Misc. Docket No. 04-762

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, Case No. 3:00-CV-524 (Judge Robert E. Payne)

Reply Memorandum Of Rambus Inc. In Support Of Motion To Hold Petition For Writ Of Mandamus In Abeyance

Rambus's motion asks this Court to defer consideration of its pending petition for mandamus until the District Court clarifies just how broadly it will pierce Rambus's attorney-client privilege based on the unaltered waiver finding that Rambus's petition challenges. Infineon opposes Rambus's motion on the ground that it is "speculative" and "insulting to the district court" for Rambus to assert that it will be ordered to produce privileged documents. Infineon Opposition to

Rambus Motion, filed Mar. 24, 2004 ("Opp.") at 6.[1] The record, however, shows otherwise.

Rambus's petition for mandamus argues, *inter alia*, that the District Court clearly erred in concluding that Rambus waived the privilege to the confidential legal advice that preceded Rambus's drafting of a document retention policy because it disseminated that policy and because a former Rambus employee testified at deposition that the policy resulted from legal advice. *See* Rambus Petn. for Mandamus, filed Mar. 15, 2004, at 17-26.

It is true that the day after this Court ordered Infineon to respond to Rambus's petition, the District Court modified its prior order and opinion to suspend the requirement that Rambus immediately produce the privileged documents in question. Rambus Mot. Exhs. C-E (amended District Court orders and opinion of Mar. 17, 2004). It also is true that a few days after that, the District Court ordered the parties to submit supplemental briefing on the *scope* of Rambus' waiver. Opp. Appendix (District Court Order of Mar. 24, 2004). But the District

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[1] Rambus's Opposition to Infineon's jointly filed motion to dismiss the petition is due and will be filed on April 8, 2004. Although Infineon's Answer to the petition for mandamus was due per Court order on March 30, 2004, Infineon did not file an Answer. (This Court has not acted on Rambus's request that Infineon's response date be deferred.)

Court has neither reconsidered nor withdrawn its fundamental (and fundamentally erroneous) conclusion that Rambus must be deemed to have waived the privilege by adopting and disseminating a corporate policy after receiving legal advice with respect to that policy.

On the contrary, the District Court's amended opinion, filed March 17, 2004, *reaffirms* its conclusion that Rambus, by disclosing a policy into which Rambus's legal counsel had provided input, thereby waived the attorney-client privilege for the "opinions and advice" that Rambus received from its counsel:

> By widely distributing this policy to third parties through document productions and depositions, *Rambus has disclosed the substance of the policy and, in so doing, has disclosed the substance of the opinions and advice it received from Cooley Godward, LLP*. . . . [¶] The foregoing appears to provide a basis for concluding that *Rambus has waived the otherwise privileged subjects of the content of its document retention policy and how the program was implemented.*

Mar. 17, 2004 Order, at 63-64 (Mot. Exh. C) (emphasis added).

There is nothing "speculative" or "insulting" (Opp. at 6) about pointing out what the amended opinion clearly states: that the District Court has reaffirmed its finding of waiver based on the very grounds that Rambus has challenged in its petition for mandamus, and that the District Court is going to order Rambus imminently to disclose at least some privileged materials based on that

finding of waiver. The only open question—and the only issue the parties have been asked to brief in the District Court—is just *how much* privileged material the District Court will order Rambus to disclose based on what Rambus contends is an erroneous finding of waiver. While the District Court's March 17, 2004 Order temporarily stays Rambus's immediate obligation to disclose privileged materials, the Order does not eliminate the waiver issue that underlies Rambus's pending petition.

Further confirmation of what is clear from the amended opinion is provided by the District Court's statement, at a hearing held on March 26, that its forthcoming opinion "ought to be under seal because it discusses a lot of privileged documents." Transcript of March 26, 2004 District Court Hearing, at 219 (attached as Exh. F). The District Court suggested that it is inclined to place that opinion "under seal and let you all take it up to the court of appeals because there is no way . . . to discuss what you find, at least the way this issue is framed, without revealing the contents of the privileged documents." *Id.* There is no need for an opinion to quote from privileged documents or to be placed under seal to facilitate an immediate appeal unless privileged documents are going to be ordered released – which is clear not just from the District Court's comments but from the March 17 opinion.

On this motion, the only "speculation" is Infineon's intimation that it will

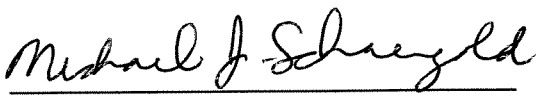
suffer some undefined prejudice if the current petition (which has already been reviewed by this Court and which precipitated an order for Infineon to respond) is retained under consideration until the District Court releases its final order on the scope of the privilege waiver. Infineon has already used the excuse of its motion to dismiss as a basis for unilaterally relieving itself of any burden of responding to the petition as ordered by this Court. *See* note 1, *supra*. If, as appears probable from the District Court's March 17 opinion and its statements at March 26 hearing, there are *additional* grounds cited for waiving Rambus's privilege, the parties either can stipulate to a schedule for supplemental briefing and/or request that the Court enter a briefing schedule. Of course, Infineon does stand to lose the tactical advantage of forcing Rambus to re-file its petition from scratch while simultaneously preparing for the impending trial date of June 10, but that would not appear to qualify as "prejudice" in these circumstances.

At bottom, Rambus's motion to hold the petition in abeyance simply asks the Court to conserve judicial and party resources by completing the already-started review of a finding of waiver that remains unchanged. Avoiding needless dismissal and re-filing of appellate proceedings is hardly unprecedented. (Opp. at 2). It is reflected in, *inter alia,* Federal Rule of Appellate Procedure 4(a)(4)(B), which establishes that a notice of appeal is not mooted simply because a district court continues to consider post-judgment motions. Moreover,

Infineon has cited no case (published or otherwise) holding that dismissal is mandated in these circumstances.

For the foregoing reasons and those stated in Rambus's motion, the Court should grant Rambus's motion to hold the petition for mandamus in abeyance.

Respectfully submitted,



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Dated: April 5, 2004

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CERTIFICATE OF INTEREST

Counsel for Petitioner, RAMBUS INC., certifies the following:

1. The full name of every party represented by me is RAMBUS INC.

2. The name of the real party in interest represented by me is RAMBUS INC.

3. There is no parent corporation of RAMBUS INC. and no publicly held company owns 10 percent or more of the stock of RAMBUS INC.

4. The names of all law firms and the partners or associates that appeared for RAMBUS INC. in the trial court or are expected to appear in this Court are:

Michael W. Smith, Craig T. Merritt, R. Braxton Hill of CHRISTIAN & BARTON, LLP.

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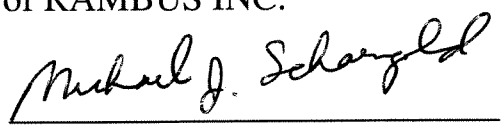

Michael J. Schaengold

Dated: April 5, 2004