
Misc. No. 04-772

**United States Court of Appeals
for the Federal Circuit**

IN RE RAMBUS INC.,

Petitioner.

**On Writ of Mandamus from the United States District Court
for the Eastern District of Virginia in Case No. 3:00-CV-524
Judge Robert E. Payne**

OPPOSITION TO PETITION FOR WRIT OF MANDAMUS

John M. Desmarais
Michael P. Stadnick
KIRKLAND & ELLIS LLP
153 East 53rd Street
New York, NY 10022
(212) 446-4800

Christopher Landau
Michael F. Williams
Padraic B. Fennelly
KIRKLAND & ELLIS LLP
655 Fifteenth Street, N.W.
Washington, DC 20005
(202) 879-5200

*Counsel for Respondents
Infineon Technologies AG, Infineon Technologies North America
Corp., and Infineon Technologies Holding North America Inc.*

July 7, 2004

CERTIFICATE OF INTEREST

Pursuant to Federal Circuit Rules 47.4 and 26.1, counsel for respondents hereby certifies:

1. The full name of every party represented by me is: Infineon Technologies AG, Infineon Technologies North America Corp., and Infineon Technologies Holding North America Inc.

2. The parties listed above are the real parties in interest.

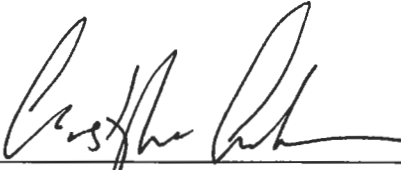
3. Respondent Infineon Technologies AG is a publicly traded company with its headquarters in Germany. Infineon Technologies AG has no parent corporation. Wachovia Trust Company is the only publicly held company that owns more than 10% of its stock.

Respondent Infineon Technologies North America Corp. is a wholly owned subsidiary of respondent Infineon Technologies AG. No other publicly held company owns 10% or more of its stock.

Respondent Infineon Technologies Holding North America Inc. is a wholly owned subsidiary of respondent Infineon Technologies AG. No other publicly held company owns 10% or more of its stock.

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

Kirkland & Ellis LLP
McGuire Woods LLP
Peter J. Armenio
C. Torrence Armstrong
Gregory S. Arovas
Kristen M. Calleja
John M. Desmarais
Grant M. Dixton
Edward C. Donovan
Padraic B. Fennelly
Meghan Frei
Todd M. Friedman
Maxine Y. Graham
Colin R. Kass
Mark L. Kovner
Christopher Landau
Steven J. Lever
Gerald F. Masoudi
Thomas D. Pease
Yosef J. Riemer
Brian C. Riopelle
Kannon K. Shanmugam
Michael P. Stadnick
Kenneth W. Starr
Robert M. Tyler
Clifford E. Wilkins, Jr.
Michael F. Williams
Warren E. Zirkle



Christopher Landau

Dated: July 7, 2004

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INTRODUCTION

This petition presents the question whether petitioner Rambus Inc. can get away with destroying millions of pages of documents, as part of its litigation strategy, in order to deprive its adversaries of relevant evidence. Our civil justice system operates on the premise that litigants will, upon request, produce relevant documents (even very damaging ones) to their adversaries. To a large extent, the system depends on litigants' integrity (as neither their adversaries nor the courts can know what documents are in their possession), their respect for the system, and their fear of the consequences if they are caught. Needless to say, there can be a strong temptation to withhold or destroy damaging documents, especially when such withholding or destruction may never come to light. Nothing is more subversive of the search for truth and justice. For that reason, courts must, and do, treat discovery abuse and document spoliation as a fraud on the court, not only warranting but demanding severe sanctions.

Rambus was caught flouting these bedrock principles. While planning to launch this patent infringement litigation, Rambus adopted a spurious "document retention policy" that resulted in the destruction of *tons* of potentially relevant documents. Then, after launching the litigation, Rambus withheld no fewer than *thirty boxes* of relevant documents requested by respondents Infineon Technologies AG, Infineon Technologies North America Corp., and Infineon

Technologies Holding North America Inc. (collectively “Infineon”) during discovery prior to the original trial. And even after being ordered to produce those documents on remand, Rambus continued to withhold more than 4,500 additional documents (including some 2,000 documents that never before had been revealed), by broadly invoking the protection of the attorney-client privilege and/or the work-product doctrine. Meanwhile, when its “document retention policy” came under attack in this and other proceedings, Rambus selectively disclosed otherwise protected information in an attempt to cast that “policy” in a favorable light.

In light of the manifest deficiency of Rambus’ privilege log (which Rambus does not even attempt to defend here), the district court was forced to conduct an *in camera* review of the disputed documents to evaluate Rambus’ claims to protection. As a result of that review, Rambus was ordered to revise its privilege log to provide more accurate descriptions of the withheld documents, and to remove from the log documents that were obviously not privileged but that Rambus had nevertheless been shielding from discovery. Separately, the district court considered Infineon’s motion to pierce Rambus’ claims of privilege based on Rambus’ wholesale destruction of millions of pages of documents under the guise of an attorney-formulated “document retention policy.”

After Infineon made a *prima facie* showing in support of such a privilege piercing, the district court again conducted a document-by-document *in camera*

review. The district court concluded that Rambus had forfeited any protection with respect to documents pertaining to the relationship between Rambus' "document retention policy" and its litigation strategy. The court based that conclusion on two separate and independent grounds: (1) the so-called crime-fraud exception to the attorney-client privilege, which ensures that the privilege (which is meant to protect the adversary process) does not extend to documents relating to the spoliation of evidence in anticipation of litigation (which undermines that very process), and (2) subject-matter waiver, which also protects the adversary process by preventing litigants from disclosing otherwise protected materials they deem favorable to their cause, while simultaneously denying their adversaries access to other materials on the same subject matter.

In response to these rulings, Rambus now seeks the extraordinary remedy of mandamus from this Court. That request is, in and of itself, remarkable, given that the district court resolved this discovery dispute on two separate and independent (not to mention intensely factual) grounds on which Rambus itself carried the burden of proof. But even more remarkable is the tenor of Rambus' petition, which displays not a trace of contrition, but instead open disdain for, and defiance of, the district court that uncovered Rambus' egregious discovery abuse. Rambus continues to insist, notwithstanding the district court's contrary factual finding, that its "document retention policy" was "routine" and "innocuous," and wholly

unrelated to Rambus' litigation strategy. Indeed, despite the largely undisputed facts here, Rambus insists on depicting itself as the hapless victim of a vindictive and partial judge.

Nothing could be further from the truth. The court below simply upheld the rule of law with respect to a litigant that has broken all the rules and is apparently convinced that it not only can, but is entitled to, get away with it. This Court should neither tolerate nor reward Rambus' tactics. The facts and the law clearly justify the district court's lifting of any protection with respect to information regarding the relationship between Rambus' bogus "document retention policy" and its litigation strategy. Because the extraordinary remedy of mandamus is not remotely warranted here, this Court should deny the petition.

STATEMENT OF THE ISSUE

Whether the extraordinary writ of mandamus is warranted to allow Rambus to continue withholding documents relating to the relationship between its bogus "document retention policy" and its litigation strategy, where the district court expressly found that (1) the "policy," which resulted in the destruction of millions of potentially relevant documents, was part and parcel of that strategy, thus triggering the crime-fraud exception with respect to those documents, and (2) in any event, Rambus waived any protection with respect to those documents by

selectively disclosing otherwise protected information in an attempt to cast that “policy” in a favorable light.

STATEMENT OF THE CASE AND THE FACTS

A. The Initial Round Of Litigation

Rambus brought this lawsuit in 2000, claiming that Infineon infringed Rambus’ patents by manufacturing certain computer memory products that comply with the relevant industry standards. Infineon, in turn, brought counterclaims against Rambus for, *inter alia*, common-law fraud, claiming that Rambus breached a duty to disclose its pending patents and patent applications to the industry standard-setting body, JEDEC, during the course of the standardization process.

Shortly before the original close of fact discovery, Infineon moved to compel Rambus to produce certain documents and testimony under the crime-fraud exception to the attorney-client privilege. On March 7, 2001, the district court granted that motion in part. *See* Pet. App. Tab A, at 7-8. Before complying with that order, however, Rambus unsuccessfully sought a writ of mandamus from this Court. *See* Tab 1.

Rambus’ ensuing document production consisted of four documents, totaling five pages. Skeptical that Rambus had fully complied with the district court’s March 7 order, Infineon issued subpoenas to Rambus’ outside and former inside counsel seeking responsive documents. Only after the district court upheld those

subpoenas (on the eve of the original trial) did Rambus finally produce a significant number of documents in response to the March 7 order. Scores of those documents had not appeared on Rambus' privilege log. *See Rambus Inc. v. Infineon Tech. AG*, 155 F. Supp. 2d 668, 681 (E.D. Va. 2001).

Depositions about the documents that Rambus produced pursuant to the March 7 order revealed that Rambus witnesses had provided false and/or misleading testimony regarding, *inter alia*, Rambus' efforts to obtain patents covering subject matter proposed for standardization at JEDEC. *See id.* at 681-82. Those depositions also revealed the first hints that Rambus had adopted a bogus "document retention policy" in anticipation of this litigation in an effort to eliminate potentially harmful documents. *See id.* at 682.

After construing the claim terms at issue, and after Rambus presented its case-in-chief at the original trial, the district court granted Infineon judgment as a matter of law on Rambus' infringement claims. Infineon's fraud counterclaims were tried to a jury, which ruled for Infineon. The district judge denied Rambus' post-trial motion for judgment as a matter of law as to certain of those fraud counterclaims. Finally, the district court granted Infineon's request for attorneys' fees, finding that "Rambus implemented a 'document retention policy,' in part, for the purpose of getting rid of documents that might be harmful in litigation." *Id.*

Last year, this Court reversed both the district court's decision to grant Infineon judgment as a matter of law on Rambus' infringement claims and the court's denial of Rambus' motion for judgment as a matter of law on Infineon's common-law fraud counterclaims. *See Rambus Inc. v. Infineon Tech. AG*, 318 F.3d 1081, 1106-07 (Fed. Cir. 2003). In light of that ruling, this Court also vacated the district court's decision to award attorneys' fees, but Rambus did not dispute, and this Court did not disturb, the district court's findings that Rambus had engaged in widespread litigation misconduct, including the destruction of documents in anticipation of litigation. *See id.* at 1105-06. This Court ultimately remanded to the district court for further proceedings. *See id.* at 1106-07.

B. The Proceedings On Remand

On remand, Infineon indicated that it would pursue its affirmative defenses to Rambus' patent claims (including the defenses of non-infringement, invalidity, equitable estoppel, prosecution laches, and unclean hands), which had not been resolved in the prior proceedings due to the district court's entry of judgment as a matter of law on Rambus' infringement claims. *See Pet. App. Tab A*, at 5-6. Some, though not all, of those defenses involve Rambus' conduct as a member of JEDEC, although none is predicated on a theory that Rambus breached a duty to disclose patents or patent applications arising from its JEDEC participation. In addition, Infineon indicated that it would pursue a preexisting counterclaim for

monopolization (which had been dismissed without prejudice after the original dismissal of Rambus' infringement claims) and a counterclaim under the California unfair competition statute, Cal. Bus. & Prof. Code § 17200, based in part on evidence of misconduct that came to light after the initial round of proceedings. *See id.* at 6-7; *see also* Tab 2.

Infineon also noted on remand that Rambus had produced relevant documents in parallel proceedings that it had not produced here. *See* Pet. App. Tab A, at 9. Rambus acknowledged that at least some of those documents should have been produced, and, in response to a court order, produced *thirty boxes* of such documents. *See id.* at 10. Rambus also served a privilege log listing 4,673 documents that were still being withheld (of which some 2,000 had not previously been identified) and filed a bare-bones, three-page memorandum in support of its privilege assertions. *See id.* at 10-11.

The evidence produced for the first time on remand reveals the full scope of Rambus' systematic, strategic, and company-wide destruction of evidence in anticipation of litigation with Infineon and others. In particular, that new evidence reveals that in early 1998, Rambus' Vice President of Intellectual Property, Joel Karp, began working with outside counsel, Dan Johnson, to develop a so-called "document retention policy." *See* Pet. App. Tab C, at 3-4. At the same time, Karp was also working with Johnson to develop Rambus' affirmative patent litigation

strategy. The express aim of this strategy, as confirmed by one document produced by Rambus on remand, was to sue DRAM manufacturers (like Infineon) that refused to pay Rambus royalties for SDRAMs higher than those Rambus charged for RDRAMs:

POSITION RAMBUS FOR THE FUTURE INCLUDING IP

* * *

Get all infringers to license our IP with royalties >
RDRAM (if it is a broad license) OR sue.

Pet. App. Tab A, at 37 (quoting Tab 3 at RF0627716). Infineon was one of the manufacturers that Rambus planned to sue as early as 1998. *See id.* at 34.

Rambus' late-produced documents further establish that on July 22, 1998, Karp and Johnson held a meeting for Rambus managers, where a slide presentation prepared by Johnson was used to explain Rambus' new "document retention policy" and the reasons for its implementation. *See* Pet. App. Tab C, at 6. Notes taken by one Rambus manager, Kevin Donnelly, at that meeting indicate that Rambus managers were informed that Rambus should destroy documents before becoming involved in litigation, because "if you get sued and then you destroy documents, [a] judge can issue a judgement [sic] against you (even jail)." Tab 4. Karp later used the slides prepared by Johnson to explain Rambus' new "policy" to other Rambus employees.

Rambus declared a "Shred Day" on September 3, 1998, commencing the systematic destruction of evidence by passing out burlap bags to *all* Rambus

employees for use in hauling their documents to “the shredding truck.” *See* Tabs 5, 6, 7. All told, Rambus employees collected 20,000 pounds of documents (estimated to be some *two million* pages) and celebrated this dubious achievement with pizza, beer, and champagne. *See* Tab 5; Pet. App. Tab A, at 15.

Rambus held “Shred Days” in 1999 and 2000 as well. *See* Pet. App. Tab A, at 15. In fact, Rambus’ intellectual property team listed the company’s goals for 1999—under the heading “Licensing/Litigation Readiness,” in a document produced by Rambus only after the remand from this Court—as follows:

- Prepare licensing positions against 3 manufacturers
- Prepare litigation strategy against 1 of the 3 manufacturers (re: 3D)
- Ready for litigation with 30 days notice
- *Organize 1999 shredding party at Rambus*

Id. at 31-32 (emphasis added). Another late-produced Rambus document confirms that Shred Day 1999 was held on August 26, 1999. *See* Tab 9. Furthermore, Rambus’ 30(b)(6) witness on document-retention issues testified that in December 2000, *while this litigation was in the discovery phase*, Rambus conducted yet another company-wide document purge, complete with burlap sacks and a shredding service. *See* Tab 10, Kramer *Infineon* Dep. Tr. 129-34.

Rambus’ “document retention policy” covered “all of the major categories of documents generated in the ordinary course of Rambus’s business.” Tab 11, at 5. Pursuant to that policy, Rambus employees destroyed documents relating to

issues including the prosecution of Rambus' patents, *see* Tab 12, Vincent *Infineon* Dep. Tr. 417-19; Tab 13, Vincent *Micron* Dep. Tr. 529-36, 539-40; Rambus' participation in JEDEC, *see* Tab 14, Crisp *Infineon* Dep. Tr. 841-45; potentially damaging or invalidating art, *see* Tab 15, Hampel *Micron* Dep. Tr. 168-69; Rambus' licensing negotiations, *see* Tab 16, at R33605; and notes, files, and other records of one of the inventors of the patents-in-suit, *see* Tab 17, Horowitz *Infineon* Dep. Tr. 29, 160. In addition, the district court's *in camera* review uncovered evidence that Rambus intentionally destroyed documents "of the type that would likely be relevant in the patent litigation that Rambus was planning from 1998 until commencement in mid to late 2000." Pet. App. Tab A, at 35.

In January 2004, Infineon filed a motion to compel production of documents relating to the relationship between Rambus' so-called "document retention policy" and its litigation strategy. *See* Pet. App. Tab A, at 12. On February 26, 2004, the district court partially granted that motion and partially retained the motion under consideration pending completion of an *in camera* review of the documents being sought (which already had been produced to the court). *See* Pet. App. Tab P. On March 15, Rambus filed its initial petition for mandamus in this Court, challenging the district court's February 26 opinion and order. On March 17, however, the district court withdrew its opinion and substituted an amended opinion. *See* Pet. App. Tab S. In that amended opinion, the district court retained

Infineon's motion under consideration in its entirety pending completion of the *in camera* review. *See* Pet. App. Tab R.

On May 18, 2004, after reviewing all 4,673 of the documents that Rambus had claimed as privileged, the district court granted Infineon's motion and ordered the production of certain documents on two alternative grounds.

1. The Spoliation Decision

In the first of its two lengthy opinions, the court held (1) that the attorney-client privilege and work-product doctrine do not protect communications relating to the spoliation of documents, pursuant to the so-called crime-fraud exception, and (2) that Infineon had successfully demonstrated that this exception applied here by making *prima facie* showings that Rambus was spoliating, or planning to spoliates, evidence, and that the documents at issue bore a close relationship to Rambus' scheme to engage in spoliation. *See* Pet. App. Tab A.

On the threshold issue whether spoliation triggers the crime-fraud exception in the first place, the court rejected the notion that the exception is limited to situations where a party engaged in a crime or common-law fraud. Noting that "many courts have applied the exception to situations falling well outside of the definitions of crime or fraud," the court held that "it is inconceivable that [the Fourth Circuit] would find that a client's interest in confidential communications and work product respecting destruction of documents in anticipation of litigation

would outweigh the societal need to assure the integrity of the process by which litigation is conducted which, of course, is the purpose of prohibiting spoliation of evidence.” *Id.* at 19-20.

Turning to the issue whether Infineon had made *prima facie* showings that Rambus was spoliating, or planning to spoliating, evidence and that the documents at issue bore a close relationship to Rambus’ scheme to engage in spoliation, the court first noted—citing its earlier, unappealed findings—that “[i]t is ... settled that Rambus instituted a document destruction policy and thereby intentionally destroyed documents,” which “covered all of the major categories of documents generated in the ordinary course of Rambus’ business.” *Id.* at 26. Those documents related not only to Rambus’ conduct before JEDEC, but also to “the prosecution of the patents-in-suit,” “presentations to Rambus’ Board of Directors regarding intellectual property,” and “potentially damaging or invalidating prior art.” *Id.* Further, the court noted, again citing its earlier findings, that “[i]t is settled that some destruction occurred at a point in time when Rambus anticipated litigation and therefore had a duty to preserve evidence.” *Id.*

The district court then proceeded through the relevant evidence in painstaking detail and ultimately concluded that certain new evidence—previously withheld from Infineon and the court—confirmed its previous findings. The court noted that Infineon had demonstrated that Rambus had formulated its document

retention policy in early 1998, *see id.* at 27-29, at a time when Rambus was anticipating launching its own affirmative patent litigation, *see id.* at 29-30. The court further noted that, while Infineon had not conclusively demonstrated *at the time of the court's earlier opinion* that the documents at issue bore a close relationship to Rambus' scheme to engage in spoliation, it *had* "presented evidence sufficient to support a reasonable belief that a review of the at-issue documents themselves might yield evidence to establish the applicability of the crime/fraud exception." *Id.* at 32 (citing *United States v. Zolin*, 491 U.S. 554, 574-75 (1989)). The court therefore concluded that *in camera* review was appropriate. *See id.* And the court proceeded to note that "[t]he *in camera* review confirmed what was established, in less detail, by the non-privileged evidence." *Id.* at 34.

The court carefully considered, and rejected outright, Rambus' contention that its document retention policy was a "fairly typical" one that was "adopted for legitimate business reasons," *id.* at 38, reasoning that "these arguments ignore the rather convincing evidence that Rambus intentionally destroyed potentially relevant documents notwithstanding that, when it did so, it anticipated litigation," *id.* at 40. The court noted that "even valid purging programs need to be put on hold so as to avoid the destruction of relevant materials when litigation is

reasonably foreseeable.” *Id.* at 41 (internal quotation omitted).¹ Finally, the court noted that “the allegedly privileged documents bear a close relationship to the spoliation scheme,” with “[m]any documents specifically link[ing] the advice about adopting, and the implementation of, the document retention program with the company’s patent licensing and litigation strategy.” *Id.* at 44.

2. The Subject-Matter Waiver Decision

In the second of its two lengthy opinions, the district court held, in the alternative, that Rambus had waived its privileges with regard to the same documents by selectively disclosing privileged communications. *See* Pet. App. Tab C. In particular, the court explained that—both in this case and in parallel proceedings—Rambus had “selectively presented otherwise privileged information in an effort to convince the finders of fact that its document retention policy was legitimate in conception, scope, and implementation.” *Id.* at 10. The court noted that Rambus had disclosed, among other things, a slide presentation prepared by outside counsel that explained the “scope and purpose of Rambus’ document retention policy.” *Id.* at 4.

¹ Rambus suggests that it implemented a “litigation hold” to preserve documents related to its litigation with Infineon. *See* Pet. 34. The privilege log entry for the document Rambus cites in support, however, indicates that the “litigation hold” was put in place in response to the FTC’s investigation of Rambus, months *after* Rambus filed suit in this case, and only *after* Rambus’ December 2000 shredding party. *See* Tab 20, at Entry No. 4287.

That selective disclosure, the court held, waived the protection of the attorney-client privilege with respect to the “subject matter” of the disclosure. And that “subject matter,” the court explained, was the relationship between the “policy” and Rambus’ litigation strategy. The court thus rejected Rambus’ contention that any waiver was limited to the *adoption* of the “policy” in 1998, and did not cover any later communications about the relationship between the “policy” and Rambus’ litigation strategy. *See id.* at 24-25. Indeed, the court noted that “Rambus itself linked the document retention policy to its patent litigation strategy, an ongoing activity in 1999 and 2000.” *Id.* at 24.

Finally, the court held that Rambus’ selective disclosure forfeited its protection not only under the attorney-client privilege, but also the work-product doctrine. The court acknowledged the general rule that subject-matter waiver does not extend to opinion work product, but noted that this rule is not absolute, and does not apply “where the attorney’s opinions are to be used as a sword or shield to affect the fact finding process.” *Id.* at 29. That exception applies here, the court held, because “Rambus has selectively disclosed otherwise privileged materials and discussed otherwise privileged topics in an effort to create the impression that its document retention program was conceived, adopted, and implemented for a legitimate purpose.” *Id.* at 33-34.

Rambus has now filed another mandamus petition challenging both of the district court's alternative grounds for ordering Rambus to produce documents relating to the relationship between its "document retention policy" and its litigation strategy. At this Court's direction, Infineon hereby responds.

SUMMARY OF ARGUMENT

The mandamus petition should be denied because Rambus cannot establish that the discovery ruling below (based on two alternative, and intensely factual, grounds) is erroneous, much less so clearly erroneous as to warrant the extraordinary and drastic remedy of mandamus.

With respect to the district court's spoliation decision, Rambus' threshold argument that the crime-fraud exception does not apply to spoliation has no basis in law or logic. Indeed, the whole point of the attorney-client privilege and the work-product doctrine is to *protect* the adversary process, so it would be perverse to use those doctrines to shield evidence of spoliation, which *undermines* that very process. Rambus' further argument that it did not engage in spoliation is nothing but a challenge to the district court's *factual* findings, which are supported by ample—indeed, overwhelming—evidence. And Rambus' procedural challenge to the district court's *in camera* review is frivolous, because such review was warranted on multiple grounds, and the procedural requirements alleged by Rambus simply do not exist.

With respect to the district court's subject-matter waiver decision, Rambus again mounts an essentially *factual* challenge to the court's findings that (1) Rambus selectively disclosed privileged information to cast its "document retention policy" in a favorable light, (2) the "subject matter" of the disclosure was not simply the "adoption" of the "policy," but rather its relationship to Rambus' litigation strategy, and (3) Rambus specifically attempted to cast the "policy" in a favorable light by invoking the advice of counsel, thereby forfeiting the protection not only of the attorney-client privilege, but also of the work-product doctrine. Again, Rambus cannot remotely establish that any of these factual findings is erroneous, much less so clearly erroneous as to warrant mandamus relief.

ARGUMENT

RAMBUS IS NOT ENTITLED TO THE EXTRAORDINARY REMEDY OF MANDAMUS.

Rambus' challenge to the district court's alternative rulings in this discovery dispute should be rejected for the simple reason that Rambus cannot satisfy the demanding standard for mandamus. "The remedy of mandamus is available only in extraordinary situations to correct a clear abuse of discretion or usurpation of judicial power." *In re Pioneer Hi-Bred Int'l, Inc.*, 238 F.3d 1370, 1373 (Fed. Cir. 2001) (citing *In re Calmar, Inc.*, 854 F.2d 461, 464 (Fed. Cir. 1988)); *see also Cheney v. United States Dist. Ct.*, 542 U.S. ___, No. 03-475, slip op. at 9 (June 24, 2004) (mandamus "is a drastic and extraordinary remedy reserved for really

extraordinary causes”) (internal quotation omitted). In particular, mandamus “is not a substitute for appeal.” *Certain Former CSA Employees v. Department of Health & Human Servs.*, 762 F.2d 978, 987 (Fed. Cir. 1985). Thus, on questions of law, “if a rational and substantial legal argument can be made in support of the rule in question, the case is not appropriate for mandamus, even though on normal appeal a court might find reversible error.” *In re Cordis Corp.*, 769 F.2d 733, 737 (Fed. Cir. 1985). And on questions of fact, the district court’s findings “are binding upon this Court unless clearly erroneous.” *In re Underwriters at Lloyd’s*, 666 F.2d 55, 57 (4th Cir. 1981) (*per curiam*).

To be sure, “mandamus ‘may be sought to prevent the wrongful exposure of privileged communications.’” *Pioneer*, 238 F.3d at 1374 (quoting *In re Regents of Univ. of Cal.*, 101 F.3d 1386, 1387 (Fed. Cir. 1996)). But that does not mean that mandamus is a routine remedy for privilege disputes; rather, “[t]he rule is firmly and universally established that mandamus cannot be used to challenge ordinary discovery orders.” *Lloyd’s*, 666 F.2d at 58.

Notwithstanding the foregoing authorities, Rambus asks this Court to engage in *de novo* review of the discovery rulings at issue here. *See* Pet. 21. Such non-deferential review is warranted, according to Rambus, because (1) “the standard of review on mandamus is ‘abuse of discretion,’” *id.* at 20-21 (purporting to quote *Pioneer*, 238 F.3d at 1373, but dropping the adjective “clear”), and (2) an “error of

law ... is, by definition, an abuse of discretion,” *id.* at 21. That syllogism is flawed for the simple reason that not *any* “abuse of discretion” warrants mandamus relief, but only a “*clear* abuse of discretion” that amounts to a “usurpation of judicial power.” *Pioneer*, 238 F.3d at 1373 (emphasis added); *see also* *Mallard v. United States Dist. Ct.*, 490 U.S. 296, 309 (1989) (quoting *Bankers Life & Cas. Co. v. Holland*, 346 U.S. 379, 383 (1953)). Indeed, were the law otherwise, the standard for mandamus review would be the same as the standard for appellate review, and mandamus would become the rule rather than the exception.²

Rambus’ heavy burden on mandamus is compounded by the fact that the district court here offered two separate and independent grounds—the crime-fraud exception and subject-matter waiver—for its decision that Rambus could not continue to withhold documents relating to the relationship between Rambus’ bogus “document retention policy” and its litigation strategy. *See* Pet. App. Tabs A, C. As explained below, Rambus cannot remotely show that *either* ruling is

² Rambus’ argument that *Chaudhry v. Gallerizzo*, 174 F.3d 394, 402 (4th Cir. 1999), requires *de novo* review here is wrong for the simple reason that *Chaudhry* involved an appeal, not mandamus—a point that this Court emphasized in a case that Rambus cites on the same page as *Chaudhry*, *see* Pet. 21; *Pioneer*, 238 F.3d at 1374 n.2. In any event, *Chaudhry* limited *de novo* review to the question whether “certain documents are subject to privilege” in the first instance, 174 F.3d at 402, and reviewed for “abuse of discretion” the distinct issue whether the crime-fraud exception applied, *id.* at 404.

erroneous, much less that *both* rulings are so clearly erroneous as to warrant extraordinary mandamus relief.

A. The District Court Properly Found That Rambus’ So-Called “Document Retention Policy” Was Part Of Its Litigation Strategy, Thus Negating Any Claim Of Privilege Regarding That “Policy.”

The district court first held that Rambus’ broad invocation of the attorney-client privilege and work-product doctrine was unwarranted because “Rambus intentionally has engaged in the spoliation of evidence and ... the crime-fraud exception should operate to pierce Rambus’ asserted privileges.” Pet. App. Tab A, at 47. That exception provides that a client’s confidential communications with an attorney will not be protected if made “in furtherance of a crime, fraud, or other type of misconduct fundamentally inconsistent with the basic premises of the adversary system.” *In re Sealed Case*, 676 F.2d 793, 812 (D.C. Cir. 1982). The exception is rooted in the principle that the privilege protects the adversary system, and thus is not served by shielding communications that subvert that very system. Indeed, as the district court noted, it is something of a misnomer to speak of the crime-fraud “exception”; rather, communications inconsistent with the adversary system are not within “the protective reach of the privileges” in the first instance. Pet. App. Tab A, at 17-18 & n.19.

Spoliation—a term that Rambus almost invariably places in quotation marks, as if it had been invented by the court below, *see, e.g.*, Pet. 3, 9, 13, 14, 19,

22, 23, 30, 37—is archetypal misconduct inconsistent with the adversary system. “Spoliation refers to the destruction or material alteration of evidence or to the failure to preserve property for another’s use as evidence in pending or reasonably foreseeable litigation.” *Silvestri v. General Motors Corp.*, 271 F.3d 583, 590 (4th Cir. 2001). Courts long have recognized that the “attempt to emasculate the court’s ability to ascertain the truth” represented by spoliation “necessarily strikes at the very foundations of the adversary system and judicial process,” *In re Sealed Case*, 754 F.2d 395, 401 (D.C. Cir. 1985), because the destruction of evidence “creates inaccuracy if the fact of destruction is unknown and uncertainty if the fact of destruction is revealed.” Lawrence B. Solum & Stephen J. Marzen, *Truth & Uncertainty: Legal Control of the Destruction of Evidence*, 36 Emory L.J. 1085, 1138 (1987). For this reason, a trial court that uncovers spoliation “has discretion to pursue a wide range of responses both for the purpose of leveling the evidentiary playing field and for the purpose of sanctioning the improper conduct.” *Silvestri*, 271 F.3d at 590 (quoting *Vodusek v. Bayliner Marine Corp.*, 71 F.3d 148, 156 (4th Cir. 1995)). Consistent with these principles, the district court ruled that “the crime/fraud exception extends to materials or communications created in planning, or in furtherance of, spoliation of evidence.” Pet. App. Tab A, at 25.

Having established that spoliation falls within the crime-fraud exception, the court then proceeded to recount a comprehensive basis for its factual findings that:

(1) Rambus was engaged in or planning a scheme of spoliation and sought or used the advice of counsel or the input of work product to further its scheme; and (2) that the documents containing the privileged communications or work product bear a close relationship to Rambus' scheme to engage in spoliation.

Pet. App. Tab A, at 41. The court began by citing the evidence that justified its *in camera* review of the disputed documents in the first place (including documents produced by Rambus on remand, deposition testimony, and entries on Rambus' revised privilege log), *see id.* at 26-32, and then cited the evidence that it uncovered in the course of such review, *see id.* at 33-37. In the end, after considering all of this evidence, the court's ruling was unequivocal: "By any measure, on this record, Infineon had made a *prima facie* showing that Rambus intentionally has engaged in the spoliation of evidence and that the crime-fraud exception should operate to pierce Rambus' asserted privileges." *Id.* at 47.

Rambus mounts three discrete challenges to that ruling: (1) a legal challenge to the inclusion of spoliation within the crime-fraud exception; (2) a factual challenge to the finding that the withheld documents were created in furtherance of a spoliation scheme; and (3) a procedural challenge to the court's decision to conduct an *in camera* review. As described below, these challenges are meritless and do not remotely provide a basis for the extraordinary remedy of mandamus.

1. The District Court Properly Found That Communications Made In Furtherance Of Spoliation Are Not Protected.

Rambus’ principal attack on the district court’s spoliation decision is to argue that “the crime-fraud exception is not applicable absent a finding ... that a party engaged in a crime or in common law fraud.” Pet. 22. That argument, which seizes upon the “crime-fraud” *label* to limit the doctrine’s substantive reach, contradicts both the law and common sense.³

The district court’s conclusion that spoliation (even if not a crime or a fraud in the formal sense) triggers the crime-fraud exception comports with settled appellate precedent recognizing that the exception encompasses communications “in furtherance of a crime, fraud, or other type of misconduct fundamentally inconsistent with the basic premises of the adversary system.” *Sealed Case*, 676 F.2d at 812 (emphasis added). Like the district court below, several district courts

³ As a threshold matter, Rambus asserts that “Federal Circuit law governs the scope and application of the crime-fraud exception in this case.” Pet. 21 n.11. That assertion is incorrect, because the crime-fraud exception has nothing to do with the substantive subject-matter of a case, and does not implicate concerns unique to patent law. *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800 (Fed. Cir. 2000), upon which Rambus relies for this proposition, is inapposite, because the party there sought to pierce the privilege based at least in part on the substantive patent-law doctrine of “inequitable conduct,” *id.* at 807-08, which is not the case here. In any event, Rambus never argued below that this issue was governed by some unique aspect of Federal Circuit (as opposed to Fourth Circuit) law, and even now has identified no substantive difference between the two, so its lengthy choice-of-law footnote is beside the point. *See, e.g., Pioneer*, 238 F.3d at 1374 n.3.

in circuits that have not yet addressed the scope of the crime-fraud exception have adopted this approach. *See, e.g., Gutter v. E.I. DuPont de Nemours*, 124 F. Supp. 2d 1291, 1298 (S.D. Fla. 2000); *In re St. Johnsbury Trucking Co.*, 184 B.R. 446, 456 (Bankr. D. Vt. 1995). As the leading annotation explains:

The term ‘crime-fraud’ is a bit of a misnomer, as several courts have recognized situations involving wrongdoing which was not specifically criminal or fraudulent in which the exception might also apply. For example, some courts have applied the exception to a lawyer’s unprofessional behavior. Such criminal, fraudulent, or otherwise improper misconduct, obviously, would be fundamentally inconsistent with the basic premises of the adversary system.

Deborah F. Buckman, *Crime-Fraud Exception to Work Product Privilege in Federal Courts*, 178 A.L.R. Fed. 87 § 2(a) (internal citations omitted). Rambus tellingly does not—and cannot—cite any decision from any court holding that the crime-fraud exception does not apply to spoliation.

The absence of any precedent supporting Rambus’ position is no accident, because that position makes no sense. As noted above, the whole point of the crime-fraud exception is to limit the scope of doctrines meant to *protect* the adversary system from extending to communications meant to *subvert* that system. *See, e.g., Zolin*, 491 U.S. at 562-63. Once the justification for the privilege vanishes, the privilege does too: the “‘client who consults an attorney for advice that will serve him in commission of a fraud will have no help from the law. He must let the truth be told.’” *In re Grand Jury Proceedings*, 102 F.3d 748, 752 (4th

Cir. 1996) (quoting *Clark v. United States*, 289 U.S. 1, 15 (1933)); *see also* Pet. App. Tab A, at 24 (“[T]here is no logical reason to extend the protection of the attorney-client privilege to communications undertaken in order to further spoliation.”). The “crime-fraud” moniker is a shorthand description for the doctrine, not a talismanic limitation on its substantive scope. *Cf. Mayes v. Rapoport*, 198 F.3d 457, 461 n.8 (4th Cir. 1999) (noting that the name of the “fraudulent joinder” doctrine “is a bit misleading” inasmuch as that doctrine does not require “a showing of fraud”).

Rambus offers no justification for its proposed (and unprecedented) rule that the crime-fraud exception does not apply unless the relevant conduct can be prosecuted as a crime or gives rise to an independent cause of action for fraud. This case shows why: such a doctrine would immunize communications regarding spoliation (at least in those jurisdictions where spoliation is not a freestanding tort) without in any way advancing the underlying purpose of the relevant protections. As the district court explained, “[c]ommunications between lawyer and client respecting spoliation of evidence ... [are] fundamentally inconsistent with the asserted principles behind the recognition of the attorney-client privilege, namely, ‘observance of law’ and the ‘administration of justice.’” Pet. App. Tab A, at 24. There is simply no reason to shield such communications from disclosure. *See id.* at 25 (“[A]ttorney work product materials that relate to the spoliation of evidence

neither ‘work for the advancement of justice’ nor further the ‘*rightful* interests’ of an attorney’s client.”) (emphasis in original; citation omitted).

This Court’s decision in *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800, 803-04 (Fed. Cir. 2000), is not to the contrary. Rambus’ description of that case as broadly holding that “inequitable conduct” will not satisfy the crime-fraud exception, Pet. 23-24, is misleading at best. “Inequitable conduct,” as described there, is a term of art referring to a legal defense to patent infringement, not a reference to wrongful conduct generally. *See* 203 F.3d at 807 (“Thus inequitable conduct is not by itself common law fraud.”). Hence, *Spalding* does not turn on the respondent’s failure to allege common-law fraud, but rather on the absence of “any evidence of fraudulent intent.” *Id.* at 808. That is obviously not the case here, where the district court found Rambus to have “knowingly and intentionally destroyed documents” as part of its litigation strategy. Pet. App. Tab A, at 42.

Moreover, Rambus’ effort to limit the crime-fraud exception to crime or fraud fails on its own terms, because spoliation *is* a form of fraud—a fraud on the court. Whether *Infineon* has an independent cause of action for fraud against Rambus (as it would under the laws of several states, *see, e.g.*, Thomas G. Fischer, *Intentional Spoliation of Evidence, Interfering With Prospective Civil Action, As Actionable*, 70 A.L.R.4th 984) is thus beside the point. Just as the attorney-client privilege concededly does not extend to communications in furtherance of

common-law fraud, the “attorney-client privilege does not extend to perpetrating a fraud against the court.” *Murdoch v. Castro*, 365 F.3d 699, 703 n.2 (9th Cir. 2004). Rambus’ attempt to draw a dispositive distinction between “crime” and “fraud,” on the one hand, and “spoliation,” on the other, makes no sense.

The assertion that “[s]ound policy reasons” support Rambus’ position, Pet. 27, is likewise fanciful. Rambus bases that assertion on the premise that its so-called “document retention policy” was “reasonable” and “innocuous.” Pet. 27, 38. As even a cursory reading of the opinion below makes clear, that premise is incorrect: the district court found that Rambus’ “document retention policy” was a sham, and part of an intentional scheme “to destroy discoverable documents as part of its litigation strategy.” Pet. App. Tab A, at 47. Needless to say, no “policy reasons” support the protection of communications relating to such a scheme. *See, e.g., United States v. Arthur Andersen, LLP* ___ F.3d ___, 2004 WL 1344957, at *11-13 (5th Cir. June 16, 2004) (rejecting similar argument that spoliation scheme was part of a “routine document retention policy”).

2. The District Court Properly Found That Rambus Engaged In Spoliation As Part Of Its Litigation Strategy.

Rambus next argues that even if the crime-fraud exception applies to spoliation, the district court erred in finding as a *factual* matter that “Rambus was engaged in or planning a scheme of spoliation and sought or used the advice of counsel or the input of work product to further the scheme” and that “the

documents containing the privileged communications or work product bear a close relationship to Rambus' scheme to engage in spoliation." Pet. App. Tab A, at 41. Those *factual* arguments are not only misguided, but are wholly misplaced in a mandamus petition. See, e.g., *In re Bendectin Prods. Liab. Litig.*, 749 F.2d 300, 306 n.14 (6th Cir. 1984); *Lloyd's*, 666 F.2d at 57. At bottom, Rambus simply takes potshots at some (but by no means all or even most) of the district court's specific factual findings, and asks this Court to accept as an article of faith that the district court erred in its overall factual finding that Rambus' "document retention policy" was in fact part and parcel of Rambus' affirmative litigation strategy.

In the petition's first set of factual arguments, Rambus contends that the district court erred in concluding that Rambus "knew the evidence was relevant to some issue at trial and that [the] willful conduct resulted in its loss or destruction." Pet. 31 (quoting *Vodusek*, 71 F.3d at 156 (internal quotation marks omitted)). The petition's lead objection is that the court "startlingly" relied on a preliminary decision by an ALJ that "*has been superseded.*" Pet. 31 (emphasis in original). A review of the opinion easily refutes Rambus' claim that the district court "relied heavily on the superseded preliminary decision," *id.* at 32, however, as the 51-page opinion contains no more than two paragraphs discussing the ALJ decision, and even then cites it only for the point (which Rambus does not dispute) that "by the time Rambus chose to commence its document retention program in 1998, it knew

or reasonably could anticipate DRAM-related litigation,” Pet. App. Tab A, at 42 (internal alterations and quotation omitted). Indeed, Rambus’ internal planning documents confirm that Rambus adopted its “document retention program” as a key component of Rambus’ plan to file infringement suits against manufacturers of standardized memory products. *See* Pet. App. Tab A, at 37 (quoting Tab 3 at RF0627716) (identifying Rambus’ 1998 goals, including “[g]et all infringers to license our IP with royalties > RDRAM (if it is a broad license) OR sue”); Tab 18 at RF0584307 (identifying Rambus’ 1999 goals, including “[p]repare litigation strategy against 1 of the 3 manufacturers,” “[r]eady for litigation with 30 days notice,” and “[o]rganize 1999 shredding party at Rambus”).

Similarly, the petition takes head-on the issue of whether the court erred (in a footnote on page 46 of the opinion) by observing that certain Rambus documents “are conspicuously absent from Rambus’ various privilege logs.” Pet. App. Tab A, at 46 n.34. Rambus complains that it did in fact provide some of the documents found to be missing, and that others “ordinarily would not be found on privilege logs.” Pet. 34. These minor criticisms of the district court’s factual findings are a sideshow, as the court’s passing treatment of the subject in a footnote underscores. These objections have nothing to do with whether the district court committed clear error in its central holding that Rambus engaged in a willful scheme of

spoliation, and they are therefore irrelevant to the question of whether mandamus should issue.

Rambus' next objection is that its willful destruction of "*JEDEC-related documents*" is "irrelevant in light of this Court's conclusion that Rambus committed no fraud in its participation in JEDEC." Pet. 32 (emphasis in original). This Court's decision terminating Infineon's independent JEDEC-related fraud claims under Virginia common law, however, does not negate the fact that Rambus' participation in JEDEC remains central to potentially case-dispositive issues. For example, Infineon has asserted an affirmative defense of equitable estoppel arising from Rambus' entire course of conduct with Infineon, a large portion of which occurred at JEDEC. In that context, JEDEC-related documents are relevant to show that Rambus' conduct toward Infineon was intentionally misleading, a key factor in the equitable estoppel analysis.⁴

Infineon has also asserted an affirmative defense of prosecution laches arising from Rambus' unreasonable delay in prosecuting its patents. In support of

⁴ In addressing the relevance of the JEDEC-related documents it destroyed, moreover, Rambus inappropriately focuses only on their relevance with respect to issues on remand. The proper focus of the spoliation inquiry, however, is on the relevance of the documents *at the time they were destroyed*. Rambus does not—and cannot—dispute that documents pertaining to Rambus' JEDEC participation were relevant to the claims litigated during the original trial. Accordingly, even if JEDEC-related documents were irrelevant to the issues remaining on remand, which they are not, that fact would have no impact on the spoliation analysis.

that defense, JEDEC-related documents are relevant to show that Rambus believed it was entitled to obtain claims covering the JEDEC SDRAM, and that Rambus unreasonably delayed its efforts to do so. Certainly, this Court, by reversing the Virginia common-law fraud verdict in Infineon's favor, did not otherwise immunize Rambus from any adverse consequences resulting from its JEDEC participation. Indeed, although this Court reversed the common law fraud verdict, it nevertheless found that Rambus' JEDEC-related "actions impeach Rambus's business ethics." 318 F.3d at 1104.

Rambus next argues that Infineon failed to establish that Rambus destroyed any other documents relevant to the issues remaining in this litigation. Pet. 32-33. While the nature of all of the evidence that Rambus destroyed may never be known, Infineon has demonstrated that Rambus employees destroyed documents relating not only to Rambus' participation in JEDEC, *see* Tab 14, Crisp *Infineon* Dep. Tr. 841-45, but also to the prosecution of Rambus' patents, *see* Tab 12, Vincent *Infineon* Dep. Tr. 417-19; Tab 13, Vincent *Micron* Dep. Tr. 529-36, 539-40; potentially damaging or invalidating art, *see* Tab 15, Hampel *Micron* Dep. Tr. 168-69; Rambus' licensing negotiations, *see* Tab 16 at R33605; and the notes, files, and other records of one of the inventors of the patents-in-suit, *see* Tab 17, Horowitz *Infineon* Dep. Tr. 29, 160. At a minimum, such documents would bear on Infineon's affirmative defenses to Rambus' infringement claims, including

invalidity, equitable estoppel, and prosecution laches. The evidence also shows that Rambus destroyed massive amounts of e-mail and other electronic files potentially relevant to every issue in the litigation. *See* Pet. App. Tab A, at 39 (quoting Karp testimony).⁵

Rambus' final fact-based challenge to the district court's spoliation opinion is to argue that the disputed documents were not created "in furtherance of" any spoliation. Pet. 35-38. Although Infineon still has not had access to the disputed documents, and thus cannot speak to any specific documents, Rambus' argument is impossible to reconcile with the district court's characterization of those documents as "bear[ing] a close relationship to the legal advice from Cooley Godward in 1998 and from Steinberg in 1998 and thereafter in 1999 and 2000." *See* Pet. App. Tab A, at 46. As the district court determined, that advice pertained both to Rambus' "document retention policy," and to the policy's illegitimate role in Rambus' overall patent litigation strategy. *See id.* at 44-45.

⁵ In passing, Rambus also makes the remarkable assertion that the district court failed to find that Infineon was "prejudiced" by Rambus' spoliation. Pet. 34-35. It is elementary, however, that spoliation is *presumed* to cause prejudice; parties are not expected to destroy evidence that helps their cause. *See, e.g., West v. Goodyear Tire & Rubber Co.*, 167 F.3d 776, 779 (2d Cir. 1999) ("It has long been the rule that spoliators should not benefit from their wrongdoing, as illustrated by 'that favourite maxim of the law, *omnia presumuntur contra spoliatores*.'"") (quoting 1 Sir T. Willes Chitty, *et al.*, *Smith's Leading Cases* 404 (13th ed. 1929)).

3. The District Court Properly Conducted *In Camera* Review Of The Disputed Documents.

Finally, Rambus argues that the district court erred by “undertaking an *in camera* review of Rambus’s privileged documents, without any threshold showing or indeed any request from Infineon that would justify such a review.” Pet. 48 (citing *Zolin*, 491 U.S. 554). That argument fails for three basic reasons.

First, as the district court recounted in painstaking detail, *see* Pet. App. Tab A, at 26-32, the evidence that Infineon submitted prior to the court’s *in camera* review was “sufficient to support a reasonable belief that a review of the at-issue documents themselves might yield evidence to establish the applicability of the crime/fraud exception,” *id.* at 32 (citing *Zolin*, 491 U.S. at 574-75). In light of this factual recitation, Rambus’ assertion that the district court lacked “a reasonable basis to conclude that *in camera* review [would] reveal that the crime-fraud exception applies,” Pet. 49, is mystifying.

Second, to the extent that Rambus suggests that Infineon was required not only to make the *prima facie* factual showing necessary to trigger *in camera* review based on the crime-fraud exception, but specifically to “request” such review on this ground, Pet. 49, no such requirement exists. As long as the substantive predicate for *in camera* review is satisfied, such review is appropriate. Nothing in the Supreme Court’s opinion in *Zolin*, on which Rambus relies, precludes a district court from conducting *in camera* review where a *prima facie*

factual showing has been made. To the contrary, *Zolin* relaxed the prerequisites for such review and emphasized that the ultimate decision “to engage in *in camera* review rests in the sound discretion of the district court.” 491 U.S. at 572.

Finally, Rambus’ argument is frivolous in this case, where (as Rambus concedes) the district court was entitled to, and did, conduct “an *in camera* review of Rambus’ documents for another reason—to evaluate the adequacy of Rambus’ privilege log.” Pet. 50 n.30. Arguing over whether *in camera* review was warranted for one reason, when it was *concededly* warranted for another reason, is pointless. Rambus’ insistence that this commonsense point would “effectively establish a routine means of evading *Zolin*,” *id.*, is baseless, as Rambus has not even attempted to show that the *in camera* review based on the deficiencies in its privilege log was a mere sham. To the contrary, Rambus’ privilege log was so inadequate that Rambus was ordered to revise its log entries to make the descriptions fit the documents, which they largely did not.

B. The District Court Properly Found That Rambus Waived Any Protection For Privileged Information Regarding The Relationship Between Its “Document Retention Policy” And Its Litigation Strategy By Selectively Disclosing Such Information.

Above and beyond the application of the crime-fraud exception discussed above, the district court next held that Rambus’ broad invocation of the attorney-client privilege and work-product doctrine was unwarranted on the separate and independent ground of subject-matter waiver. *See* Pet. App. Tab C. Under settled

law, “[a]ny disclosure inconsistent with maintaining the confidential nature of the attorney-client relationship waives the attorney-client privilege” not only with respect to the specific communication(s) disclosed, but also as to “all other communications relating to the same subject matter.” *United States v. Jones*, 696 F.2d 1069, 1072 (4th Cir. 1982) (*per curiam*) (citing *Sealed Case*, 676 F.2d at 808-09); *see also Hawkins v. Stables*, 148 F.3d 379, 384 n.4 (4th Cir. 1998); *Sheet Metal Workers Int’l Ass’n v. Sweeney*, 29 F.3d 120, 125 (4th Cir. 1994). That principle makes sense: a litigant cannot “game” the system by selectively disclosing otherwise protected information that it deems favorable to its cause, and then insisting that such information is nonetheless beyond its adversary’s reach. *See, e.g., Frontier Refining, Inc. v. Gorman-Rupp Co., Inc.*, 136 F.3d 695, 704 (10th Cir. 1998); *Sealed Case*, 676 F.2d at 817-18; *In re Subpoenas Duces Tecum*, 738 F.2d 1367, 1370 (D.C. Cir. 1984).

The district court, in a thorough 36-page opinion, explained that this was precisely what Rambus was trying to do here. In particular, the court explained that the spoliation issue had come to light in the post-trial phase of the original round of this litigation, and subsequently had become an issue in (1) related litigation by Rambus against Micron Technologies, Inc., and (2) related litigation by the FTC against Rambus. Pet. App. Tab C, at 2. Specifically, in the Micron litigation, Rambus’ Vice President of Intellectual Property (Joel Karp), attempted

to defend the challenged “document retention policy” by testifying that it was based on advice from outside counsel, and that outside counsel had prepared some slides (listed as privileged) that Karp had used to describe that policy to Rambus employees. *Id.* at 3-4, 6-7. Similarly, in the FTC litigation, Rambus again relied on these slides to try to defend the “policy” as nothing more than routine and blessed by outside counsel. *Id.* at 5-9. Finally, in this very case, Rambus again relied on the slides to defend its “policy.” *Id.* at 9-11. “In sum, the facts here establish that, in this action, in the FTC proceedings, and in the *Micron* case, Rambus has selectively presented otherwise privileged information in an effort to convince the finders of fact that its document retention policy was legitimate in conception, scope, and implementation.” *Id.* at 10.

As the district court explained, Rambus cannot have it both ways. It cannot rely on allegedly privileged slides, and permit its outside counsel to testify, to defend its so-called “document retention policy,” and then claim attorney-client privilege and work-product protection with respect to *other* privileged information regarding that very same “policy.” Once Rambus put the legal advice it received regarding its “policy” in play, it forfeited its ability to insist on the confidentiality of such advice: “a party cannot use favorable protected materials as a sword while simultaneously asserting the attorney-client privilege as a shield to prevent the

disclosure of other related materials that might harm its position.” Pet. App. Tab C, at 14 (citing, *inter alia*, *Jones*, 696 F.2d at 1072).

Rambus insists, however, that the district court erred by finding that Rambus waived any protection for information regarding the relationship between its bogus “document retention policy” and its litigation strategy on three grounds. *First*, Rambus argues that the disclosed information was not protected at all, so that there was no waiver by selective disclosure. *Second*, Rambus argues that, even if there had been a waiver, its “subject matter” was limited to the “adoption” of the bogus “document retention policy,” and did not extend to the relationship between that “policy” and Rambus’ litigation strategy. *Third*, Rambus argues that, even if there had been a waiver relating to the relationship between the bogus “document retention policy” and Rambus’ litigation strategy, that waiver applied only to the attorney-client privilege, not the work-product doctrine. As described below, Rambus is wrong on all three scores.

1. The District Court Properly Found That Rambus Selectively Disclosed Privileged Materials.

As an initial matter, Rambus contends that no waiver occurred because Rambus never disclosed any privileged materials in the first place. That contention is remarkable, given that the record shows (and the district court expressly found) that Rambus both offered testimony describing legal advice it received from outside counsel, and produced documents reflecting such advice, in its efforts to

defend its “document retention policy.” Rambus does not even pretend that its challenge on this point is other than *factual* in nature; indeed, Rambus asserts that “the District Court’s conclusion that Rambus voluntarily disclosed privileged information is entirely without *factual* support.” Pet. 44 (emphasis added).

Rambus first challenges the district court’s finding that certain slides about which Karp testified in the *Micron* case, which Rambus subsequently produced in the FTC case and this case, were privileged prior to their disclosure. Rambus contends that these slides were never privileged, because they “do not contain confidential legal advice.” Pet. 40.

As the district court noted, however, Rambus is hardly in a position to make that argument, given that Rambus *itself* previously asserted the privilege for those slides. *See, e.g.*, Pet. App. Tab C, at 6 (“Those documents previously had been withheld from Micron and Infineon on the grounds of attorney client privilege.”); *id.* at 6-7 (“[T]hat slide presentation has been claimed in the original and the revised privilege lists filed in this case as subject to the attorney-client privilege.”); *id.* at 15 (“When Karp testified in the *Micron* litigation, he was instructed not to answer questions about ... [the slide presentation] on the ground of privilege.”); *id.* at 17 (“[T]he Court finds, *as a matter of fact*, that Rambus claimed the Karp exhibit of slides to be privileged until Rambus foreswore the privilege and allowed Karp to use it in the FTC proceeding.”) (emphasis added).

Rambus tries to avoid that factual finding by arguing, as it did below, that the slides attached to the Karp affidavit are “entirely different” than the slides for which Rambus claimed (and continues to claim) privilege. Pet. 40. After conducting its *in camera* review, however, the district court squarely rejected that argument as a *factual* matter: “The Court finds ... *as a matter of fact*, that Rambus extracted part of the July 22 management presentation and attached that part to Karp’s affidavit in an effort to convince the administrative law judge presiding over the FTC action that its policy was not directed toward destroying documents that would be discoverable during litigation.” Pet. App. Tab C, at 8 (emphasis added); *see also id.* at 7 (“Rambus asserted that the slide presentation which Karp used ... was different than the slide presentations as to which privilege is claimed. *That contention is not factually correct.*”) (emphasis added).⁶ Indeed, all the slides are listed in a *single* entry on Rambus’ privilege log, *see* Pet. App. Tab HH at Entry No. 327—a point Rambus now dismisses as an “erro[r],” and a “mistak[e].” Pet. 41, 42. Needless to say, the district court was not required to—and did not—accept Rambus’ implausible “innocent” explanation for its inconsistent positions,

⁶ Rambus’ contrary argument is based entirely on the premise that the slides attached to the Karp affidavit are in a different typeface and incorporate the Rambus corporate logo. *See* Pet. 41. That the information on the slides may have been reproduced with minor formatting variations, however, does not mean that they do not contain the same information—and it is the *substance* of the information that is privileged, not the manner in which it is *formatted*.

and Rambus' factual disagreement with the district court on this point is hardly the stuff of mandamus.⁷

Nor is there any question that Rambus' claim of privilege with respect to these slides was warranted at the time. Although, as the district court noted, Rambus has "asserted ... that the slides attached to Karp's affidavit ... had not been prepared by outside counsel but were created by Karp," "Rambus offered no evidence to support th[at] assertion." Pet. App. Tab C, at 7. Thus, the court found as a *factual* matter that "[t]he slides were prepared by Rambus' outside counsel." *Id.* at 6; *see also* Tab 8, Karp *Micron* Dep. Tr. 364 ("The materials that were used for the [subsequent] meetings were supplied by outside counsel and they were the same materials used during the management meeting."). And, as the court further found, "the substance of the slides ... identifies specific categories of documents to be retained and destroyed and conveyed legal advice about the scope and the purpose of the document retention policy." *Id.* Even a cursory review of the slides themselves confirms that finding. *See, e.g.,* Pet. App. Tab DD at R124530

⁷ Even if the district court had found that two distinct sets of slides existed, Rambus waived the privilege with respect to the matters discussed in the non-disclosed slide presentation. In this very case, Rambus produced notes taken by Kevin Donnelly, a Rambus executive, at the July 22, 1998 meeting at which outside counsel presented those slides. Again based on its *in camera* review of the slides, the district court found that certain information in Donnelly's notes "tracks very closely the slide presentation, ... and thus reflects the advice given at that meeting by outside counsel." Pet. App. Tab C, at 10.

(“EMAIL—THROW IT AWAY ... Email Is Discoverable In Litigation Or Pursuant To A Subpoena ... Elimination of email is an integral part of document control.”).

The disclosure of these slides was not an isolated occurrence, but rather is one of many examples of Rambus’ selective disclosure of privileged communications in an attempt to overcome concerns that it willfully and intentionally destroyed relevant documents. For example, Karp testified in the *Micron* litigation that the document retention policy was adopted on the advice of outside counsel. *See* Tab 8, Karp *Micron* Dep. Tr. 345-46. Johnson, the outside counsel in question, confirmed and expanded on this account, testifying that he advised Rambus management to adopt a document retention policy on the basis of his past experience with the expense and burdensome nature of discovery in the absence of such a policy. *See* Tab 19, Johnson *Micron* Dep. Tr. 35-37. Indeed, in opposing the FTC’s motion for default judgment based on spoliation, Rambus explicitly cited Johnson’s testimony as evidence that Rambus’ pre-litigation document destruction was conducted for legitimate reasons. *See* Tab 11, at 3-4. Rambus likewise cited the testimony of various Rambus witnesses regarding the instructions they had received from outside counsel—albeit through Karp—about

the scope, purpose, and implementation of the document retention policy.⁸ In each case, these disclosures were intended to advance Rambus' position with respect to a critical issue, namely, that its destruction of numerous relevant documents was dictated by a legitimate document retention policy rather than as part of a calculated attempt to thwart the fact-finding process.

2. The District Court Properly Found That Rambus' Selective Disclosure Waived The Privilege With Respect To The Relationship Between Rambus' Bogus "Document Retention Policy" And Its Litigation Strategy.

Rambus next contends that even if its selective disclosure of privileged materials effected a waiver, the scope of any such waiver "must be construed narrowly," and "could at most encompass only Rambus' *initial adoption* of its document retention policy," as opposed to Rambus' subsequent *implementation* of that "policy." Pet. 45 (emphasis added). The Fourth Circuit, however, has never adopted any such "narrow construction" rule. Rather, the Fourth Circuit simply holds that a waiver applies to all documents involving "the same subject matter" as

⁸ See Tab 11, at 10, 13. During his deposition in the *Micron* case, Karp testified that he relied on privileged materials and information provided to him by outside counsel when he explained the purpose of the document retention policy to Rambus employees. See generally Tab 8, Karp *Micron* Dep. Tr. 363-66. Counsel for Rambus therefore instructed Karp, on privilege grounds, not to answer questions regarding the substance of those conversations. See *id.* In opposing the FTC motion for default judgment, however, Rambus relied on testimony by Rambus witnesses regarding the substance of those same conversations.

the communications disclosed. *See, e.g., In re Martin Marietta Corp.*, 856 F.2d 619, 625 (4th Cir. 1988); *Jones*, 696 F.2d at 1072; *see also United States ex rel. Mayman v. Martin Marietta Corp.*, 886 F. Supp. 1243, 1252 (D. Md. 1995) (“This Court concludes ... that a full subject matter waiver is in keeping with the explicit language and underlying concerns of the Fourth Circuit in *In re Martin Marietta* and other cases.”).

The problem for Rambus here is that the “subject matter” of a particular disclosure is not something that can be scientifically ascertained, but involves a judgment call. The district court readily conceded the point, noting that “[i]t is not always clear ... in any given context what constitutes the ‘same subject matter,’” as long as that subject matter is “‘directly related to the [disclosed] subject.’” Pet. App. Tab C, at 20 (quoting *Jones*, 696 F.2d at 1072, and *United States v. (Under Seal)*, 748 F.2d 871, 875 n.7 (4th Cir. 1984)). Rambus thus faces a decidedly uphill battle in proving that the district court not only erred, but so clearly erred that mandamus relief is warranted, in finding that the “subject matter” of Rambus’ waiver encompassed the relationship between Rambus’ bogus “document retention policy” and its litigation strategy. And Rambus cannot possibly prevail in that battle, because the district court’s finding on this score is both eminently sensible and correct.

The whole point of Rambus’ selective disclosure of privileged information, after all, was to rebut the charge that its “document retention policy” was part and parcel of its litigation strategy. The charge was not merely that Rambus had *adopted* a bogus “policy,” but that it then had proceeded to *implement* that “policy” by engaging in a massive and deliberate scheme of document destruction to improve its litigation posture. The bright-line and dispositive distinction between “adoption” and “implementation” that Rambus now posits is thus illusory: the relevant issue was neither the “adoption” nor the “implementation” of the “policy” *per se*, but the *relationship* between that “policy” and Rambus’ litigation strategy. Because that relationship was the relevant “subject matter,” Rambus’ selective waiver encompassed all information pertinent to that relationship, including *both* the adoption *and* implementation of the “policy.”

Indeed, Rambus’ contrary argument is nothing more than a collateral attack on the district court’s core finding that the bogus “document retention policy” was part and parcel of Rambus’ litigation strategy. As the district court explained, “[a] part of that strategy was advising about a document retention policy.” Pet. App. Tab C, at 21. In light of its *in camera* review, the court specifically concluded that “[t]he privileged communications that have been disclosed for tactical purposes are *closely related* to a number of documents that discuss the conception, development, adoption, and implementation of the policy by which Rambus has

destroyed a great volume of documents of the type which reasonably would be expected to contain information about the subjects which are in dispute in this action.” *Id.* at 22 (emphasis added); *see also id.* at 23 (“[T]here appears to be a direct relationship between [the patent litigation strategy and the ‘document retention policy’], that relationship having been created when Rambus made its document destruction program part of its patent litigation strategy.”).

And this was not merely the district court’s finding. Rather, “*Rambus itself* linked the document retention policy to its patent litigation strategy, an ongoing activity in 1999 and 2000.” *Id.* at 24 (emphasis added); *see also* Tab 18 at RF0584307 (identifying Rambus’ 1999 goals, including “[p]repare litigation strategy against 1 of the 3 manufacturers,” “[r]eady for litigation with 30 days notice,” and “[o]rganize 1999 shredding party at Rambus”). Indeed, “the disclosed part of the July 22, 1998 slide presentation actually contains a page which is entitled ‘Implementation’ and which outlines a series of ‘semi-annual house-cleanings’ and a system of spot checking for people who are in compliance with the program thereafter.” Pet. App. Tab C, at 24-25. Thus, because Rambus’ document destruction policy was “inextricably” linked to its overall patent litigation strategy, *id.* at 23, the district court properly concluded that the scope of the waiver must encompass all materials probative of that relationship. The point goes back to basic fairness: “[o]nce Rambus made the tactical decision to disclose

some parts of the advice it received respecting its document retention program, why it was conceived, how it was implemented, and the circumstances of its adoption, the rest of the assertedly privileged material must be disclosed to make the record complete and accurate.” *Id.* at 19.

The court was sensitive, moreover, to the “risk that such discovery can be taken too far.” *Id.* at 23. In particular, the court emphasized that the waiver did not extend to Rambus’ litigation strategy generally, but only to the relationship between the bogus “document retention policy” and that strategy. Accordingly, the court declared that it would “supervise the discovery with a view to allowing appropriate discovery into the subject matter of the document destruction program and its relationship to Rambus’ litigation strategy while at the same time foreclosing discovery into other areas of patent litigation strategy that has not been opened up.” *Id.* at 23-24.

3. The District Court Properly Found That The Waiver Negated The Protection Not Only Of The Attorney-Client Privilege But Also The Work-Product Doctrine.

Rambus finally contends that, even if its selective disclosure of protected information waived its rights under the attorney-client privilege, it did not also waive its rights under the work-product doctrine. *See* Pet. 47-48. According to Rambus, the district court’s ruling is “directly contrary to Fourth Circuit precedent,

which holds that the subject matter waiver rule does not extend to opinion work product.” Pet. 47 (citing *Martin Marietta*, 856 F.2d at 625-26).

That argument is based on a manifest misreading of *Martin Marietta*. As the district court explained, the *Martin Marietta* court did not purport to lay down a bright-line rule that opinion work-product protection is *never* subject to subject-matter waiver. See Pet. App. Tab C, at 29; see also 856 F.2d at 626 (“[W]hile conceivably there may be indirect waiver in extreme circumstances, we think *generally* such work product is not subject to discovery.”) (emphasis added). Rather, the *Martin Marietta* court reasoned that opinion work product would in most cases be entitled to “especial protection” because of the unlikelihood that it would be used “as a sword and as a shield in the trial of a case so as to distort the fact-finding process.” 856 F.2d at 626.

Where, as here, however, opinion work product *is* used “as a sword and as a shield in the trial of a case so as to distort the fact-finding process,” *id.*, then by its terms *Martin Marietta*’s reasoning does not apply. Indeed, not only the court below, but other district courts in the Fourth Circuit, have so held. See *Charlotte Motor Speedway, Inc. v. International Ins. Co.*, 125 F.R.D. 127, 131 (M.D.N.C. 1989) (where litigant puts counsel’s advice “directly in issue,” opinion work-product protection is waived); *Vaughan Furniture Co. v. Featureline Mfg., Inc.*, 156 F.R.D. 123, 128 (M.D.N.C. 1994) (holding that situation where party sought to

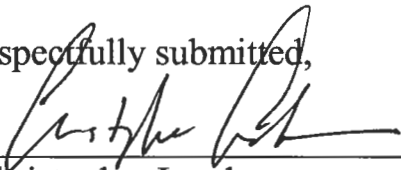
use counsel's opinions "[is] one implicitly recognized by the Fourth Circuit [in *Martin Marietta*] as being an exception to the near inviolability of opinion work product"); *see also Hager v. Bluefield Reg'l Med. Ctr., Inc.*, 170 F.R.D. 70, 77 (D.D.C. 1997); *Bio-Rad Labs., Inc. v. Pharmacia, Inc.*, 130 F.R.D. 116, 122 (N.D. Cal. 1990).

That exception applies here for the simple reason that Rambus placed confidential legal advice received from its outside counsel at issue by relying on that advice as evidence that its pre-litigation document destruction was conducted for legitimate reasons. Rambus' assertion that it "has not placed its attorney's opinions about its document retention policy at issue here," Pet. 48, is disingenuous at best. Rambus has repeatedly cited the fact that it received and relied on such counsel as evidence of its own benign intentions in connection with the adoption and implementation of its policy. *See* Pet. App. Tab C, at 8 ("The Court finds ... as a matter of fact, that Rambus [disclosed privileged materials] in an effort to convince the administrative law judge presiding over the FTC action that its policy was not directed toward destroying documents that would be discoverable during litigation."); *id.* at 10 ("Rambus has selectively presented otherwise privileged information in an effort to convince the finders of fact that its document retention policy was legitimate in conception, scope, and implementation."). Indeed, in light of this pattern, Rambus' contention that it "has

not ... invoked an ‘advice of counsel defense’” with respect to its document destruction, Pet. 48, is inexplicable. To the extent that the documents at issue here involve opinion work product at all—and the district court expressly found that many do not, Pet. App. Tab C, at 30-33, a conclusion that Rambus does not challenge—Rambus’ selective disclosure of protected information waived the protection of the work-product doctrine as well as the attorney-client privilege.

CONCLUSION

For the foregoing reasons, this Court should deny the mandamus petition.

Respectfully submitted,


Christopher Landau
Michael F. Williams
Padraic B. Fennelly
KIRKLAND & ELLIS LLP
655 Fifteenth Street, N.W.
Washington, DC 20005
(202) 879-5000

John M. Desmarais
Michael P. Stadnick
KIRKLAND & ELLIS LLP
153 East 53rd Street
New York, NY 10022
(212) 446-4800

Attorneys for Respondents

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CERTIFICATE OF SERVICE

The undersigned certifies that on this 7th day of July 2004, he caused two copies of the Opposition To Petition For Writ of Mandamus, the confidential appendix, and the non-confidential appendix, to be served upon the following by the means specified:

Michael J. Schaengold (by e-mail (brief only) and U.S. mail)
PATTON BOGGS LLP
2550 M Street, N.W.
Washington, DC 20037
(202) 457-6523
Counsel for Petitioner

The Hon. Robert E. Payne (by U.S. mail)
U.S. DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA
Lewis F. Powell Jr. Courthouse
1000 East Main Street
Richmond, VA 23219
(804) 916-2260
Nominal Respondent



Padraic B. Fennelly