

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

PUBLIC

**In the Matter of
RAMBUS INC.,
a corporation.**

Docket No. 9302

**REQUEST FOR RECONSIDERATION AND/OR CLARIFICATION OF THE
MAY 13, 2003 ORDER REGARDING RAMBUS'S PRIVILEGED
DOCUMENTS**

TABLE OF CONTENTS

| | Page |
|---|-------------|
| I. INTRODUCTION | 1 |
| II. ARGUMENT | 5 |
| A. The Court Should Not Extend In Time The Scope Of Judge Payne’s And Judge McKelvie’s Orders That Required Production Of The Compelled Documents | 5 |
| 1. Because Rambus Did Not Produce The Compelled Documents For Tactical Advantage, There Is No Legal Basis For A Finding Of Subject-Matter Waiver..... | 6 |
| 2. Even If The Court Reaches To Apply Subject-Matter Waiver Doctrine Here, The May 13 Order Construes The “Subject Matter” Of The Waiver Far Too Broadly..... | 11 |
| B. Rambus Is Entitled To Work Product Protection Beginning In Mid-1999 With Respect To Possible Litigation Involving JEDEC-Complaint DRAMs..... | 16 |
| C. If The May 13 Order Is Not Limited To The Same Scope As Judge Payne’s Orders, Further Clarification Of It Is Required..... | 19 |
| III. CONCLUSION..... | 20 |

TABLE OF AUTHORITIES

| | Page(s) |
|---|---------|
| FEDERAL CASES | |
| <i>Aclara Biosciences, Inc. v. Caliper Technologies Corp.</i> , 2001 WL 777083 (N.D. Cal. 2000) | 11 |
| <i>Applied Telematics, Inc. v. Sprint Corp.</i> , 1995 WL 567436 (E.D.Pa. 1995) | 14 |
| <i>Haines v. Liggett Group Inc.</i> , 975 F.2d 81 (3rd Cir. 1992) | 1 |
| <i>In re Commercial Fin. Servs., Inc.</i> , 247 B.R. 828 (Bankr. N.D. Okla. 2000) | 8, 11 |
| <i>In Re Grand Jury Proceedings Oct. 12, 1995</i> , 78 F.3d 251 (6th Cir. 1996) | 12 |
| <i>In re Kidder Peabody Sec. Litig.</i> , 168 F.R.D. 459 (S.D.N.Y. 1996) | 11 |
| <i>In re Sealed Case</i> , 676 F.2d 793 (D.C. Cir. 1982) | 3, 7, 8 |
| <i>In re Subpoena Duces Tecum Served on Willkie Farr & Gallagher</i> , 1997 WL 118369 (S.D.N.Y. Mar. 14, 1997) | 11 |
| <i>In re United Mine Workers of Am. Employee Benefit Plans Litig.</i> , 159 F.R.D. 307 (D.D.C. 1994) | 8 |
| <i>In re von Bulow</i> , 828 F.2d 94 (2d Cir. 1987) | 7 |
| <i>Katz v. AT&T Corp.</i> , 191 F.R.D. 433 (E.D. Pa. 2000) | 12 |
| <i>Nolan v. City of Yonkers</i> , 1996 WL 120685 (S.D.N.Y. 1996) | 15 |
| <i>Pray v. The New York City Ballet</i> , 1998 WL 558796 (S.D.N.Y. 1998) | 12 |
| <i>Rambus, Inc. v. Infineon Technologies AG</i> , 164 F. Supp. 2d 743 (E.D. Va. 2001) | 13 |

TABLE OF AUTHORITIES

(continued)

| | Page(s) |
|---|----------------|
| <i>Saint-Gobain/Norton Indus. Ceramics Corp. v. General Elec. Co.</i> , 884 F. Supp. 31 (D. Mass 1995) | 14 |
| <i>Stratagem Dev. Corp. v. Heron Int'l N.V.</i> , 153 F.R.D. 535 (S.D.N.Y. 1994) | 10 |
| <i>Tennenbaum v. Deloitte & Touche</i> F.3d 337 (9th Cir. 1996) | 7, 10 |
| <i>United States v. Philip Morris Inc.</i> , 314 F.3d 612 (D.C. Cir. 2003) | 4 |
| <i>United States v. Skeddle</i> , 989 F.Supp. 905 (N.D. Ohio 1997) | 11 |
| <i>United States v. South Chicago Bank</i> , 1998 WL 774001 (N.D. Ill. 1998) | 8 |
| <i>Weil v. Investment/Indicators, Research & Mgmt., Inc.</i> , 647 F.2d 18 (9th Cir. 1981) | 8 |

TREATISES

| | |
|---|----|
| Paul R. Rice, <i>Attorney-Client Privilege in the United States</i> , § 9.85 (1999) | 11 |
|---|----|

I. INTRODUCTION

In its May 13, 2003 Order, the Court ruled that Rambus, by producing previously privileged documents whose confidentiality had already been irrevocably lost, waived its right to continue to assert privilege for other, *undisclosed* attorney-client communications from June 1996 through the present. Because the May 13 Order extends the waiver doctrine far beyond its proper and commonly understood scope, Rambus seeks reconsideration and/or clarification of the May 13 Order.¹

Four critical and essentially undisputed facts define the issues before the Court.

First, Rambus has produced to Complaint Counsel all of the privileged documents that Judge Payne required it to produce to Infineon, that Judge McKelvie ordered it to produce to Micron, and that it produced to Hynix (the “Compelled Documents”). In this respect, Complaint Counsel are in the same position as each of the other litigants that have asserted JEDEC-related claims or defenses against Rambus.

Second, production to Infineon and to Micron was indisputably compelled by court order. In *Micron*, Judge McKelvie explained that such production should be compelled precisely because Judge Payne had already compelled it in *Infineon*:

“I look at Judge Payne’s decision as similar to a discovery order, and once he has ordered documents produced in that case that were

¹ Reconsideration is justified here to correct clear errors of fact and law and to prevent manifest injustice. *See, e.g.*, March 26, 2003 Order at 8. The discussion in this memorandum is focused on the clear errors of law and fact underlying the May 13 Order and on the manifest injustice that will result from its temporal expansion of Judge Payne’s Orders from June 1996 to the present. Because the May 13 Order will “irrevocably ... ‘break the seal of a highly protected privilege’” based on these clear errors of law and fact, it will work a manifest injustice. *Id.* at 13 (quoting *Haines v. Liggett Group Inc.*, 975 F.2d 81, 96 (3rd Cir. 1992)).

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.”

Transcript of Telephone Conference, November 7, 2001, *Micron Technology, Inc. v. Rambus Inc.*, at 43, attached at Tab A.² These compelled productions were limited to documents dated or created during the time period December 1991 through June 1996, with one limited exception for the September 2000 presentation.

Third, Rambus has not sought, and does not seek, to use the Compelled Documents as a litigation sword. It has not chosen to produce some privileged materials and withhold others in order to gain an advantage in litigation. Rather, it has produced only those privileged documents that it was compelled to produce. The determination of what privileged documents would be produced was not made by Rambus for its strategic advantage; that determination was made by Judge Payne. Similarly, contrary to the statement on page 5 of the May 13 Order, Rambus has not sought to gain, and in fact has not gained, “an advantage by voluntarily disclosing materials to one adversary (Hynix) while protecting the same materials from another adversary.” As noted, Complaint Counsel received all of the Compelled Documents.

Fourth, the first litigation initiated by Rambus in an effort to enforce patents

² Consistent with this reasoning, Complaint Counsel here argued that Rambus was collaterally estopped from relitigating either Judge Payne’s or Judge McKelvie’s orders regarding the Compelled Documents. Complaint Counsel’s Memorandum of January 7, 2003, at 4-5, attached at Tab B. Under this line of reasoning, Rambus would have been bound in *Hynix* by the orders of Judges Payne and McKelvie and similarly barred from relitigating whether production of the Compelled Documents was required. Production of the Compelled Documents in *Hynix* thus could not have been a waiver; the documents were no longer confidential and no longer privileged.

against JEDEC-compliant DRAM³ was filed against Hitachi on January 18, 2000.

The filing of that lawsuit followed a demand letter that Rambus sent to Hitachi on or about October 22, 1999. Thus, Rambus surely is entitled to assert the work product privilege with respect to actual or specifically contemplated litigation involving JEDEC-compliant DRAM from at least mid-1999.

Based on these four facts – which do not appear to have been fully considered in the May 13 Order, perhaps because they may not have been clearly enough explained in Rambus’s earlier briefs – Rambus asks the Court to reconsider and/or clarify that Order in the following respects:

- *First*, whether or not Rambus can be said to have “waived” the privilege as to the Compelled Documents themselves, the Court cannot fairly or lawfully order production of an *additional seven years* of documents (from mid-1996 to the present) beyond those that Judges Payne and McKelvie ordered produced. Among other considerations, Rambus has never sought to use the privilege as both “sword” and “shield,” which alone could justify this dramatic “subject matter” expansion of any original waiver. *See In re Sealed Case*, 676 F.2d 793, 809 n.54, 818 (D.C. Cir. 1982). To the contrary, Rambus has produced the Compelled Documents to its adversaries in all relevant proceedings, and it has never sought to make use

³ The phrase “JEDEC-compliant DRAM” is used to refer to DRAM that is manufactured in accordance with JEDEC specifications. Not all of Rambus’s patents are “essential.” In some instances Rambus patents may be infringed by features or structure that the manufacturer chose to include, but that were not required by the JEDEC specifications.

of any privileged materials other than those it was compelled to disclose. Further, even if a subject matter waiver is found to have occurred – and the Court should not so find – the subject matter of the waiver must be limited to the December 1991 through June 1996 time period defined initially by Judge Payne, and reconfirmed by Judge McKelvie.

Significantly, granting Rambus relief on this point would *not* necessarily require this Court to reconsider its threshold finding that the production of the Compelled Documents to Hynix constituted a waiver to begin with, even though Rambus maintains that this finding was erroneous. Because Rambus has already produced the Compelled Documents to Complaint Counsel, the Court’s limited waiver finding would not, by itself, warrant immediate appellate review or interfere with the current trial schedule. In contrast, Rambus does consider it necessary to seek immediate appellate review of any decision to compel the production of numerous privileged documents *in addition* to those already compelled in prior proceedings. *See generally United States v. Philip Morris Inc.*, 314 F.3d 612, 618 (D.C. Cir. 2003) (recognizing appeal as of right, under the collateral order doctrine, of orders compelling production of arguably privileged documents).

- *Second*, if the Court does require Rambus to produce privileged materials beyond those already produced to Infineon, Micron and Hynix, it would need to reconsider its determination that the work product doctrine may not

be asserted with respect to any materials coming into existence prior to January 1, 2000, because that date overlooks, among other things, the Hitachi litigation and the October 1999 demand letter discussed above.

- *Third*, if the Court does require production of privileged materials other than the Compelled Documents, Rambus requests that the Court clarify in certain specific respects, as set forth below, what additional privileged documents must be produced.

II. ARGUMENT

A. The Court Should Not Extend In Time The Scope Of Judge Payne's And Judge McKelvie's Orders That Required Production Of The Compelled Documents.

Rambus maintains, but will not reargue at any length here, that it did not “waive” any privilege in producing the Compelled Documents to Hynix.⁴ Even if the Court’s ruling on that point were correct, however, the May 13 Order nonetheless erred, as a matter of fact and law, in concluding that the production to Hynix waived the privilege not just for the Compelled Documents themselves, but for all additional documents that supposedly address the same “subject matter” as the Compelled

⁴ The waiver doctrine simply is not applicable here because Rambus did not “willingly sacrifice” the confidentiality of the Compelled Documents; it was forced to do so by Judge Payne’s Orders. By the time Rambus produced the Compelled Documents to Hynix, their secrecy had already been destroyed: Rambus had been ordered to disclose the documents in *Infineon*; its petition for a writ of mandamus seeking to prevent disclosure had been denied by the Federal Circuit; several of the documents had been introduced in open court at the *Infineon* trial; and Rambus had been ordered 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. *See, e.g.*, Complaint Counsel’s Memorandum of January 7, 2003, at 4-5, attached at Tab B. Because Rambus never chose to breach the confidentiality of the Compelled Documents, which instead were initially disclosed pursuant to court order, finding the subsequent production of those same documents to Hynix to be a “waiver” would be unjust and unfair.

Documents. *First*, under the controlling legal principles, there is no basis for finding any such “subject matter waiver” in the circumstances presented here. *Second*, even if there was such a basis, the waiver would need to be strictly limited to the subject matter defined by Judge Payne’s Orders. These two arguments are separately addressed below.

1. Because Rambus Did Not Produce The Compelled Documents For Tactical Advantage, There Is No Legal Basis For A Finding Of Subject-Matter Waiver.

Even if Rambus’s production of the Compelled Documents to Hynix could be construed as a “waiver” of the attorney-client privilege as to those specific documents, the May 13 Order nonetheless erred in concluding that the production to Hynix worked a sweeping waiver of attorney-client privilege for all additional documents that supposedly address the same “subject matter” as the Compelled Documents. For the privilege to be extinguished by the harsh and unusual remedy of “subject-matter” waiver, very specific types of fairness concerns must be demonstrated in the record. *It is beyond dispute that those concerns do not exist here.* Complaint Counsel have suffered no prejudice – and allege none – from Rambus’s disclosure to Hynix. To the contrary, access to Rambus’s attorney-client communications clearly inures to their benefit. On these facts, the subject-matter waiver doctrine should not be applied.

This proposition is made clear by the very cases on which the May 13 Order relies, albeit in portions not cited by that Order. These cases make plain that the blanket statement in the May 13 Order (at p. 5) that “a waiver of privilege covers all

information relating to the subject-matter for which information is waived voluntarily,” is not a correct statement of the law.

Rather, the implied subject matter waiver rule is applied in light of its purpose: to prevent parties from gaining tactical advantage by using attorney-client privilege as both a sword and a shield. As the D.C. Circuit makes clear in the very decision on which the May 13 Order repeatedly relies for the imposition of subject-matter waiver, “[w]hen a party reveals part of a privileged communication *in order to gain an advantage in litigation*, it waives the privilege as to all other communications relating to the same subject matter because ‘the privilege of secret consultation is intended only as an incidental means of defense and not as an independent means of attack, and to use it in the latter character is to abandon it in the former.’” *Sealed Case*, 676 F.2d at 818 (emphasis added) (cited in May 13 Order at 4, 5). Or, as the Second Circuit has put it, subject matter waiver is “based on fairness considerations” and “aim[s] to prevent prejudice to a party and distortion of the judicial process that may be caused by the privilege-holder’s selective disclosure during litigation of otherwise privileged information.” *In re von Bulow*, 828 F.2d 94, 101 (2d Cir. 1987).⁵

The necessary corollary – also set forth in the cited D.C. Circuit precedent – is that a court should “not . . . impose full waiver as to all communications on the same subject matter where the client has merely disclosed a communication to a third party,

⁵ See also *Tennenbaum v. Deloitte & Touche*, 77 F.3d 337, 340-41 (9th Cir. 1996) (“The doctrine of waiver of the attorney-client privilege is rooted in notions of fundamental fairness. Its principal purpose is to protect against the unfairness that would result from a privilege holder selectively disclosing privileged communications to an adversary, revealing those that support the cause while claiming the shelter of the privilege to avoid disclosing those that are less favorable.”).

as opposed to making some use of it.” *Sealed Case*, 676 F.2d at 809 n.54; *see also In re United Mine Workers of Am. Employee Benefit Plans Litig.*, 159 F.R.D. 307, 308 (D.D.C. 1994) (noting that under D.C. Circuit case law, factual circumstances of disclosure should be examined “to prevent the scope of the subject-matter waiver from being unduly broad”). Indeed, *Weil v. Investment/Indicators, Research & Mgmt., Inc.*, 647 F.2d 18, 25 (9th Cir. 1981), on which the May 13 Order bases its determination of the scope of the waiver (May 13 Order at 5-6), specifically held that where opposing counsel was not prejudiced by the initial disclosure, extension of the waiver was inappropriate.⁶

The pertinent and critical question, then, is whether Rambus’s production of the Compelled Documents in *Hynix* was made in order to gain an advantage in the litigation here. If it was not – and simply posing the question reveals that it was not – then the implied subject matter waiver rule is not applicable.

It is undisputed that Rambus did not produce the documents at issue to Hynix as a “sword” against the FTC (or, indeed, as a “sword” against Hynix). Rambus clearly would have preferred to preserve the confidentiality of the documents, but that confidentiality was lost when production of the documents was compelled in the *Infineon* and *Micron* litigations. Rambus obtained no tactical advantage through the

⁶ *See also, e.g., United States v. South Chicago Bank*, 1998 WL 774001 (N.D. Ill. 1998) (no subject matter waiver even where bank selectively disclosed privileged communications to third parties but “did not gain a strategic advantage against the government”); *In re Commercial Fin. Servs., Inc.*, 247 B.R. 828, 847-49 (Bankr. N.D. Okla. 2000) (“Subject matter waiver applies only where partial waiver confers a tactical advantage. . . . The doctrine of subject matter waiver is narrowly construed and should only be employed when unfairness (i.e., tactical or strategic advantage) is implicated—otherwise, the doctrine of subject matter waiver serves no useful purpose.”) (emphasis added).

production of those documents; if anything, it was disadvantaged, since it is Complaint Counsel, rather than Rambus, who seek to use the Compelled Documents. Accordingly, Complaint Counsel will incur no prejudice or disadvantage that necessitates the sweeping disclosure of privileged materials sought here.

The May 13 Order seems to recognize the fairness concerns that underlie the implied subject-matter waiver doctrine, but erroneously assumes such concerns to be implicated by Rambus's conduct in this proceeding. Thus, the Order states that "as a matter of fairness and consistency, Respondent cannot be permitted to gain an advantage by voluntarily disclosing materials to one adversary (Hynix) while protecting the same materials from another adversary" (presumably Complaint Counsel). As a matter of undisputed fact, no such inequity or inconsistency has occurred. Complaint Counsel were provided with all of the documents, and all of the discovery, produced to Hynix. There has been no unequal treatment.⁷

The May 13 Order speculates (without any basis) that Rambus may have derived some benefit from producing the Compelled Documents in *Hynix*, specifically, that it may have avoided the burden of litigating the privilege issue and the risk of a more adverse result. Even if this were true, and it is not⁸, it is irrelevant

⁷ Indeed, in the context of the discussion of work product waiver, the Court seems to have reached this same conclusion: "Nor has the Respondent appeared to have made its voluntary disclosures of attorney work product materials in *Hynix* selectively in an attempt to achieve a strategic or tactical advantage, which could result in a broadening of the scope of its waiver." May 13 Order at 10 (citation omitted). The contrary conclusion reached in the discussion of attorney-client privilege is difficult to reconcile with the quoted holding in the work product section of the May 13 Order.

⁸ *Hynix*, for instance, may still seek production of additional privileged documents from Rambus; production of the Compelled Documents was not part of a negotiated compromise. Indeed, the fact that its attorneys have been present in the courtroom during every day of this proceeding suggests that

to the concern underlying subject matter waiver: ensuring that a party may not “selectively disclos[e] privileged communications to an adversary, revealing those that support the cause while claiming the shelter of the privilege to avoid disclosing those that are less favorable.” *Tennenbaum v. Deloitte & Touche*, 77 F.3d at 340-41. It is undisputed that Rambus did not selectively reveal favorable confidential documents while shielding less helpful ones behind the privilege. Accordingly, there was no intended or actual prejudice to Complaint Counsel, and no proper legal basis for the harsh resort to subject-matter waiver.

In sum:

“This is not a case in which the holder of the privilege affirmatively seeks to use privileged testimony while preventing his adversary from examining the remainder of the communication. . . . [Defendant] has not sought to utilize the [disclosed] documents in this litigation, but rather, has merely disclosed them in response to [plaintiff’s] broad discovery requests. In fact, it is [plaintiff], not [defendant] that wishes to use this material. ‘Thus it cannot be said that [defendant] is using the privilege as both a sword and a shield. Rather, because [defendant] has partially let down its shield, [plaintiff] insists that it must be stripped entirely.’”

Stratagem Dev. Corp. v. Heron Int’l N.V., 153 F.R.D. 535, 544-45 (S.D.N.Y. 1994)

(citations omitted) (rejecting “subject matter” extension of privilege waiver).

Accordingly, the May 13 Order should be reconsidered and the portions of that Order founded on an application of the subject matter waiver doctrine should be reversed.

immediate efforts will be made to apply or expand upon this Court’s ruling in the ongoing private litigation.

2. Even If The Court Reaches To Apply Subject-Matter Waiver Doctrine Here, The May 13 Order Construes The “Subject Matter” Of The Waiver Far Too Broadly.

Even if the Court should somehow find that Rambus used the Compelled Documents as a “sword” when it produced them to Hynix, and thus were to conclude that the subject-matter waiver doctrine should apply, the Court still should limit the scope of any implied subject-matter waiver as narrowly as possible, consistent with the underlying fairness principle. The May 13 Order, by construing the “subject matter” of an implied waiver more broadly than the subject matter of the original compelled disclosure, thus failed to comport with the controlling legal principles.

Courts considering the scope of a subject-matter waiver “attempt to construe the subject matter as narrowly as possible.” Paul R. Rice, *Attorney-Client Privilege in the United States* § 9.85 (1999).⁹ Moreover, “the scope of any waiver by virtue of disclosure [i]s to be defined by the so-called ‘fairness doctrine’, which aim[s] to prevent prejudice to a party and distortion of the judicial process that may be caused by the privilege-holder’s selective disclosure during litigation of otherwise privileged information.” *In re Kidder Peabody Sec. Litig.*, 168 F.R.D. 459, 469 (S.D.N.Y. 1996) (citations and quotation marks omitted).

⁹ See, e.g., *In re Commercial Fin. Servs., Inc.*, 247 B.R. at 848 (“Subject matter waiver is narrowly construed [and] applies only where partial waiver confers a tactical advantage.”); *Aclara Biosciences, Inc. v. Caliper Technologies Corp.*, 2001 WL 777083 (N.D. Cal. 2000) (scope of subject matter of waiver of privilege should be construed narrowly); *In re Subpoena Duces Tecum Served on Willkie Farr & Gallagher*, 1997 WL 118369 at * 3-4 (S.D.N.Y. Mar. 14, 1997) (“a complete subject matter waiver applies when a party seeks to use the privilege selectively, as both a sword and shield in litigation, . . . [and] requires that the remedy be narrowly tailored to address the potential prejudice”); *United States v. Skeddle*, 989 F.Supp. 905, 909 n.2 (N.D. Ohio 1997) (“Realizing that fairness is at the heart of the waiver issue, courts have generally held that the ‘same subject matter’ is to be viewed narrowly.”).

The extent of any implied subject-matter waiver therefore “turns on the circumstances” of the initial disclosure. *Id.*; see also *Katz v. AT&T Corp.*, 191 F.R.D. 433, 440 (E.D. Pa. 2000) (scope of waiver is informed by “the purpose served by” and “the content of” the disclosure).¹⁰ Specifically, “the purpose of the disclosure cannot be ignored in defining the temporal scope of the waiver.” *Katz*, 191 F.R.D. at 440; see also, e.g., *Pray v. The New York City Ballet*, 1998 WL 558796 (S.D.N.Y. 1998) (waiver of attorney communications involved in internal investigation raised as a defense in sexual harassment case does not waive privilege as to attorney advice given at the conclusion of the investigation).

In many cases involving the determination of the proper scope of a subject matter waiver, the evidence is murky as to the purpose of the original disclosure, and thus as to the temporal limitation of the waiver. In those situations, courts must struggle to devise appropriate limitations on the scope of the waiver by drawing inferences from the available contemporaneous evidence.

The fact record here is unusual, by contrast, in that there is no uncertainty as to the appropriate scope of the subject matter. Here, official court documents tell us the exact scope of the subject matter – both as to topic and time. The time frame of Judge Payne’s order was expressly limited to December 1991 through June 1996 – the period beginning when Rambus attended its first JEDEC meeting and ending when it formalized its decision not to renew its membership. See Transcript of Telephone

¹⁰ See also *In Re Grand Jury Proceedings Oct. 12, 1995*, 78 F.3d 251, 255 (6th Cir. 1996) (where initial disclosure was limited to certain aspects of marketing plan, there was no subject matter waiver as to communications regarding other aspects of plan).

Conference, April 6, 2001, *Rambus Inc. v. Infineon Technologies A.G.*, at 8, attached at Tab D. This temporal limitation arose specifically from the circumstances of the compelled disclosure. Infineon's theory of fraud, which underpinned application of the crime-fraud exception, was that Rambus had violated its duty of disclosure while it was a JEDEC member, and that membership ended no later than June 1996. *See Rambus, Inc. v. Infineon Technologies AG*, 164 F. Supp. 2d 743, 777 (E.D. Va. 2001) (Judge Payne's Order finding that finding that Rambus had no duty to disclose patents or patent applications relating to a standard not under formal consideration while Rambus was a JEDEC member).

In the *Micron* case, when a similar subject matter waiver argument was presented, Judge McKelvie recognized that he was not writing on a clean slate, and that Judge Payne had already clearly defined the subject matter of the compelled disclosure, including its temporal component. *See* Transcript of Telephone Conference, May 16, 2001, *Micron Technology, Inc. v. Rambus, Inc.*, at 24, attached at Tab C. Although Micron argued that Rambus should also be required to produce other documents on the same subjects created outside of the December 1991 through June 1996 time frame, Judge McKelvie rejected this request, stating:

“[T]o the extent that Micron wants . . . to expand [discovery of privileged materials] 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”

See Transcript of Telephone Conference, November 7, 2001, *Micron Technology, Inc. v. Rambus, Inc.*, at 43-44, attached at Tab A. Micron has not established the basis

for such a finding. Complaint Counsel tried to do so, but were unsuccessful. May 13 Order at 11-12.

In disregarding the temporal limitation imposed first by Judge Payne, and then by Judge McKelvie (May 13 Order, at 6 n.9), this Court clearly erred. The scope of a privilege waiver based upon a supposed “voluntary” production of documents necessarily turns upon the issues *implicated by the waiver in the case where the waiver occurred*.¹¹ As one court noted, “if the scope of waivers are defined too broadly, parties will be reluctant to share privileged documents if a limited disclosure will expose them to an unanticipated and broad waiver of privilege” and thus such broad waivers would be “inconsistent with the principles of fundamental fairness.” *Applied Telematics, Inc. v. Sprint Corp.*, 1995 WL 567436, *2 (E.D.Pa. 1995) (finding “unreasonable and against case law” a claim that defendant’s reliance on outside counsel’s opinion of non-infringement in defense to willfulness charge effectuated waiver as to all privileged communications about patent”); *see also Saint-Gobain/Norton Indus. Ceramics Corp. v. General Elec. Co.*, 884 F. Supp. 31, 33-34 (D. Mass 1995) (waiver of privilege as to validity issues does not constitute waiver as to infringement issues).

¹¹ The question whether this case involves issues beyond the scope of those raised in *Infineon*, *Micron* and *Hynix* (May 13 Order at 6 n.9) is irrelevant to the subject-matter waiver inquiry. Similarly, speculation as to whether or not the *Infineon* and *Micron* courts could, or might in other circumstances, have framed a broader subject-matter for their compelled disclosure is immaterial. The scope of any waiver is determined not by the allegations in the current matter, but rather by the actual purpose and circumstances of the original disclosure.

Accordingly, the May 13 Order, in failing to hew closely to the temporal limitations defined by Judge Payne, clearly fell short of the legal standard. It failed to limit the scope of the waiver to the temporal subject matter of the original compelled disclosure, which was restricted to the December 1991 to June 1996 time period.

Furthermore, as a matter of general policy, the May 13 Order has broad implications for Commission practice, for it renders meaningless Complaint Counsel's assurances (in this and other cases) that, in light of the "discussions and negotiations that preceded [Rambus's] production [of the Compelled Documents], they are "not arguing that the production to Complaint Counsel independently waived Rambus's privilege." Complaint Counsel's Memorandum of January 7, 2003, at 2 n.2, attached at Tab B. Unless corrected, the Order's untethered interpretation of subject-matter waiver will undoubtedly undermine the utility of such assurances by Complaint Counsel because it will prompt litigants in other cases to argue not only that such negotiated disclosures waived the privilege as to the documents actually produced in this or future FTC proceedings, but also to substantial numbers of additional communications, without temporal limit. *Cf. Nolan v. City of Yonkers*, 1996 WL 120685 (S.D.N.Y. 1996) ("[R]ecognizing a wider subject matter waiver under the circumstances of this case would actually impede the factfinding and judicial process by making it less likely that [parties] would consent to the government's request for limited waivers of attorney client privilege for fear that such limited waivers would later be expanded by means of the application of the subject matter waiver doctrine"). Such developments will lead all parties in FTC matters to

exhaust their appellate rights before producing any arguably privileged documents, just as Rambus now feels compelled to seek immediate relief from the Court of Appeals in the absence of reconsideration of this aspect of the May 13 Order.

For these reasons, the sweeping subject matter waiver ruling – unbounded in time and unanchored to the purposes of the waiver rule or the circumstances of disclosure – works great harm to the fundamental protections of the attorney-client privilege, and should be reconsidered and reversed.

B. Rambus Is Entitled To Work Product Protection Beginning In Mid-1999 With Respect To Possible Litigation Involving JEDEC-Complaint DRAMs.

If the Court reverses its temporal expansion of Judge Payne’s and Judge McKelvie’s orders, it would no longer be necessary to determine the scope of the work product protection that Rambus is entitled to assert during the post-June 1996 time period. On the other hand, if the Court maintains its position that there was a subject matter waiver of the attorney-client privilege that extends from 1996 until May 13, 2003, or perhaps even beyond that date into the future, then the temporal scope of the work product protection that Rambus is entitled to assert is pertinent.

As the Court has recognized, Rambus has not waived its work product protection for post-June 1996 documents. May 13 Order at 8. Thus, the relevant issue is whether documents that otherwise would fall within the scope of the May 13 Order – within the subject matter limits of Judge Payne’s Orders extended in time and previously protected by the attorney-client privilege – also are protected by the work product doctrine. As the Court recognizes, the parties *did not directly brief this*

*issue.*¹² As a consequence, the Court was left to form conclusions based on an incomplete record and, in doing so, made an erroneous finding at odds with an earlier determination by Judge Timony. The Court also unfairly accused Rambus of asserting inconsistent positions. These points are discussed more fully below.

Rambus submits that the Court should not make a generalized finding as to the earliest date on which Rambus can assert work product protection in connection with JEDEC-specific litigation. Rather, Rambus should simply log documents entitled to work product protection (as it already has), and any issues raised by that log can later be addressed. However, if the Court intends to fix such a date at this time, the date it fixes should be mid-1999.

This position is based on the following facts: Rambus sent a demand letter to Hitachi on or about October 22, 1999. Obviously, for some period of time prior to sending this letter, Rambus was contemplating specific litigation against Hitachi with respect to JEDEC-compliant DRAM. (That litigation ultimately was filed on January 18, 2000, and later settled.) Rambus should thus be permitted to assert work product protection for matters relating to JEDEC-compliant DRAM beginning at a reasonable

¹² For its part, Rambus perceived no need to brief these issues because they were not presented in Complaint Counsel's motion. Complaint Counsel relied solely on a waiver rationale for production of both attorney-client communications and work product material, and did not challenge the propriety of any of Rambus's specific assertions of work product protection, which were set forth on Rambus's privilege logs. Rambus expected that its log of those documents, otherwise within the scope of any order compelling further production and as to which it asserts work product protection, would properly frame for the Court's resolution the propriety of Rambus's assertion of the work product doctrine. If Complaint Counsel contend that any documents withheld from production on work product grounds are not properly protected by that doctrine, they may challenge the assertion of the work product protection and, if the matter was not resolved through the meet and confer process, a motion to compel could then be brought.

period of time before the demand letter was sent.

As the Court has recognized, there does exist a tension between Judge Timony's conclusion that Rambus "knew or reasonably could anticipate RAM-related litigation" by mid-1998 when it chose to commence its document retention program (February 26, 2003 Order on Complaint Counsel's Motions for Default Judgment and for Oral Argument at 6) and the conclusion in the May 13 Order that Rambus "has no basis for asserting the attorney work product privilege for any materials coming into existence prior to January 1, 2000" (May 13 Order at 9-10). Further, the Court noted in its May 13 Order that Rambus "broadly asserts that any materials prepared by or at the direction of its attorneys post-June 1996 are subject to the attorney work product privilege." Rambus's counsel have been unable to locate such a statement in their prior briefs, but to the extent such a statement was made, it was incorrect. Rambus has consistently contended (or at least has intended to contend) that it was not contemplating any specific litigation regarding JEDEC-compliant DRAM at the time it implemented its document retention policy, in mid-1998. Whatever finding of fact is made with respect to when Rambus first contemplated specific litigation regarding JEDEC-compliant DRAM should be consistent with any findings that are made with respect to whether Rambus, when it was implementing its document retention program, contemplated specific litigation regarding JEDEC-compliant parts.

With this caveat, Rambus asserts that it should be entitled to assert the work product protection with respect to contemplated litigation involving JEDEC-compliant DRAM beginning in mid-1999.

C. **If The May 13 Order Is Not Limited To The Same Scope As Judge Payne's Orders, Further Clarification Of It Is Required.**

As the Court is aware, it is critically important that Rambus be clearly apprised of any obligation being imposed on it to produce privileged documents beyond those included in the set of Compelled Documents. Without clear guidelines, Rambus cannot be certain it has complied with the Court's directions and other courts who later may review this Court's orders may not otherwise be certain of the exact parameters of the obligations imposed. For these reasons, in the event this Court denies Rambus's request that it limit the ultimate scope of its May 13 Order to the Compelled Documents, Rambus asks that the Court clarify the scope of its May 13 Order in several respects, as described below.

First, as the May 13 Order notes, only two of the topics – topics (3) and (4) – require production of documents created or dated after June 1996. May 13 Order at 7. So long as Rambus has produced to Complaint Counsel all of the documents falling within topics (1), (2), (5) and (6) that it was required to produce by Judge Payne's Orders, no further production as to those topics is required.

Second, topic (4) plainly requires production of documents from September 2000. Rambus understands topic (4) not to require production of documents created or dated after that presentation was made. For instance, if Rambus's counsel recently gave legal advice to Rambus about the implications of that September 2000 presentation, such as its implications in this litigation, any documents reflecting such advice after September 2000 would not be within the scope of either Judge Payne's

Orders or this Court's May 13 Order.

Third, as Judge Payne's Orders were applied at the time, topic (3) was limited to efforts to broaden patent claims in applications deriving from the original '898 application. It did not apply to other U.S. patents or patent applications and did not apply to any foreign patents. These limitations were consistent with the issues being litigated before Judge Payne and with the clear import of the evidence that JEDEC members were not expected or encouraged to disclose foreign patents or foreign patent applications.¹³ Since the subject matter was so defined in connection with Judge Payne's Orders, it should similarly be so defined here.

III. CONCLUSION

For the reasons set forth above, Rambus respectfully requests that the Court reconsider its determination that production of the Compelled Documents to Hynix effected a subject matter waiver. Rambus further requests that the Court limit the temporal scope of its May 13 Order to the time period established by Judges Payne and McKelvie, consistent with the temporal parameters of the Compelled Documents themselves: December 1991 through June 1996 and (for a single presentation) September 2000. If the Court declines to do so, then Rambus requests that the Court reconsider its determination of the earliest date after which Rambus may assert the

¹³ See, e.g., Ken McGhee's December 19, 2000 Deposition Transcript at 213:19-214:2 (attached at Tab E); Willi Meyer's May 7, 2001 Trial Testimony at 119:1-14, 120:10-23 (attached at Tab F).

work product protection for JEDEC-related issues, and that its clarify its May 13 Order in various respects as set forth above.

DATED: May 19, 2003

Respectfully submitted,

Gregory P. Stone
Steven M. Perry
Peter A. Detre
Adam R. Wichman
MUNGER, TOLLES & OLSON LLP
355 South Grand Avenue, 35th Floor
Los Angeles, California 90071-1560
(213) 683-9100
(213) 687-3702 (facsimile)
(202) 663-6158
(202) 457-4943 (facsimile)

A. Douglas Melamed
Kenneth A. Bamberger
Jacqueline M. Haberer
WILMER, CUTLER & PICKERING
2445 M Street, N.W.
Washington, D.C. 20037
(202) 663-6000

Sean C. Cunningham
John M. Guaragna
GRAY, CARY, WARE & FREIDENRICH LLP
401 "B" Street, Suite 2000
San Diego, California 92101
(619) 699-2700

Attorneys for Respondent Rambus Inc.

TABLE OF AUTHORITIES

(continued)

Page(s)

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

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

CERTIFICATE OF SERVICE

I, James M. Bery, hereby certify that on May 19, 2003, I caused a true and correct copy of *Request for Reconsideration And/Or Clarification of the May 13, 2003 Order Regarding Rambus's Privileged Documents* to be served on the following persons by hand delivery:

Hon. Stephen J. McGuire
Chief Administrative Law Judge
Federal Trade Commission
Room H-112
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

M. Sean Royall, Esq.
Deputy Director, Bureau of Competition
Federal Trade Commission
Room H-372
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Donald S. Clark, Secretary
Federal Trade Commission
Room H-159
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Malcolm L. Catt, Esq.
Attorney
Federal Trade Commission
601 New Jersey Avenue, N.W.
Washington, D.C. 20001

Richard B. Dagen, Esq.
Assistant Director
Bureau of Competition
Federal Trade Commission
601 New Jersey Avenue, N.W.
Washington, D.C. 20001

James M. Bery

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

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

CERTIFICATION

I, James M. Berry, hereby certify that the electronic copy of the *Request for Reconsideration And/Or Clarification of the May 13, 2003 Order Regarding Rambus's Privileged Documents* accompanying this certification is a true and correct copy of the paper version that is being filed with the Secretary of the Commission on May 19, 2003 by other means.

James M. Berry
May 19, 2003