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UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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In Re RAMBUS INC.,

Petitioner

**On Petition for Writ of Mandamus to the United  
States District Court for the Eastern District of  
Virginia,  
Case No. 3:00-CV-524  
(Judge Robert E. Payne)**

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**Motion Of Rambus Inc. To Hold In Abeyance  
Rambus's Petition for Writ of Mandamus**

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Pursuant to Federal Rule of Appellate Procedure 27 and this Court's Rule 27, Rambus Inc. respectfully moves that this Court temporarily hold in abeyance its petition for a writ of mandamus, filed on March 15, 2004, in light of recent developments in the District Court, which has amended a portion of its February 26, 2004, order from which Rambus has sought mandamus relief. As explained further herein, Rambus expects that it will be necessary for it to supplement or amend its petition for mandamus once the District Court has entered another new or amended order, as it has indicated it will do, that may well expand on the reasoning in and breadth of the original order from which Rambus has sought relief. That new order, and Rambus's supplemented or amended petition for mandamus seek-

ing relief from it, will almost certainly raise many if not most of the issues that are raised in Rambus's currently pending mandamus petition. Accordingly, it would be appropriate for this Court to hold Rambus's currently pending petition in abeyance until the District Court issues a new or amended order. In addition, although this Court has already ordered Infineon to respond to Rambus's pending mandamus petition within 14 days (*i.e.*, by March 30), it would also be appropriate for the Court to defer any such response by Infineon until the District Court enters a new order and Rambus thereafter supplements or amends its mandamus petition. Since the District Court has scheduled trial to commence on June 10, 2004, and since certain discovery is being held in abeyance pending the District Court's new or amended order, it is expected that the new or amended order will be issued by the District Court expeditiously, and almost certainly within a couple of weeks.<sup>1</sup>

1. This is a patent infringement case brought by Rambus against Infineon Technologies AG, et al. The case was previously before this Court in *Rambus, Inc. v. Infineon Tech. AG*, 318 F.3d 1081 (Fed. Cir. 2003) (Rader, Bryson, and Prost, JJ.). In that decision, this Court, *inter alia*, (a) reversed a decision of the District Court granting Infineon judgment as a matter of law on Rambus's patent infringe-

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<sup>1</sup> Counsel for Rambus has discussed this motion with counsel for Infineon. Counsel for Infineon has stated that Infineon opposes this motion and will file an opposition.

ment claims, and (b) reversed a jury verdict in favor of Infineon against Rambus on a Virginia state-law counterclaim of fraud. This Court remanded for further proceedings on Rambus's patent infringement claims. The District Court, on remand, reduced the number of patent claims on which trial would be permitted. In addition, and despite the limited scope of this Court's remand, the District Court has permitted Infineon to raise a new counterclaim against Rambus based on California unfair-competition law. Whether Infineon may actually try that counterclaim on remand is a question currently before the District Court on Rambus's motion to dismiss Infineon's counterclaim.

On remand, Infineon has also sought far-reaching discovery, specifically including discovery of communications protected by the attorney-client privilege, about the preparation and implementation of Rambus's document-retention policy and how that policy fits into Rambus's overall litigation strategy for protecting its patents. Infineon contends that discovery into Rambus's document retention policy is relevant to its newly-asserted unfair-competition counterclaim. Rambus asserted the attorney-client privilege as to many of these communications, and Infineon moved to compel. Infineon contended that the privilege had been waived through what it asserted to be Rambus's voluntary disclosure, both within the corporation and in litigation, of the substance of its document-retention policy.

On February 26, 2004, the District Court granted the motion to compel, and ordered immediate production to Infineon of Rambus's privileged communications. *See* Exh. A (original memorandum opinion) and Exh. B (original order), *infra*. The District Court ruled that Rambus had voluntarily waived the attorney-client privilege as to the entire subject matter of the creation, implementation, and scope of its document-retention policy. Exh. A, at 64. In reaching that conclusion, the District Court relied on three points. First, the Court remarked that Rambus had disseminated the substance of the document-retention policy widely within the corporation, well beyond what the Court referred to as "Rambus' corporate control group." *Id.* at 59-60. Second, the Court pointed out that Rambus had produced its document-retention policy in litigation, and that various Rambus employees had testified about the substance of that policy in depositions. *Id.* at 60-61. Third, the Court stressed that, in one sentence in his deposition in another case, a former Rambus employee, Joel Karp (who was not testifying as a Rule 30(b)(6) witness for Rambus) remarked that, in drafting Rambus's document-retention policy, he had looked to legal advice about document-retention policies that he received from Rambus's counsel. *Id.* at 59-60. Based on its conclusion that Rambus had waived its privilege, the District Court directed Rambus to produce immediately all documents relating to the creation, implementation, and scope of its document-retention policy. Exh. B, at 2.

The District Court also took under advisement the possibility that Rambus's waiver might extend even more broadly, to the entire subject matter of Rambus's patent-litigation strategy, and decided to conduct an *in camera* review to determine whether privileged Rambus documents relating to that broad subject matter should also be produced. Exh. A, at 64-66. The Court further suggested that Rambus's communications might have lost their privileged status based on what it described as a "spoliation" exception to the attorney-client privilege, and determined to conduct an *in camera* review on that issue also. *Id.* at 38-59. The Court has not yet completed its *in camera* review.

2. On March 15, Rambus filed its petition for mandamus in this Court, seeking relief from the District Court's order directing immediate disclosure of privileged communications. Rambus also moved for a stay of that disclosure order in the District Court, pending this Court's resolution of the mandamus petition. In both its mandamus petition and its stay papers, Rambus argued that (a) the District Court had erred in relying on the "corporate control group" test, which was disapproved by the Supreme Court in *Upjohn Corp. v. United States*, 449 U.S. 383 (1981), as a test for application for the attorney-client privilege; (b) the District Court had erroneously conflated the substance of Rambus's document-retention policy, which Rambus did disclose in litigation (but which is not privileged), with the privileged attorney-client communications on which Rambus relied in formu-

lating that policy, which Rambus has jealously protected; and (c) the District Court had also erred in finding any waiver at all in the one sentence at Joel Karp's deposition, which did not disclose the content of any privileged communications. On March 16, this Court directed Infineon to respond to Rambus's mandamus petition within 14 days.

3. On March 17, one day after this Court ordered Infineon to respond to the mandamus petition, the District Court issued an "amended order" and an "amended memorandum opinion" on the privilege-waiver issues. *See* Exh. C (amended memorandum opinion), Exh. D (order), and Exh. E (amended order), *infra*. As explained below, although the District Court has slightly modified its reasoning, it still allows Infineon to pursue its state-law unfair-competition counterclaim. That counterclaim, of which Infineon's allegation of spoliation is a part, is the basis of Infineon's pursuit of Rambus's privileged materials relating to Rambus's document-retention policy. The District Court also remains of the view that Rambus has waived its attorney-client privilege as to the subject matter of its document-retention policy. The District Court has postponed the production of Rambus's privileged communications, however, until it completes its *in camera* review described above. Thus, while there is no outstanding order directing immediate production of the relevant privileged materials to Infineon, such an order is virtually certain to be entered shortly, given the District Court's reasoning in its original and

amended opinions. (This matter is set for trial on June 10, and substantial discovery remains to be taken; certain aspects of that discovery are dependent on the District Court's ruling on various issues, including the outcome of its *in camera* review. Thus, Rambus expects that the District Court will rule promptly.)

In its amended opinion, the District Court eliminated any reliance on the “control group” test disapproved in *Upjohn*, and deleted its prior citation to a pre-*Upjohn* district court decision on which it had previously relied. *See* Exh. C, at 59-60. In other respects, however, the District Court's opinion is essentially unchanged. In particular, the District Court remains of the view that Rambus's disclosure of the *substance* of its document-retention policy — which Rambus has never claimed to be privileged — effected a waiver of the *privileged legal advice* that Rambus used in formulating that policy, even though the disclosure of non-privileged material does not effect a waiver of any kind. *Id.* at 60-61; *see id.* at 63 (“Rambus has disclosed the substance of the policy and, in so doing, has disclosed the substance of the opinions and advice its received from [counsel].”).<sup>2</sup> Thus, a

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<sup>2</sup> Elsewhere in its opinion, the District Court stated that Rambus had seemingly “waived the otherwise privileged subjects of the content of its document retention policy and how the program was implemented.” Exh. C, at 64. This remark nicely captures the essence of the District Court's error: Rambus has never claimed that either the content of its document retention policy or the manner in which Rambus employees implemented the policy was a privileged subject. Rather, it is the legal advice to which Rambus looked in helping it to decide how to fashion and implement a document retention policy that is privileged. *See also id.*

fundamental flaw of the District Court’s decision — namely, its conflation of a nonprivileged corporate policy with the privileged attorney-client communication to which the corporation looked in formulating that policy — remains entirely intact. (Also intact is the District Court’s conclusion that Infineon may pursue its unfair-competition claim, of which this spoliation claim is a part, added for the first time on remand.)

Despite reiterating its conclusion that Rambus had waived its privilege concerning the document retention policy, the District Court determined that Rambus should not be ordered to produce those privileged materials immediately. Instead, the District Court decided that such production should await the completion of its *in camera* review, so that the Court could ascertain the full *scope* of the subject matter of Rambus’s waiver, including whether that waiver extends to the entire subject matter of Rambus’s patent litigation strategy. Exh. C, at 64-66. Thus, the District Court amended its February 26 order directing immediate production of privileged materials, Exh. D, and instead ruled that, in pertinent part, Infineon’s motion to compel production should be retained under consideration pending completion of the Court’s *in camera* review, *see* Exh. C, at 67; Exh. E.

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at 63 (“application of these precepts suggests that Rambus has waived the attorney client privilege as to any documents that contain information about or relate to the creation, preparation or scope of its document retention policy and, perhaps, even as to any documents that pertain to Rambus’ litigation strategy”).

In consequence, although Rambus is not under an immediate obligation to produce privileged materials to Infineon, it is a virtual certainty that, once the District Court completes its *in camera* review, it will order Rambus to make a production of privileged communications that will be at least as extensive as the production that the District Court ordered on February 26. Indeed, the production that will be ordered may well be even more sweeping, if the District Court rules that Rambus's waiver extended to the entire subject matter of its patent-litigation strategy. Once the *in camera* review is completed and a new order is entered, therefore, Rambus will almost certainly have to renew virtually all of the arguments that have been raised in its petition for mandamus (with the exception of its challenge to the District Court's reliance on the "corporate control group" test, which the District Court has abandoned). If the production ordered by the District Court extends more broadly, then Rambus may have to add other arguments as well.

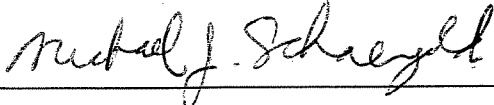
In this circumstance, and because of the exigency of the June 10 trial date, the most appropriate course of action is for this Court to hold Rambus's pending petition for mandamus in abeyance, and also to defer Infineon's obligation to respond to that petition. As a practical matter, in light of the District Court's reasoning in both its original and its amended opinions, there appears to be no likelihood that Rambus will be in a position to withdraw its mandamus petition directed to that reasoning. The District Court has made clear that essentially all of its reason-

ing on the waiver issue remains intact. All that has changed is that (a) Rambus's obligation to produce privileged communications has been postponed for a short time, and (b) that obligation to produce may yet be expanded, and possibly quite extensively. When the District Court again orders production of privileged materials, Rambus will likely have to supplement or amend its pending petition for relief. In addition, by holding the petition in abeyance, the Court will promote judicial economy, because those members of the Court who have reviewed the pending petition (and this motion) will be in the best position to act upon Rambus's supplemented or amended petition.

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Accordingly, this Court should temporarily hold in abeyance Rambus's pending petition for a writ of mandamus until the District Court issues a new order amending its February 26, 2004 order, at which time Rambus will supplement or amend its petition, as appropriate. The Court should also defer any response by Infineon until after Rambus supplements or amends its petition.

Respectfully submitted,

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