PUBLIC

UNITED STATES OF AMERICA

BEFORE THE FEDERAL TRADE COMMISSION

In the Matter of **RAMBUS INC.,** **a corporation.**	**Docket No. 9302**

MEMORANDUM BY RAMBUS INC. IN OPPOSITION TO COMPLAINT COUNSEL'S MOTION TO COMPEL DISCOVERY RELATING TO SUBJECT MATTERS AS TO WHICH RAMBUS'S PRIVILEGE CLAIMS WERE INVALIDATED ON CRIME-FRAUD GROUNDS AND SUBSEQUENTLY WAIVED

I. INTRODUCTION

In the *Infineon* litigation, Judge Payne, relying on the crime-fraud exception to the attorney-client privilege, ordered Rambus to produce documents containing attorney-client communications regarding certain specified topics (the "Compelled Documents"), and to permit its witnesses to testify as to such topics. In the *Micron* litigation, Judge McKelvie ordered Rambus to produce the Compelled Documents and associated testimony to Micron. Complaint Counsel's present motion in part seeks the same discovery that these prior courts accorded the parties in *Infineon* and *Micron*: use of the Compelled Documents; and the opportunity to question witnesses about the subject matter of those documents. In meet and confer sessions between the parties, and in its present motion, Complaint Counsel asserted that the discoverability of the Compelled Documents and testimony had been established by the orders in the *Infineon* and *Micron* cases, and that Rambus was bound by these prior orders in this proceeding.

Rambus does not oppose Complaint Counsel's request for the document discovery ordered by Judge Payne and Judge McKelvie, or their request to question witnesses concerning the subject matter of such documents. Indeed, Rambus has permitted Complaint Counsel such discovery in the depositions currently being conducted, obviating any real need for an order compelling such discovery.

Thus, were Complaint Counsel merely seeking to apply Judge Payne's discovery ruling in this case, there would be no issue presented to Your Honor. Complaint Counsel, however, seek to go beyond the discovery permitted in the *Infineon* and *Micron* litigations. They ask Your Honor to expand the scope of otherwise privileged materials that must be produced beyond the December 1991 through June 1996 time period specified by Judge Payne (and followed by Judge McKelvie). Complaint Counsel

contend that Rambus exposed itself to such additional intrusion into its privileged communications when, after Judges Payne and McKelvie had each separately ordered that the Compelled Documents be produced, Rambus provided them to Hynix in its civil litigation with that party "voluntarily," *i.e.*, without requiring yet a *third* court order compelling their production.

The sole issue for Your Honor, therefore, is whether Rambus's production to Hynix of the same documents it previously had been ordered to disclose in both the *Infineon* and *Micron* cases waived the privilege as to additional documents that Rambus has never been ordered to produce and has never produced in any case. The clear answer is no.

Most fundamentally, even assuming *arguendo* that Rambus's production of the Compelled Documents to Hynix constituted a waiver of privilege regarding the "subject matter" of those documents, the metes and bounds of that "subject matter" have already been defined by Judge Payne's rulings as limited to documents created while Rambus was a member of JEDEC, *i.e.*, from December 1991 through June 1996. The deposition testimony from witnesses in the *Infineon* and *Micron* cases relating to such documents similarly focused on the same time period. Accordingly, by producing the Compelled Documents, Rambus could not have effectuated a "waiver" broader than the subject matter delineated in the rulings compelling such production. Complaint Counsel have offered no reason why Your Honor should adopt a definition of that subject matter broader than that specified by Judge Payne.

Indeed, in considering a similar request to extend Judge Payne's privilege ruling in the *Micron* case, Judge McKelvie ruled that any such extension would require an

independent showing of crime-fraud sufficient to justify such additional discovery. Complaint Counsel, however, expressly disclaim any intent to make such a showing here, stating that they have "chosen to reserve [the issue of whether there is an independent basis for applying the crime-fraud exception in this case] to be raised, if at all, at a later time." Complaint Counsel's Memorandum In Support Of Motion To Compel Discovery Relating To Subject Matters As To Which Rambus's Privilege Claims Were Invalidated On Crime-Fraud Grounds And Subsequently Waived ("Complaint Counsel Memorandum") at 4.[1]

Determination of the applicability of the crime-fraud exception in a particular case is an extensive undertaking, intended to afford fairness to a party whose privileged communications are under attack. Here, it would require Your Honor to: (i) conduct an analysis of Complaint Counsel's evidence, if any, demonstrating the applicability of the crime-fraud exception *in this case*; (ii) review the documents alleged to support the applicability of the exception for time periods beyond that previously ordered by Judge Payne; and (iii) conduct a hearing to permit Rambus to respond to Complaint Counsel's contentions that the exception should be so extended.

Complaint Counsel cannot be allowed to circumvent these rigorous procedures and the high burden they would face in arguing an independent basis for the application of the crime-fraud exception to attorney-client privilege, simply by conclusorily asserting that Your Honor should now redefine the subject matter of the documents in a manner

[1] This is a remarkable reservation for Complaint Counsel now to make given the strenuousness with which they have levied their allegations of fraud against Rambus in the past.

different than did Judge Payne. Accordingly, Complaint Counsel's motion should be denied to the extent it seeks further documentary or deposition discovery beyond that compelled by Judge Payne's rulings.

Furthermore, Complaint Counsel's claim of waiver is without merit and is inconsistent with their position on collateral estoppel. Complaint Counsel maintain that, *before* Rambus produced the Compelled Documents to Hynix, the discoverability of those documents had been conclusively determined by the court orders in *Infineon* and *Micron*. Complaint Counsel Memorandum at 4. Rambus cannot be charged with having waived privilege by producing documents whose production, according to Complaint Counsel, was already *required* by prior court order.

In support of their claim of waiver, Complaint Counsel rely on cases in which a party's voluntary production of privileged documents to one party destroyed the secrecy of the documents, thereby eliminating the basis to assert privilege as to another party. No such circumstance existed here. The loss of secrecy of the documents at issue resulted not from Rambus's voluntary acts, but from its mandatory compliance with the courts' orders in *Infineon* and *Micron*. Rambus's purportedly "voluntary" production consisted only of the production to Hynix of documents Rambus had already been compelled by court order to produce to two other litigants. According to Complaint Counsel, however, production of such documents was already required under principles of collateral estoppel. Under such circumstances, a finding of waiver is not justified.

Finally, to the extent that Complaint Counsel's motion is directed to attorney work product materials, its request for additional discovery fails for yet another, independent reason. Under the law of the D.C. Circuit, the disclosure of certain work

product materials does not constitute a waiver with regard to additional work product materials, and thus Complaint Counsel would not be justified in seeking additional materials beyond those already produced.

II. STATEMENT OF FACTS

A. Rambus's Compelled Production Of Documents In *Rambus Inc. v. Infineon*.

In the *Infineon* litigation, Judge Payne ordered Rambus to produce documents relating to, and witnesses to testify about, a number of subject matters as to which he had found the attorney-client privilege inapplicable, either because Rambus had placed the matter at issue, or because he found that Infineon had made a *prima facie* showing of fraud sufficient to trigger application of the crime-fraud exception to the attorney-client privilege. March 7, 2001, Order, *Rambus v. Infineon* **[Tab 1]**.[2] Specifically, the Court ruled, based on its finding that Infineon had made a *prima facie* showing that Rambus "stole" ideas from JEDEC, that Infineon could take discovery as to legal advice provided to Rambus about:

- the efforts by Rambus Inc. to broaden its patents to cover matters pertaining to the JEDEC standards;
- disclosure of patents and patent applications to JEDEC by Rambus Inc.;
- the disclosure policy of JEDEC.

Id. In a subsequent hearing, the Court clarified that the time period covered by its order consisted of December 1991 through June 1996, the period of time during which Rambus

[2] Unless otherwise indicated herein, citations to "Tab __" are to the Tabs attached to the exhibits filed concurrently herewith by Rambus.

was a member of JEDEC. April 6, 2001 Telephone Conference, *Rambus v. Infineon* **[Tab 2]**.[3]

The Court separately ordered Rambus to provide discovery respecting other matters that the Court found Rambus had placed at issue:

- Neil Steinberg's September 2000 presentation to stockholders, financial analysts and the public;
- The preparation of Rambus's withdrawal letters from JEDEC, and the efforts by Rambus to broaden its patent claims to the extent that any conversations took place within the context of drafting the withdrawal letters; and
- The drafting of letters relating to Rambus's patent disclosures to JEDEC and IEEE, the information and documents relied on in drafting those letters, and Rambus's patent disclosures to JEDEC and IEEE.

[Tab 1]; March 6, 2001 Hearing on Motion to Compel, *Rambus v. Infineon*, at 791:20-792:19; 841:17-20 (distinguishing these categories from those subject to crime-fraud motion) **[Tab 3]**. With the exception of the 2000 Steinberg presentation, these JEDEC-related documents, by definition, also pertained to the 1991 through 1996 time period during which Rambus was a member of JEDEC.

Rambus unsuccessfully sought reconsideration of that portion of Judge Payne's order compelling disclosure of privileged communications based upon the crime-fraud

[3] Complaint Counsel inaccurately refer to the entire set of documents produced pursuant to Judge Payne's order as the "crime-fraud materials." Complaint Counsel Memorandum at 4 ("Rambus produced the crime-fraud materials to its litigation opponents"). Only the three categories identified in the above paragraph pertained to the crime-fraud assertion.

exception to the attorney-client privilege, and filed a writ of mandamus with the Federal Circuit on that ruling, which was denied. *In re Rambus v. Infineon*, 2001 WL 392085 (Fed. Cir. 2001) **[Tab 4]**.[4]

At Rambus's urging, Judge Payne adopted various procedures to limit the effect of Rambus's compelled disclosure of the documents and testimony relating to the subject matters of his order. With regard to any such documents or testimony that were not introduced into evidence in the *Infineon* trial, he ordered that the documents and testimony would be maintained under seal, and would not be disclosed beyond Infineon's outside litigation counsel absent further Court order. April 20, 2001, Stipulated Order, at 2, *Rambus v. Infineon* **[Tab 6]**. Documents, however, which were used as trial exhibits in the *Infineon* trial became part of the public record in that case.

B. Rambus's Production Of The Compelled Documents In *Micron v. Rambus Inc.*

In the *Micron* litigation, Micron moved for an order compelling production of (i) the Compelled Documents; and (ii) the transcripts of any depositions taken in *Infineon* concerning the subject matter of those documents. Judge McKelvie granted this motion, again over Rambus's objections. Judge McKelvie based his finding in part on his view that "we've got a Judge who has already looked at this one time and made a finding that there are sufficient facts to show that the documents should be produced." May 16, 2001 Telephone Conference, *Micron v. Rambus*, at 24:12-14 **[Tab 7]**. Subsequently, Micron questioned witnesses at depositions concerning the subject matter of the documents that

[4] Judge Payne stayed the execution of his Order to allow Rambus to pursue the writ. March 29, 2001, Order, *Rambus v. Infineon* **[Tab 5]**.

had been produced pursuant to Judge Payne's order. *See, e.g.*, testimony attached to Tabs 9 and 22 to Complaint Counsel's Motion.

C. Rambus's Production Of The Compelled Documents To Hynix.

In the third civil lawsuit, *Hynix v. Rambus*, Hynix also sought access to the Compelled Documents. Hynix filed a motion to intervene in the *Infineon* action for purposes of obtaining an order compelling production to it of such documents.

By the time Hynix filed its motion, the Compelled Documents had not been "secret" for some time. Infineon's counsel had received a set of the documents, Micron's counsel had received a set of the documents, and several of the documents had been used in open court in the *Infineon* trial. Moreover, Judge McKelvie had determined that the privilege issue with regard to these documents had been conclusively determined by Judge Payne in the *Infineon* case. Complaint Counsel, moreover, also have taken the position, both in meet and confer discussions with Rambus's counsel and in the present motion, that the foregoing orders conclusively established the discoverability of the Compelled Documents and associated testimony under the doctrine of collateral estoppel. Complaint Counsel Memorandum at 4; Declaration of Gregory P. Stone, ¶ 2.

Complaint Counsel are thus estopped from arguing that Rambus should have engaged in the likely futile endeavor of trying to preclude Hynix from obtaining *physical* access to the documents that both of Rambus's other litigation adversaries had already obtained. In any event, Rambus preserved its rights to reserve any privilege objections to Hynix's use of such documents in the *Hynix* litigation, conditioning its disclosure on protections similar to those Judge Payne had set forth in his order. The Rambus-Hynix agreement specified that "[e]xcept for the documents and related deposition testimony introduced into evidence on the public record at the Infineon trial, all documents and

deposition testimony identified for production to Hynix under this letter agreement will be subject to the strictest limitations on use and disclosure accorded under the Protective Order in this case." June 22, 2001 letter agreement **[Tab 8]**. This provision paralleled Judge Payne's order that any documents or deposition testimony subject to his order that were not introduced into evidence at trial would "remain under seal and shall not be disclosed beyond 'Outside Counsel Only' either voluntarily or in response to subpoena, without further order of the Court." April 20, 2001, Stipulated Order, *Rambus v. Infineon* **[Tab 5].** Hynix also agreed that Rambus's production of these documents and deposition testimony "does not constitute a waiver of any privilege Rambus may otherwise assert in this litigation." July 10, 2001 letter from Basil Culyba to Kenneth Nissly, attaching June 22, 2001 letter agreement **[Tab 8]**.[5]

III. ARGUMENT

A. Rambus's Production Of The Compelled Documents And Corresponding Testimony Does Not Justify Ordering It To Produce Additional Privileged Documents.

Complaint Counsel's request for additional compelled disclosure of privileged communications is patently improper for one fundamental reason. Even assuming *arguendo* that Rambus's production of the Compelled Documents and related testimony constituted a "subject matter" waiver of the topics addressed in Judge Payne's order, that waiver was limited to the "subject matter" that Judge Payne himself delineated.

[5] On the same day as the production to Hynix, Rambus produced the Compelled Documents to Complaint Counsel. Complaint Counsel do not contend that this simultaneous production to Complaint Counsel constitutes a basis for waiver of privilege. Complaint Counsel Memorandum at 2 n.2.

Complaint Counsel's motion states that "Judge Payne's orders were not limited to time frame." Complaint Counsel Memorandum at 24. This is incorrect. In a follow-up hearing to the March 7 hearing and his March 29, 2001 order on reconsideration, Judge Payne limited the time period as to which his ruling applied to the time period when Rambus was a member of JEDEC:

> The Court : What is your position on the time period, Mr. Desmerais?
>
> Mr. Desmarais: Your Honor, it is our view the time period should be 1991, when Rambus joined JEDEC, through the end of June of '96, because while it is true they stopped attending in December of '9[5], the withdrawal letter that they sent wasn't until June of '96.
>
> And it's part of our allegation of fraud that the closing withdrawal letter from June of '96 was part of the fraud, and that's when they

> officially withdrew. So we would be content with documents from 1991 through the end of June of 1996.[6]
>
> The Court: Mr. Allcock.
>
> Mr. Allcock: I think that's the period we're looking at, Your Honor.
>
> The Court: All right. I think that's right. . . .

April 6, 2001 Telephone Conference, *Rambus v. Infineon*, at 8:1-18 **[Tab 2]**.[7]

The matter was addressed again in the *Micron* litigation. In a November 7, 2001 hearing, after Rambus had already produced the Compelled Documents to Micron, Micron argued that Rambus should additionally be required to produce documents on the same subject matters created outside of the December 1991 through June 1996 time frame. Judge McKelvie rejected this request, absent some independent showing by Micron that such additional production was justified:

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[6] As the foregoing reflects, Infineon's counsel did not maintain before Judge Payne that the conduct justifying application of the crime-fraud exception extended *beyond* the time Rambus withdrew from JEDEC. To suggest otherwise, Complaint Counsel cites a passage from the March 6, 2001 hearing on Infineon's Motion to Compel. *See* Complaint Counsel Memorandum at 24. This passage, however, reflected only Infineon's counsel's argument for seeking production of the *pre-June 1996* documents concerning Rambus's intent to broaden its patent claims, on the theory that Rambus made that decision "long before they left JEDEC," not an argument that post-JEDEC conduct was also part of the claimed fraud, which was alleged to derive from Rambus's purported disclosure obligations while a member of JEDEC. For the same reason, Rambus's allegation in its Answer that it did not submit patent claims which even arguably read on JEDEC standards until after its JEDEC membership ended (and thus any disclosure obligations to JEDEC had terminated) is hardly an "implicit[] acknowledge[ment]" of fraudulent conduct after June 1996. Complaint Counsel Memorandum at 24-25.

[7] Judge Payne's ruling that the time period for discovery extended through "the end of June" explains why Rambus produced some documents created shortly after it withdrew from JEDEC on June 17, 1996. *See* documents attached at Tab 30 to Complaint Counsel's Memorandum.

I look at Judge Payne's decision as similar to a discovery order, and once he has ordered documents produced in this case that were otherwise protected from disclosure by the privilege, then the privilege is lost and, to the extent that they're sought in this case, then they're producible.

[¶] [But] to the extent that Micron wants to go beyond that, either to seek documents, for example, covered during the same time period under the theory that once the privilege is lost, all documents that would otherwise be covered by the privilege for the same time period on the same subject matter are lost, or wants to expand it beyond the June '96 date, under the theory that there's no privilege and that Micron shouldn't be bound by the time limitation set by Judge Payne . . . . I think Micron has to re-establish here, in front of me, a basis for finding no privilege, either under a theory similar to collateral estoppel and an expansion of that, or under a theory that they want to take it head-on and show, in this case, that I could reach the same conclusion Judge Payne did and expand the concept of an exception to the privilege and find that documents beyond June of '96 are not protected.

November 7, 2001 Telephone Conference, *Micron v. Rambus*, at 43:3-8; 43:14-44:7 **[Tab 9].** [8]

Upon making a determination that the crime-fraud exception applies, a trial court has discretion to determine the scope of the exception. *In re Grand Jury Subpoenas*, 144 F.3d 653, 663 (10th Cir. 1998) ("district courts should define the scope of the crime-fraud exception narrowly enough so that information outside of the exception will not be elicited. . . ."); *In re Richard Roe, Inc.*, 68 F.3d 38, 41 (2d Cir. 1995)("The district court shall determine which, if any, of the documents or communications were in furtherance of a crime or fraud, as discussed above. If production is ordered, the court shall specify the factual basis for the crime or fraud that the documents or communications are deemed to have furthered. . . . "). Judge Payne did so, and determined that the permissible scope of discovery was the time period during which Infineon had contended Rambus engaged in fraudulent conduct, *i.e.*, the time period from December 1991 through June 1996 when Rambus was a member of JEDEC. Judge McKelvie, taking a separate look at the issue, determined that Judge Payne's definition of the scope of the exception was binding, and should be applied in the *Micron* litigation as well.

Complaint Counsel submit that Judge Payne's and Judge McKelvie's rulings are binding in this case, under principles of collateral estoppel. Complaint Counsel, however, cannot have their cake and eat it too. Complaint Counsel cannot seek to have preclusive effect accorded to those aspects of Judge Payne's and Judge McKelvie's rulings that they like, *i.e.*, the order requiring production of the Compelled Documents

[8] Micron subsequently filed a motion to extend the crime-fraud ruling, which motion has not yet been decided.

and accompanying testimony, while also seeking to *avoid* the limitations that Judges Payne and McKelvie placed upon those earlier orders, *i.e.*, their temporal restrictions with regard to the relevant subject matters.

In effect, Complaint Counsel seek to supplant Judge Payne's ruling with a new one, which, in contravention of his actual ruling, would require Rambus to produce documents relating to the subject matter of Judge Payne's order "irrespective of when the communication took place," and "regardless of whether the specific consultations took place before or after Rambus withdrew from the organization on June 17, 1996." Complaint Counsel's Memorandum at 3-4. Complaint Counsel thus seeks to replace the "subject matter" as to which Judge Payne deemed disclosure of attorney-client communications to be appropriate with a much broader and unlimited "subject matter," extending far beyond the scope that Judge Payne intended, and without making any additional evidentiary showing of any kind.

There is no basis for such an extension of Judge Payne's order. As Judge McKelvie ruled, before another tribunal would be justified in extending the time period as to which Rambus is obligated to disclose attorney-client communications, the party attacking the privilege would need to establish first, that the crime-fraud exception should be applied *in that case,* and, second, that its application should be broader than was found appropriate in the *Infineon* case. Yet Complaint Counsel expressly disavow any intent to make such a showing here. *See* Complaint Counsel's Memorandum at 4 (reserving any argument for independent application of the crime-fraud exception in the present proceeding for "a later time").

Indeed, Judge Payne's own post-trial ruling overturning the jury's verdict of fraud related to JEDEC's DDR SDRAM standards indicates that there would be no basis for allowing discovery beyond the date of Rambus's formal withdrawal from JEDEC. Judge Payne noted in his ruling that "it was necessary to recall that Rambus attended its last JEDEC meeting on December 6, 1995 and that Rambus formally withdrew from JEDEC by a letter dated June 17, 1996." *Rambus, Inc. v. Infineon Technologies AG*, 164 F.Supp.2d 743, 764 (E.D. Va. 2001). He then concluded that "Infineon failed to prove that Rambus had a duty to disclose pending patents relating to DDR SDRAM because Rambus was not a member of JEDEC at the relevant time in which the DDR standard was under consideration." *Id*. at 777.

Complaint Counsel cannot so readily circumvent the rigorous evidentiary requirements they would need to meet to justify further expansion of the scope of the crime-fraud ruling in this case beyond Judge Payne's and Judge McKelvie's prior rulings. Determination of the applicability of the crime-fraud exception typically requires a multi-step process, including an evidentiary hearing to permit the party claiming privilege to defend its position. *See Haines v. Liggett Group Inc.*, 975 F.2d 81, 96 (3d Cir. 1992)(describing proper procedure for determining application for crime-fraud exception to be a three-step process, consisting of district court's determination of whether a factual basis exists to believe that *in camera* review of materials may support existence of crime or fraud, *in camera* review of such documents, and then an evidentiary hearing as to whether exception should be applied); *see also United States v. Zolin*, 491 U.S. 554, 572 (1989) (before "engaging in *in camera* review . . . , the judge should require a showing of a factual basis adequate to support a good faith belief by a reasonable person that *in*

camera review of the materials may reveal evidence to establish the claim that the crime-fraud exception applies"). Here, Complaint Counsel have not identified any additional documents purportedly evidencing fraud, have not asked the Court to undertake *in camera* review of such documents to determine whether their production could be compelled on the basis of the crime-fraud exception, and have not requested a hearing at which Rambus would be afforded the opportunity to oppose the mandatory production of such materials. Without following these procedures, it would be inappropriate and quite possibly unprecedented for Your Honor simply to order Rambus to produce further privileged communications outside the scope of Judge Payne's order.

In short, the "subject matter" as to which the crime fraud exception has been found to apply, including the relevant time period for the conduct underlying the purported fraud, has already been defined by Judge Payne in his earlier order, and followed by Judge McKelvie on collateral estoppel grounds. That definition of the relevant subject matter necessarily applies in this proceeding as well.

B. Rambus's Production Of The Compelled Documents To Hynix Does Not Constitute A Subject Matter Waiver Of Privilege.

As noted above, Complaint Counsel would not be entitled to additional disclosure of privileged information even had Rambus waived privilege as to the subject matter of Judge Payne's order. As demonstrated below, however, no subject matter waiver occurred under the facts of this case.

At the outset, it is important to understand the limited basis for Complaint Counsel's claim of waiver. Complaint Counsel do not argue that Rambus's production of documents pursuant to Judge Payne's order constituted a waiver of privilege or work product with regard to such documents. Nor do Complaint Counsel contend that

Rambus's production to Micron, also pursuant to court order, effectuated a waiver of any privilege.

Instead, Complaint Counsel claim that Rambus's production of the Compelled Documents to Hynix destroyed Rambus's right to claim privilege as to such documents, notwithstanding Rambus's express reservation of the right to assert privilege with regard to such documents against Hynix, and its restriction on Hynix's further dissemination of such documents. Complaint Counsel argue that, by "voluntarily" producing the Compelled Documents to Hynix, Rambus waived any claim of privilege for such documents with regard to third parties such as the FTC, not only as to the subject matter of Judge Payne's order, but also with regard to any other documents relating to the same topics, whenever created. As indicated below, Complaint Counsel's argument is misplaced.

First, Complaint Counsel's position that Rambus's production of these documents constituted a "waiver" of an otherwise applicable privilege is directly contrary to their further contention that the discoverability of these documents had been conclusively decided by Judge Payne's and Judge McKelvie's orders. As noted, in both meet and confer discussions with Rambus's counsel, and in their present motion, Complaint Counsel have contended that the discoverability of the materials at issue in their motion has already been established in the *Infineon* and *Micron* cases, and thus, by operation of collateral estoppel, should not be revisited in the present litigation. Complaint Counsel's Memorandum at 4; Stone Decl., ¶ 2. With regard to the Compelled Documents themselves as well as the corresponding deposition testimony, Rambus does not take issue with Complaint Counsel's position for purposes of the present motion. In that

regard, Rambus recognizes that case law in the District for the District of Columbia arguably supports the principle that a determination of the applicability of privilege in a civil lawsuit may have preclusive effect in an action pending before the Commission. *F.T.C. v. GlaxoSmithKline*, 202 F.R.D. 8, 11 (D.D.C. 2001).[9] Recognition of this authority has informed Rambus's decision not to assert privilege in this action as to the Compelled Documents themselves, or as to questioning concerning the subject matter of such documents.

Accepting for purposes of this motion Complaint Counsel's contention that Judge Payne's ruling was binding upon Rambus, its production of this set of documents to Hynix cannot be deemed a "waiver," but should instead be seen for what it is -- a further involuntary consequence of Judge Payne's and Judge McKelvie's orders requiring Rambus to make compelled production of the documents at issue. Waiver principles simply do not apply to such a situation.

Nor does the case law suggest that the production that occurred in this case should be deemed a waiver. Complaint Counsel rely on a number of cases holding that a party's disclosure of privileged materials to one party can effectuate a waiver of privilege for those same materials as to third parties. These cases do not support a finding of waiver here, however, because they lack the aspect of prior compelled production that occurred in this case.

In the cases relied on by Complaint Counsel, the privilege holder's disclosure of the documents to a third party served to destroy the secrecy of the privileged information.

[9] In *GlaxoSmithKline*, the court accorded preclusive effect to privilege rulings that had been made in pending private party litigation in Illinois.

Thus, in *Permian Corp. v. United States*, 665 F.2d 1214 (D.C. Cir. 1981), the D.C. Circuit held that a party could not claim privilege as to its attorney-client communications in response to a Department of Energy subpoena after it had voluntarily produced documents containing such communications to the Securities and Exchange Commission ("SEC"). The Court noted that "the justification for granting the privilege ceases when the client does not appear to have been desirous of secrecy," *id*. at 1220 (quoting Wigmore, *Evidence* § 2311, at 599 (McNaughton rev. 1961)), and rejected the privilege claim on the ground that the party claiming privilege "has been willing to sacrifice confidentiality in order to expedite" favorable governmental treatment (namely, expedited governmental review of a proposed transaction). 665 F.2d at 1221. In *In re Subpoena Duces Tecum*, 738 F.2d 1367 (D.C. Cir. 1984), the D.C. Circuit held that the *Permian* holding was not limited to situations in which one government agency sought documents previously produced to another, but also prohibited a party who had voluntarily produced documents to the government from refusing, on the basis of privilege, to provide such documents to an adversary in private litigation. Once again, the Court focused on the fact that the party asserting the privilege voluntarily breached the confidentiality of the documents as to which privilege was claimed: "Tesoro willingly sacrificed its attorney-client confidentiality by voluntarily disclosing material in an effort to convince another entity, the SEC, that a formal investigation or enforcement action was not warranted." 738 F.2d at 1370.

In *Chubb Integrated Systems, Ltd v. National Bank of Washington*, 103 F.R.D. 52, 67 (D.D.C. 1984), the privilege claimant produced the documents to a third party under an agreement allowing it to conduct post-production privilege review of the

documents. Again, the court found that the act of disclosure to the third party had destroyed the secrecy of the information, and thus dispelled the very basis for applying the privilege. 103 F.R.D. at 67 ("The agreement between Chubb and NCR does not alter the objective fact that *the confidentiality has been breached voluntarily*. . . . Plaintiff has no genuine claim of confidentiality to the documents it produced to NCR Corporation.") (emphasis added).

The foregoing cases thus stand for the principle that a party who, by its own non-coerced action, deprives otherwise privileged materials of their secret status will not be allowed subsequently to reclaim privilege as to such materials. The present case presents a circumstance far different than those involved in these other cases, for it was Judge Payne's order, not Rambus's voluntary act, that destroyed the secret nature of the Compelled Documents.

Rambus produced the documents at issue for the first time in the *Infineon* case, pursuant to court order, and next produced the documents again in the *Micron* case, again pursuant to court order. The law is well settled that production of documents pursuant to court order is not "voluntary," and thus does not vitiate whatever privilege might otherwise attach to such documents. "[A] disclosure of confidential material constitutes a waiver of the attorney-client privilege only if it is voluntary and not compelled. . . ." *Transamerica Computer Co. v. International Business Machines Corp.*, 573 F.2d 646, 651 (9th Cir. 1979); *cf. In re Sealed Case*, 877 F.2d 976, 980 (D.C. Cir. 1989) ("*Short of court-compelled disclosure*, or other equally extraordinary circumstances, we will not distinguish between various degrees of 'voluntariness' in waivers of the attorney-client privilege.") (citing *Transamerica Computer Co.*) (emphasis added).

Thus, by the time Rambus provided the Compelled Documents to Hynix,

- It had already been ordered to disclose those documents in the *Infineon* litigation;
- Its writ of mandamus to prevent the disclosure of the Compelled Documents had been denied by the Federal Circuit;
- Several of the Compelled Documents had been introduced in open court at the *Infineon* trial; and
- Rambus had been ordered by Judge McKelvie to produce the Compelled Documents again to Micron, in part on the ground that the privilege issue had already been decided against Rambus by Judge Payne.

Accordingly, well before Rambus produced the documents to Hynix, the documents had already lost their "secret" status, and preventing Hynix from gaining physical access to the documents would not have allowed Rambus to restore it. Furthermore, Rambus's argument that Judge Payne's discovery order should not be extended to other litigation had already been rejected by Judge McKelvie in the *Micron* case. Rambus thus produced the documents to Hynix, while reserving its rights to contest the further use of such documents. Rambus submits that it would be an unfair and unwarranted extension of the law to find "subject matter waiver" under these circumstances, where Rambus's options to avoid disclosure of the Compelled Documents had been successively narrowed by the *Infineon* and *Micron* courts. Because Rambus did not voluntarily sacrifice the secrecy of the Compelled Documents, there is no basis for finding that Rambus effected a subject matter waiver of privilege as to such documents.

C. There Is No Basis For Ordering Further Production Of Attorney Work Product.

Finally, Complaint Counsel's motion improperly also purports to seek production of attorney work product. First, the documents in the categories other than the three categories pertaining to the crime-fraud exception were attorney-client communications, not work product. *See* February 23, 2001 Conference Re: Motion to Compel, *Rambus v. Infineon*, at 58:3-4 (Court reminder to Infineon counsel that "[w]e are talking about privilege now, not work product") **[Tab 10]**.[10]

More fundamentally, the scope of waiver of work product protection is narrower than that for documents subject to the attorney-client privilege. As the Court noted in *In re United Mine Workers*, 159 F.R.D. 307 (D.D.C. 1994), "[t]here appears to be substantial authority for the proposition that a waiver of the attorney work product privilege as to particular documents does not extend to other documents addressing the same subject matter." *Id*. at 310 (citing cases).

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[10] That the Court's ruling as to these categories turned on issues of attorney-client privilege, rather than work product, is evidenced by the following exchange during the hearing:

> Mr. Merritt: I don't think that the side-bar between me and the client that goes on in that process [of drafting pleadings and letters] results in just a flat-out waiver because something is ultimately published as a result of our work.
>
> Mr. Riopelle: Just to respond to that, I believe Mr. Merritt is correct as protected by the attorney work product doctrine.
>
> The Court: It's a work product.
>
> Mr. Riopelle: Not an attorney-client privilege issue.
>
> The Court: You have got to show if it – to the extent it's opinion [w]ork product, it's not discoverable at all. To the extent it is fact work product, there is a special showing that has to be made.

February 23, 2001 Conference Re: Motion to Compel, *Rambus v. Infineon*, at 66:14-67:3 **[Tab 10]**. Following this colloquy, the Court ordered Rambus to produce documents relating to the drafting of the JEDEC withdrawal and JEDEC patent disclosure letters. In so ruling, the Court relied on *In re Grand Jury Proceedings*, 727 F.2d 1352 (4th Cir. 1984), a case involving waiver of attorney-client privilege, not work product. *Id*. at 69:1-4 [**Tab 10**].

The Court expressly disagreed with the main case cited in Complaint Counsel's motion, *Wichita Land & Cattle Co. v. American Federal Bank*, 148 F.R.D. 456 (D.D.C. 1992). After noting that it was "clear" that the comments in *Wichita Land* concerning subject matter waiver with regard to work product materials were dicta, the Court added that, "[t]o the extent that *Wichita Land & Cattle Co.* could be interpreted as holding that a disclosure of privileged documents waives the work product privilege as to those specific documents *and* to other work product documents still in the possession of the party asserting the privilege, this Court disagrees." 159 F.R.D. at 312. The Court held that "subject-matter waiver of the attorney work product privilege should only be found when it would be inconsistent with the purposes of the work product privilege to limit the waiver to the actual documents disclosed," such as "where a party expressly agreed to disclose attorney work product or where it deliberately disclosed documents in an attempt to gain a tactical advantage." *Id*. Because the disclosure in the case before it, like the disclosures that Rambus has made in this case, was not for the tactical advantage of the party claiming work product protection, the Court found that no waiver beyond the particular documents disclosed had occurred. *Id.*[11] The same result should obtain here,

[11] The other main case cited by Complaint Counsel on the issue of work product, *Chubb Integrated Systems, Ltd. v. National Bank of Washington*, 103 F.R.D. 52 (D.D.C. 1988), involved a claim of waiver as to the very same documents that the defendant had produced, both to the plaintiff, and to another litigation adversary. *Id*. at 67 ("Defendants argue that voluntary disclosure of documents to NCR Corporation waives the right to claim privilege to *those same documents* in the present action") (emphasis added). Accordingly, the Court's reference to "implied subject matter" waiver in that opinion was also dicta. *See also In re Subpoena Duces Tecum*, 738 F.2d 1367, 1372 (D.C. Cir. 1984) (also cited in Complaint Counsel's Memorandum) (addressing only whether appellant could claim "work product protection for *those same disclosures* [it made to the SEC] against different adversaries") (emphasis added).

and there can be no finding of a waiver of work product beyond that contained in the Compelled Documents.

IV. CONCLUSION

For the reasons stated herein, Complaint Counsel's Motion should be denied to the extent it seeks any discovery in addition to that previously ordered produced by Judge Payne.

DATED: January _____, 2003 Respectfully submitted,

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UNITED STATES OF AMERICA

BEFORE THE FEDERAL TRADE COMMISSION

In the Matter of **RAMBUS INC.,** **a corporation.**	**Docket No. 9302**

PROPOSED ORDER

Upon consideration of Complaint Counsel's Motion To Compel Discovery Relating To Subject Matters As To Which Rambus's Privilege Claims Were Invalidated On Crime-Fraud Grounds And Subsequently Waived:

IT IS HEREBY ORDERED THAT Complaint Counsel's Motion is GRANTED in part and DENIED in part. Complaint Counsel's Motion is GRANTED as follows:

1. Complaint Counsel may use the documents produced by Rambus pursuant to Judge Payne's March 7, 2001 and March 29, 2001 discovery orders, as clarified at the April 6, 2001 telephone conference conducted by Judge Payne, for purposes of the present proceeding (subject to any applicable evidentiary objections other than those based upon privilege or work product and subject to the provisions of the Protective Order). Complaint Counsel may also question witnesses with regard to the subject matters identified in Judge Payne's March 7, 2001 Order, specifically, with regard to legal advice pertaining to: (a) "disclosures of patents and patent applications to JEDEC

by Rambus, Inc.," (b) "the disclosure policy of JEDEC," (c) "the efforts by Rambus, Inc. to broaden its patents to cover matters pertaining to the JEDEC standards," (d) "the September 2000, presentation made to stockholders, financial analysts and members of the public," (e) "the preparation of the withdrawal letters from JEDEC," and (f) "the drafting of letters relating to the patent disclosures to JEDEC and IEEE, the information and documents relied upon in drafting those letters, patent disclosures to JEDEC and IEEE and the efforts by Rambus, Inc. to broaden its patent claims to the extent that any of those conversations took place within the context of the drafting of the withdrawal letters. . . ." March 7, 2001, Order, *Rambus v. Infineon.* Such discovery may be had of witnesses having percipient knowledge of the topics subject to Judge Payne's March 7, 2001 Order.

2. Consistent with Judge Payne's prior ruling, the time period as to which discovery may be had with regard to topics (a), (b), (c), (e), and (f) identified in paragraph 1 above shall be December 1991 through June 1996. The time period with regard to topic (d) identified in paragraph 1 above shall be 2000.

3. Except as otherwise expressly GRANTED, Complaint Counsel's Motion is DENIED.

_____

James P. Timony
Chief Administrative Law Judge

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

In the Matter of	)	
	)	Docket No. 9302
RAMBUS INCORPORATED, a corporation.	)	

CERTIFICATE OF SERVICE

I, Jacqueline M. Haberer, hereby certify that on January 21, 2003, I caused a true and correct copy of the *Memorandum By Rambus Inc. in Opposition to Complaint Counsel's Motion to Compel Discovery Relating to Subject Matters as to Which Rambus's Privilege Claims Were Invalidated on Crime-Fraud Grounds and Subsequently Waived* to be served on the following persons by hand delivery:

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Administrative Law Judge
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