDER DENYING PLAINTIFF'S MOTION TO COMPEL PRODUCTION OF EXHIBIT 341

By Order dated December 7, 2017, the District Judge permitted this court to conduct an additional discovery conference and permitted the parties to "raise any of their remaining discovery disputes with the Magistrate Judge." (Dkt. No. 372.)

On December 20, 2017, Plaintiff The California Institute of Technology ("Caltech") filed a motion to compel discovery. (Dkt. No. 376.) On January 15, 2018, Defendants filed an opposition. (Dkt. No. 402.) The motion, along with Defendants' discovery motion, came on for hearing on January 26, 2018. By Order filed January 26, 2018, the court set forth a supplemental briefing schedule. (Dkt. No. 419 at 10.) On February 9, 2018, Defendants filed a supplemental brief. (Dkt. No. 428.) On February 16, 2018, Caltech filed a supplemental brief. (Dkt. No. 432.) Defendants submitted Exhibit 341 for *in camera* review pursuant to court order. The matter is appropriate for adjudication without further oral argument.

A. Legal Standards

Federal law governs application of the attorney client privilege in federal question cases. Fed. R. Evid. 501; *Admiral Ins. Co. v. U.S. Dist. Ct.*, 881 F.2d 1486, 1492 (9th Cir. 1989). The Federal Circuit applies its own law on the question of whether an invention record is protected by the attorney client privilege. *In re Spalding Sports Worldwide*, 203 F.3d 800, 803-04 (Fed. Cir. 2000); *see also In re Queen's Univ.*, 820 F.3d 1287, 1290-91 (Fed. Cir. 2016) (applying Federal Circuit law to question of whether privilege applies to communications with non-attorney patent agents acting within agent's authorized practice of law before Patent Office); *Games2U, Inc. v. Game Truck Licensing, LLC*, 2013 U.S. Dist. LEXIS 114907, *9 (D. Az. Aug. 9, 2013) (applying Federal Circuit law to attorney client privilege question as to documents involving patentability).

The privilege protects both the confidential disclosures made by a client to an attorney to obtain

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legal advice and the attorney’s legal advice in response to such disclosures. *Spalding*, 203 F.3d at 805 (applying privilege to “‘giving of information to the lawyer to enable him to give sound and informed advice’”) (citation omitted); *United States v. Bauer*, 132 F.3d 504, 507 (9th Cir. 1997).

Thus, “the central inquiry is whether the communication is one that was made by a client to an attorney for the purpose of obtaining legal advice or services.” *Spalding*, 203 F.3d at 805. In addition, “[t]he fact that a person is a lawyer does not make all communications with that person privileged.” *United States v. Ruehle*, 583 F.3d 600, 607 (9th Cir. 2005) (citation omitted). The attorney client privilege does not attach to requests for business advice – as opposed to legal advice – from in-house counsel. *United States v. Rowe*, 96 F.3d 1294, 1297 (9th Cir. 1996).

B. Discussion

Caltech moves to compel production of Exhibit 341, a document clawed back by Defendants during a deposition pursuant to Paragraph 16 of the Protective Order on the ground that the document was protected by the attorney client privilege.

1. Privilege

Dr. Blanksby, an engineer, was deposed individually and as a Rule 30(b)(6) witness for Broadcom. (Blanksby Tr. at 9:9–10:2.)¹ Caltech used Exhibit 341² during questioning at that deposition. (*Id.* at 227:5–11.) In the course of answering a question about Exhibit 341, Dr. Blanksby stated: “I believe that this is a document that was sent to the internal IP committee at Broadcom in the hope of commissioning a patent.” (*Id.* at 229:23–25.) After a follow-up question and answer, Broadcom’s counsel called for a break “because I need to confer with Mr. Blanksby about the status of this document.” (*Id.* at 230:13–15.) After the break, Broadcom clawed back Exhibit 341 under paragraph 16 of the protective order. (*Id.* at 230:22-24.) “[W]e’re doing that because it has just become apparent that this was prepared to seek legal advice with respect to patenting.” (*Id.* at 230:24–231:1.) Caltech returned the document pursuant to the protective order. (*Id.* at 231:19–21.)

Defendants attached the deposition transcript of Mr. Lee, a former in-house counsel for Broadcom in the area of patent prosecution. (Lee Tr. at 34:16-24, 35:19-36:4, 46:1-5, Dkt. No. 428-1.) Mr. Lee testified that the Patent Review Committee (“PRC”) is comprised of attorneys and engineers. “[A]ll attorneys working on patents were on the committee.” (Dowd Decl. ¶ 6 & Exh. A, Lee Tr. at 142:4-24, 143:13-14.) The recipient of Exhibit 341, Mr. Garrett, was on the PRC. (*Id.* at 149:24-150:5.)

Defendants also submit the declaration Mr. Blanche, Senior Intellectual Property Counsel at

¹ The Blanksby Transcript may be found in Dkt. No. 310-2 (sealed).

² Bates stamp numbers BCMCAL 756677-81.

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Broadcom and a member of the PRC in 2012. (Blanche Decl. ¶¶ 1-2.) One of the Patent Review Committee’s responsibilities was to make individual patenting decisions on specific inventions submitted to it, as well providing legal and technical input regarding Broadcom’s patent procurement strategies. (*Id.* ¶ 3.) The PRC was comprised of attorneys, paralegals, engineers and others from the Intellectual Property and Standards Group and from the office of the Chief Technical Officer. (*Id.* ¶ 4.) In 2012, Mr. Garrett was a member of the PRC and served as a representative from the office of the Chief Technical Officer to provide technical advice as requested by the PRC. (*Id.* ¶ 8.) Mr. Garrett is also a co-inventor on numerous submitted inventions. (*Id.*)

Mr. Blanche explains that the first step in the PRC work flow is for an employee to submit an invention disclosure through Broadcom’s internal patent portfolio portal (“Portal”). (*Id.* ¶ 5.) This process requires the employee to answer a questionnaire and provide a basic description of the invention. (*Id.*) The attorneys on the PRC, after assistance from technical experts, make a recommendation as to whether Broadcom should seek to patent the invention and, if so, in what countries. (*Id.* ¶ 6.) The invention disclosure submitted through the Portal, and communications between the PRC and other company personnel about the submission, are confidential and may be disclosed only with legal authorization. (*Id.* ¶ 7.)

Mr. Blanche reviewed Exh. 341. He confirmed that Exh. 341 is consistent with the format required for submission of an invention disclosure to the PRC through the Portal.³ (*Id.* ¶ 9.)

Invention disclosure records are “standard forms generally used by corporations as a means for inventors to disclose to the corporation’s patent attorneys that an invention has been made and to initiate patent action.” *Spalding*, 203 F.3d at 802 n.2.

In general, the question of patentability is a legal inquiry. *See Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). In *Spalding*, the Federal Circuit held that an invention record submitted to a corporation’s legal department for the purpose of obtaining legal advice on patentability was protected by the attorney client privilege. *Id.* at 805-06. The court found it unnecessary “to dissect the document to separately evaluate each of its components.” “It is enough that the overall tenor of the document indicates that it is a request for legal advice or services. Moreover, it is not necessary to expressly request confidential legal assistance when that request is implied.” *Id.* at 806. “Finally, to the extent that *Spalding*’s invention record may contain technical information, or refer to prior art, the inclusion of such information does not render the document discoverable, because requests for legal advice on patentability or for legal services in preparing a patent application necessarily require the evaluation of technical information such as prior art.” *Id.*

The burden is on Defendants to show that Exhibit 341 was submitted to an attorney primarily for a legal purpose. *TCL Communs. Tech. Holdings Ltd. v. Telefonaktenbologet LM Ericsson*, 2016 U.S.

³ Caltech’s objections to the remainder of paragraph 9 are moot because the court does not rely on the remainder of that paragraph.

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Dist. LEXIS 185359, *4 (C.D. Cal. May 3, 2016).

A communication with an attorney for purposes of making patentability determinations is covered by the attorney client privilege. *Spalding*, 200 F.3d at 803-04; *Games2U*, 2013 U.S. Dist. LEXIS 114907, *10. The court finds that Defendants have made a sufficient showing that Exhibit 341 is covered by the attorney client privilege. Dr. Blanksby testified that he believed Exh. 341 was sent to the internal IP committee “in the hope of commissioning a patent.” (Blanksby Tr. at 229:23-25.) Mr. Blanche confirms that Exhibit 341 is in a format consistent with the format required for submission through the Portal to the PRC. (Blanche Decl. ¶¶ 5, 9.) The PRC, which is comprised of attorneys, paralegals and engineers, has the responsibility of determining whether to commission the preparation and filing of a patent application. (*Id.* ¶ 6.) Technical experts “assist the legal team in reviewing the submission and assessing its patentability” and their work enables the attorneys to “assess whether the invention was novel and patentable.” (*Id.*)

Although Exhibit 341 does not expressly state that it is a request for legal advice, the request is implied as in *Spalding*.⁴ The fact that attorneys on the PRC required engineers or technical experts to assist them in evaluating the invention for purposes of determining whether to pursue a patent does not disqualify Exhibit 341 from being covered by the attorney client privilege. The decision in *Raytheon Co. v. Cray, Inc.*, 2017 U.S. Dist. LEXIS 85563 (E.D. Tex. June 5, 2017) is distinguishable. In that case, Raytheon produced invention questionnaires and submitted evidence showing that its “invention review committee” evaluated invention questionnaires to determine whether an invention would benefit Raytheon’s competitive advantage or further Raytheon’s business interests by presenting licensing or partnership opportunities with third parties. *Id.* at *3-*4. If the committee found a business justification to pursue patent protection, Raytheon would submit the questionnaires to outside counsel. *Id.* at *4. The court logically found that the questionnaires were prepared for a business purpose. By contrast, Mr. Blanche’s declaration describes PRC’s function as making “individual patenting decisions on specific intentions that have been submitted to the PRC.” The PRC attorneys “assess whether the invention was novel and patentable.” (Blanche Decl. ¶¶ 3, 6.)

Caltech’s alternative request that Defendants redact Exhibit 341 is denied. In *Spalding*, the court rejected the argument that individual portions of the invention record should be disclosed. “[W]e do not consider that it is necessary to dissect the document to separately evaluate each of its components. It is enough that the overall tenor of the document indicates that it is a request for legal advice or services.” *Id.* at 806. For example, Exhibit 341 contains Dr. Blanksby’s view about the utility of the invention in ameliorating or solving a problem. Caltech does not argue that this information is irrelevant to a determination of patentability.

⁴ The court in *Spalding* rejected the lower court’s reliance on the absence of evidence that “clearly indicated” the document was in fact submitted to the patent attorney for purposes of rendering a legal opinion and that the patent attorney in fact reviewed and rendered an opinion on the document. See *Spalding & Evenflo Cos. v. Wilson Sporting Goods Co.*, 1999 U.S. Dist. LEXIS 21966, *7 (D. Mass. June 9, 1999), *rev’d*, 203 F.3d 800 (Fed. Cir. 2000).

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2. *Waiver*

Nor has Caltech shown waiver. Paragraph 16 of the protective order provides that the inadvertent production of discovery material subject to a privilege, despite reasonable efforts to prescreen such discovery material prior to production, “will not waive the applicable privilege and/or protection if a request for return of such inadvertently produced Discovery Material is made promptly after the Producing Party learns of its inadvertent production. This Order shall be interpreted to provide the maximum protection allowed by Federal Rule of Evidence 502(d).” (Dkt. No. 101 at 29.) Disclosure does not operate as a waiver if “(1) the disclosure is inadvertent; (2) the holder of the privilege or protection took reasonable steps to prevent disclosure; and (3) the holder promptly took reasonable steps to rectify the error, including (if applicable) following Federal Rule of Civil Procedure 26(b)(5)(B).” Fed. R. Evid. 502(b).

Defendants provide evidence indicating that production of Exhibit 341 was inadvertent. Broadcom set up protocols to screen documents for privilege prior to production. The initial protocol consisted of search terms, including the names of Broadcom’s in-house counsel. Documents identified by these search terms underwent two levels of manual attorney review and an additional quality control review. (Dowd Decl. ¶ 2, Dkt. No. 402-1.) Caltech does not argue that Broadcom failed to use reasonable efforts to prescreen documents prior to production.

Broadcom has also shown that it clawed back Exhibit 341 “promptly” after Broadcom learned of its inadvertent production. Dr. Blanksby first disclosed that he believed Exhibit 341 was sent to the “internal IP committee” “in the hope of commissioning a patent” on page 229, lines 23-25. Dr. Blanksby answered one follow-up question concerning his prior answer in the same line of questioning. Caltech then moved to a different section of the document and Broadcom’s counsel requested a break to investigate the status of the document. (Blanksby Tr. at 230:13-15.) It appears counsel called for a break to investigate the status of the document about 50 seconds after Dr. Blanksby disclosed that Exhibit 341 went to the internal IP committee.

None of the cases cited found a waiver when, as here, counsel asserted the privilege at the deposition less than a minute after discovering the basis for an assertion of privilege, and after permitting the witness to answer only a follow-up question. The court finds that counsel “promptly took reasonable steps to rectify” the inadvertent production. Fed. R. Evid. 502(b); *Valenzuela v. Union Pac. R.R. Co.*, 2016 U.S. Dist. LEXIS 176640, *31-34 (D. Az. Dec. 21, 2016) (finding counsel promptly objected when exhibits at issue were used in morning session and counsel asserted privilege after lunch at same deposition); *Kelly v. CSE Safeguard Ins. Co.*, 2011 U.S. Dist. LEXIS 88975, *2-*3, *7 (D. Nev. Aug. 10, 2011) (declining to find waiver when counsel took a break “shortly” after documents were marked at deposition and asserted privilege); *Datel Holdings Ltd. v. Microsoft Corp.*, 2011 U.S. Dist. LEXIS 30872, *4-*5, *15-*16 (N.D. Cal. Mar. 11, 2011) (declining to find waiver when counsel did not immediately object but clawed back documents at deposition “as soon as counsel found out that the documents contained privileged material”).

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One court has held that “if a privileged document is used at a deposition, and the privilege holder fails to object immediately, the privilege is waived.” *Luna Gaming-San Diego, LLC v. Dorsey & Whitney, LLP*, 2010 U.S. Dist. LEXIS 3188, *13 (S.D. Cal. Jan. 13, 2010). Notwithstanding its use of the word “immediately,” the court in *Luna Gaming* cited *Multiquip, Inc. v. Water Mgmt. Sys. LLC*, 2009 U.S. Dist. LEXIS 109148, *19 (D. Id.aho Nov. 23, 2009), as an example of a case in which immediacy was satisfied. In *Multiquip*, which did not involve questioning at a deposition, counsel asserted the privilege “almost within the hour” upon discovering the inadvertent production. *Id.* Moreover, the facts of *Luna Gaming* did not necessarily raise the question of immediacy. In that case, counsel failed to object to use of the allegedly privileged documents during the entire deposition. Counsel first asserted a privilege objection at a second deposition two months later and, even then, failed to follow up to obtain return of the document and failed to object to the use of the documents in summary judgment proceedings. *Id.* at *3-*5, *14-*16. By contrast, in this case Defendants did not fail to object at the deposition. *Compare Hologram USA, Inc. v. Pulse Evolution Corp.*, 2016 U.S. Dist. LEXIS 87323, *7 (D. Nev. July 5, 2016) (finding waiver when counsel failed to object at deposition and deponent belatedly asserted privilege over 50 pages after exhibits introduced); *Skansgaard v. Bank of America*, 2013 U.S. Dist. LEXIS 48176, *8 (W.D. Wash. Mar. 6, 2013) (finding waiver when counsel failed to object at deposition and asserted privilege for first time two months later).

3. Dr. Blanksby’s Deposition Testimony

This court expresses no view as to the admissibility of Dr. Blanksby’s deposition testimony. The attorney client privilege “does not protect disclosure of the underlying facts by those who communicated with the attorney.” *Upjohn Co. v. United States*, 449 U.S. 383, 395 (1981); *Id.* at 396 (“client cannot be compelled to answer the question, ‘What did you say or write to the attorney?’ but may not refuse to disclose any relevant fact within his knowledge merely because he incorporated a statement of such fact into his communication to his attorney”) (citation omitted). Using this principle, it appears possible to preserve at least some of Dr. Blanksby’s testimony. That is a matter for the trial judge.

IT IS ORDERED that Caltech’s motion to compel the production of Exhibit 341 is DENIED. The court expresses no view as to the admissibility of Dr. Blanksby’s deposition testimony.

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