

LAWRENCE E. JAFFE PENSION PLAN, On ) Lead Case No. 02-C-5893  
 Behalf of Itself and All Others Similarly ) (Consolidated)  
 Situated, )  
 )  
 Plaintiff, )  
 )  
 vs. ) Judge Ronald A. Guzman  
 ) Magistrate Judge Nan R. Nolan  
 )  
 HOUSEHOLD INTERNATIONAL, INC., et )  
 al., )  
 )  
 Defendants. )  
 )  
 )

**APPENDIX OF ELECTRONIC CASES IN SUPPORT OF LEAD PLAINTIFFS' REPLY  
IN SUPPORT OF MOTION TO COMPEL THE HOUSEHOLD DEFENDANTS TO  
PRODUCE DOCUMENTS IMPROPERLY WITHHELD ON THE BASIS OF  
PRIVILEGE**

**CASE**

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**Tab 1**

LEXSEE 2001 US DIST LEXIS 18930

**B. F. G. OF ILLINOIS, INC., et al., dba Cashtel, dba Message Central; Amerivoice  
Telecommunications, Inc., Plaintiffs, v. AMERITECH CORP., et al., Defendants.**

**Cause No. 99 C 4604**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF  
ILLINOIS, EASTERN DIVISION**

*2001 U.S. Dist. LEXIS 18930*

**November 8, 2001, Decided  
November 13, 2001, Docketed**

**DISPOSITION:** Recommended defendant's produce documents listed in Appendix A.

**LexisNexis(R) Headnotes**

**COUNSEL:** [\*1] For B.F.G. OF ILLINOIS, INC., U.S. VOICE MAIL, INC., AMERIVOICE TELECOMMUNICATIONS, INC., plaintiffs: Henry T. Kelly, O'Keefe, Ashenden, Lyons & Ward, David Schachman, Attorney at Law, Ronald L. Futterman, Futterman & Howard, Chtd., Aram A. Hartunian, Aram A. Hartunian & Associates, John G. Jacobs, The Jacobs Law Firm, Chtd., Chicago, IL.

For B.F.G. OF ILLINOIS, INC., U.S. VOICE MAIL, INC., plaintiffs: Craig Benson Futterman, Mandel Legal Aid Clinic, Jonah Orlofsky, Plotkin & Plotkin, Chicago, IL.

For AMERITECH CORPORATION, AMERITECH INFORMATION INDUSTRY SERVICES, INC., defendants: Robert Walter Tarun, Timothy P. O'Connor, Jeffrey A. Leon, Susan Ann Pipal, Ethan Richard York, Winston & Strawn, Chicago, IL.

**JUDGES:** GERALDINE SOAT BROWN, United States Magistrate Judge. Judge Charles R. Norgle, Sr.

**OPINIONBY:** GERALDINE SOAT BROWN

**OPINION:**

**MEMORANDUM OPINION AND ORDER**

Geraldine Soat Brown, United States Magistrate Judge

This matter comes before the Court on Plaintiffs' Motion to Compel Production of Documents Identified on Defendants' Revised Privilege Log ("Pls.' Mot. Compel"). [Dkt # 117.] n1 After reviewing the parties' submissions and hearing oral argument on October 31 [\*2] and November 2, 2001, this Court on November 5, 2001 granted the plaintiffs' motion in substantial part. This Memorandum Opinion and Order sets out the reasons for the Court's decision.

n1 The District Judge has referred all discovery motions and non-dispositive motions to the Magistrate Judge for decision. [Dkt # # 40, 55.]

**FACTUAL BACKGROUND**

This lawsuit involves claims by entities that provided voice mail messaging services to consumers and previously had contracts pursuant to which the defendants provided billing and collection services (referred to as "subscription billing services") for the plaintiffs. In 1999, the defendants terminated the contracts. The plaintiffs' Amended Complaint seeks relief under a number of theories.

The present dispute relates to documents that the plaintiffs sought in discovery from the defendants. In September 2000, the defendants served two privilege logs on plaintiffs' counsel identifying documents that the defendants withheld from production on the basis of attorney-client [\*3] privilege or work product

protection. On December 4, 2000, plaintiffs' counsel wrote to defendants' counsel setting out twelve claimed deficiencies in the privilege logs. (Pls.' Mot. Compel, Ex. 1.) Plaintiffs' counsel included an eight-page list of names of approximately 600 persons who were listed on the privilege logs as having authored or received documents but whose capacity and titles were not identified. (*Id.*) Defendants' counsel responded by asking for specific entry-by-entry objections. (Pls.' Mot. Compel, Ex. 2.) Plaintiffs' counsel replied that plaintiffs did not believe that to be their obligation, but provided specific document numbers as examples of plaintiffs' objections. (Pls.' Mot. Compel, Ex. 3.)

In March 2001, the defendants served a revised combined 102-page privilege log. (Pls.' Mot. Compel, Ex. 4.) The defendants also provided job titles for 119 of the approximately 600 persons about whom the plaintiffs had inquired. (Pls.' Mot. Compel, Ex. 5.) The defendants state that defendants' counsel spent substantial time reviewing documents and interviewing persons in order to prepare that second log. (Ameritech's Resp. to Pls.' Mot. to Compel Production Docs. Identified [\*4] on Defs.' Third Privilege Log ("Defs.' Resp.") at 5 [Dkt # 140].)

On May 30, 2001, plaintiffs took the deposition of Susan Lord, an attorney who was employed in-house by defendant Ameritech and who worked with Ameritech's "subscription billing team." (Pls.' Mot. Compel, Ex. 6.) Ms. Lord is listed in many of the entries on the defendants' privilege logs as the attorney whose involvement in the communication gives rise to the claim of privilege or work product. *See* Pls.' Mot. Compel, Ex. 4; Pls.' Suppl. Mem. Supp. of Pls.' Mot. Compel ("Pls.' Suppl. Mem."), Ex. A. At that deposition plaintiffs' counsel asked a number of questions about Ms. Lord's activities at Ameritech that would go to the factual basis of the assertion of privilege. Defendants' counsel objected to substantially all of those questions and instructed Ms. Lord not to answer. *See* Pls.' Mot. Compel, Ex. 6.

On June 15, 2001, the plaintiffs filed their Motion to Compel. At the June 20, 2001 hearing on the motion, defendants' counsel objected that the parties had not met and conferred pursuant to Local Rule 37.2 prior to the filing of the motion. The motion was entered and continued, but defendants' counsel was [\*5] directed to review the March 2001 privilege log and provide to plaintiffs' counsel any factual information necessary to support the assertion of privilege or work product. (Tr. of June 20, 2001 at 125-131, Pls.' Suppl. Mem., Ex. C.)

On September 18, 2001, the defendants served a further revised privilege log listing approximately 598 entries and produced 309 pages of documents as to

which they withdrew their claims of privilege or work product. (Pls.' Suppl. Mem. at 2; Defs.' Resp. at 8.) On October 8, 2001, the plaintiffs submitted a Supplemental Memorandum in Support of their Motion to Compel, and renewed their motion. The plaintiffs argued that the documents produced in September 2001 demonstrated that the defendants had inaccurately and misleadingly described those documents on the previous privilege logs in order to conceal incriminating non-privileged business documents; that the defendants still failed to supply the factual basis of the claims of privilege; and that plaintiffs had been blocked in examining the factual basis for privilege by the objections at Susan Lord's deposition; and, as a result, the defendants' privilege log had no credibility. (*Id.* at 2-10.) The plaintiffs [\*6] further argued that in light of the imminent close of fact discovery (December 31, 2001), the plaintiffs needed the documents immediately in order to conduct depositions of defendants' key witnesses. The plaintiffs requested that the Court abrogate defendants' privilege log and require the defendants to produce all documents listed on the log. (*Id.* at 11, 15.)

Defendants' response to plaintiffs' supplemental memorandum stated that between the June 20, 2001 hearing and the September 18, 2001 production of additional documents and revised privilege log, defendants' counsel had made a factually intense review and revision of its privilege logs, spending hundreds of hours revising and supplementing the logs and interviewing 25 persons. (Defs.' Resp. at 8.) The defendants argued that their September 2001 privilege log was accurate, that the plaintiffs had not made entry-by-entry objections to the privilege log entries, and that the factual record was sufficient to sustain the claims of privilege without an additional affidavit of Ms. Lord. (Defs.' Resp. at 12, 18.) The defendants argued that they had not withheld business documents. (Defs.' Resp. at 33.) Prior to the October 31, 2001 hearing [\*7] on the plaintiffs' motion, the defendants filed a Further Statement of Objective Facts Supporting Anticipation of Litigation and Motion for Leave to File Affidavits *In Camera* and *Ex Parte*. [Dkt # 144.] They requested that the Court not abrogate the log but rather accept affidavits regarding the foundational facts and review the disputed documents *in camera*.

Oral argument was held on October 31, 2001 and continued to November 2, 2001. The defendants' motion to file affidavits *in camera* and *ex parte* was denied, both on the ground that the Court would not accept *in camera* testimony in the form of an affidavit, and on the ground that the Court's June 20, 2001 directive to the defendants required them to submit any factual information (including any affidavit) necessary to support their claims of privilege or work product to the plaintiffs first.

## LEGAL STANDARDS

The elements of attorney-client privilege are well established.

(1) Where legal advice of any kind is sought (2) from a professional legal adviser in his capacity as such, (3) the communications relating to that purpose, (4) made in confidence (5) by the client, (6) are at his instance [\*8] permanently protected (7) from disclosure by himself or by the legal advisor, (8) except the protection be waived.

*United States v. White*, 950 F.2d 426, 430 (7th Cir. 1991). The privilege also applies to communications made by an attorney to a client that constitute legal advice or tend to reveal a client confidence. *United States v. DeFazio*, 899 F.2d 626, 635 (7th Cir. 1990). The party asserting privilege has the burden of proving the elements. *White*, 950 F.2d at 430.

The work product doctrine, codified in *Fed. R. Civ. P. 26(b)(3)*, has been discussed in a number of opinions by the District Judges and Magistrate Judges of this District. See, e.g., *Caremark, Inc. v. Affiliated Computer Services, Inc.*, 195 F.R.D. 610 (N.D. Ill. 2000) (Denlow, M.J.); *Allendale Mutual Ins. Co. v. Bull Data Systems, Inc.*, 145 F.R.D. 84 (N.D. Ill. 1992) (Bobrick, M.J.). Work product protection is a qualified privilege distinct from and broader than the attorney-client privilege. *Caremark*, 195 F.R.D. at 613. In order to come under the protection provided by Rule 26(b)(3), the party claiming protection [\*9] must demonstrate that the documents or material things sought to be protected were prepared: (a) in anticipation of litigation or for trial; and (b) by or for a party or by or for a party's representative. *Id.* at 163-64, citing 8 Wright, Miller & Marcus, *Federal Practice and Procedure: Civil 2d* § 2024 (1994). Determining what is "prepared in anticipation of litigation" has both a temporal and causation element.

"Work product" is defined as those materials produced *because* of the *anticipation* of litigation. Thus, there is a "causation" element insofar as production of the material must be caused by the anticipation of litigation. If materials are produced in the ordinary and regular course of a discovery opponent's business, and not to prepare for litigation, they are outside the scope of the work product

doctrine. Accordingly, even if litigation is imminent, there is no work product immunity for documents prepared in the ordinary course of business rather than for litigation purposes.

*Allendale*, 145 F.R.D. at 87, citations omitted, emphasis in original. See also Edna Selan Epstein, *The Attorney-Client Privilege and the Work-Product* [\*10] *Doctrine* 531-33 (4th Ed. 2001).

In connection with the parties' dispute regarding Ms. Lord's deposition, the facts necessary to establish the attorney-client privilege are not themselves privileged. See Epstein, *Attorney-Client Privilege* at 66, and cases cited therein.

## ANALYSIS

In a hearing that extended into substantial parts of two days, plaintiffs' counsel demonstrated by referring to specific documents that the descriptions on the defendants' previous privilege logs were not accurate and that documents that were not privileged or work product protected had been improperly withheld. As one ironic example, plaintiffs' counsel pointed out that two documents reflected in entries on the September 2001 privilege log that the Court had questioned at an October 24, 2001 status hearing were produced by the defendants on October 29, 2001 as having been inadvertently withheld, in spite of the defendants' argument about the care with which the September 2001 log was prepared. The fact that 309 pages of documents were produced *after* the plaintiffs filed their June 15, 2001 motion objecting to the *second* privilege log further supports plaintiffs' argument.

The defendants [\*11] argue that the plaintiffs should have objected to entries on the September 2001 privilege log on a document-by-document basis. This argument misses the point here for two reasons.

First, the plaintiffs had, in fact, identified specific deficiencies in the first privilege log in writing in December 2000. Those deficiencies continued into the March 2001 privilege log. More importantly, a document-by-document objection, which is premised on the description in the privilege log, is pointless if the description is deemed untrustworthy. The accuracy of the descriptions in the privilege log is the foundation of the entire process. The plaintiffs have demonstrated that they had good reason to be skeptical about the descriptions in the defendants' privilege log.

The plaintiffs also proved that they were blocked in their efforts to investigate the accuracy of the descriptions. At Ms. Lord's deposition, plaintiffs'

counsel's proper questions regarding foundational facts going to the assertion of privilege were improperly objected to and the witness instructed not to answer. Likewise, in their objections to the first privilege log, the plaintiffs included an eight-page single-spaced list of [\*12] approximately 600 persons named on the privilege log to have received or authored listed documents. In response the defendants identified fewer than half of these persons.

At the June 20, 2001 hearing the defendants were specifically instructed to provide the plaintiffs with whatever additional factual material was necessary to support defendants' claims of privilege. Although the proponent of a privilege log is not necessarily required to provide an affidavit with the initial service of the log, by June 2001, the parties were long past that point. Specific challenges had been asserted by the plaintiffs, and the plaintiffs had complained in their June 15, 2001 motion to compel about the limitations imposed during Ms. Lord's deposition. Attempting to submit affidavits in November is not an adequate or appropriate response.

There was considerable discussion at the oral argument about whether a document that had been withheld and subsequently produced was "incriminating." However, that also misses the point. A party propounding discovery is entitled to all of the documents that fall within the proper scope of discovery and are not privileged or protected as work product. It does not [\*13] matter whether the document is a smoking gun, or a piece of admissible evidence, or one link in a chain of evidence or simply likely to lead to admissible evidence, for example, as the subject of a deposition question.

Thus, the Court finds that the plaintiffs have demonstrated that their objections to defendants' assertion of privilege and work product protection have been correct, that descriptions on defendants' privilege logs were inaccurate, and that documents that should have been produced many months ago were improperly withheld. The Court agrees that an appropriate remedy may be the abrogation of defendants' privilege log and an order to produce all withheld documents.

When a Court chooses among possible remedies for a failure to comply with discovery obligations, the Court should select the remedy that is most likely to achieve the objective of the Federal Rules of Civil Procedure, the "just, speedy, and inexpensive determination of every action." *Fed. R. Civ. P. 1*. Thus, in determining the appropriate remedy here, the Court decided on the following course.

The Court personally reviewed each of the more than 500 documents listed on the defendants' privilege log, and made [\*14] a determination of the document's

status based on information that had been provided to the Court by the parties. That determination was made in light of the legal standards set out above, including the fact that the burden is on the proponent of the privilege. The review showed that a substantial number of documents listed on the September 2001 log are not protected by attorney-client privilege or work product protection, and on November 5, 2001 those documents were ordered to be produced before the close of business on November 6, 2001. Appendix A to this Opinion sets out the documents that were ordered to be produced.

Several points became apparent in the review.

First, a substantial number of the documents are duplicates of each other.

Second, in situations where the authors or recipients included persons about whom the plaintiffs specifically asked for information but no information was provided, the defendants have failed to sustain the factual foundation for assertion of privilege, which requires that the communication be treated as confidential and transmitted only to those persons who are entitled to receive privileged communications. If there is no information provided [\*15] about a person to whom the communication was intentionally transmitted, it is axiomatic that there cannot be a finding that the communication was intended to be and maintained confidential.

Third, defendant Ameritech's in-house counsel knew or should have known that in order to maintain the confidentiality that is essential to privileged status, the distribution of a communication must be restricted. Communications that reflect simply "5 addressees" or "suppressed distribution list" do not evidence an intention to create and guard a confidential and privileged communication.

Fourth, when a corporation directs an in-house attorney to work with a business team, as Susan Lord worked with the "subscription billing team," there is a particular burden on that corporation to demonstrate why communications deserve protection and are not merely business documents. *See Epstein, Attorney-Client Privilege* at 233-34. This Court, consistent with decisions of other federal courts, will not tolerate the use of in-house counsel to give a veneer of privilege to otherwise non-privileged business communications. *See, e.g., Brand Name Prescription Drugs Antitrust Litigation*, 1995 U.S. Dist. LEXIS 16523, No. 94 C 897, [\*16] MDL 997, 1995 WL 663684, \*2-3 (N.D. Ill. Nov. 6, 1995)(Kocoras, J.). A particular problem with this scenario is that there is no way that the party seeking the documents can detect that improper use merely from the description on the privilege log. This puts an important professional responsibility on in-house counsel and

litigation counsel to police the anticipatable desire of corporations to shield as much as possible from their adversaries in litigation.

Not surprisingly, Ameritech was sophisticated in its efforts to shield its communications. An example is the August 31, 1998 Internal Audit Report sent to Michael Karson who was both a vice president and general counsel of Ameritech Information Industries Services. (Doc. PRV 3570-3577.) Defendants' privilege log describes this document as attorney-client privileged and prepared in anticipation of litigation. However, it is clear from the document that it is a business report prepared for business reasons, and not to assist in the defense or prosecution of an anticipated lawsuit. The audit was done and the document was generated because Karson "was concerned that controls over subscription billing are not adequate. [\*17]" (Doc. PRV 3572.) As to each problem described there is a suggested "management solution." This Internal Audit Report is not even colorably protected; it is a business document, plain and simple. But the plaintiffs would never be able to know that from the description on the defendants' privilege log.

Another example is Document PRV 3416-3419, and its numerous copies. In the September 2001 privilege log this document is described as Bill Brockelman seeking legal advice from counsel Susan Lord with respect to the uncollectible process. However, it is clear from the text of the document that it is, in fact, an e-mail from Susan Lord to Richelle Barker, with copies to eleven addressees, not identified. The defendants assume that those are the same eleven people who are listed on the last page. But even assuming, *arguendo*, that the document's distribution was limited to those eleven people, and that those eleven people were within the scope of persons entitled to receive privileged communications, the document is not a request for legal advice. In reality it is the announcement by Bill Brockelman to the subscription billing team of what Mr. Brockelman describes as a "final business [\*18] decision." The veneer of privilege is applied via one sentence on the last page stating, "If you agree with the above, please approve from a legal perspective and so forward to" a list of eleven persons and Mr. Brockelman. There is nothing else in the document that requests legal advice or suggests communication of confidential information in order to obtain a legal opinion. When Susan Lord forwarded the document to Ms. Barker and the eleven unspecified addressees (without any apparent comment by Ms. Lord), she was not communicating legal advice, she was forwarding a business decision about a plan to deal with the uncollectible process. It is well established that a corporation cannot shield its business documents by routing them through an attorney.

If Document PRV 3416-3419 were deemed privileged, that is exactly what would be achieved.

Document PRV 2667-2668 is a similar example. The defendants assert that this document is attorney-client privileged. However, it is clear that this document is nothing more than a business document given a veneer of privilege by routing through in-house counsel. The basic document is an e-mail from David Houle (a non-attorney) to Ms. Lord. The document [\*19] begins, "Judy Snider [a non-attorney] asked me to comment on the accuracy of uncollectible allocations based on our ALDIS/Carrier experiences." Mr. Houle then describes his unit's experience. There is no reference to any request for legal advice or any legal problem. Document PRV 2667-2668 is actually Ms. Lord's e-mail forwarding Mr. Houle's e-mail to Ms. Snider, without any comment of any kind by Ms. Lord. This document is no more privileged than if Mr. Houle had sent the e-mail directly to Ms. Snider.

Again, there is no way the party seeking discovery could challenge the assertion of privilege based on the description of Document PRV 3416-3419 or Document PRV 2667-2668 in the privilege log. Unless in-house counsel and litigation counsel are scrupulous in their assertion of privilege, the courts will be asked to review all documents in which an in-house attorney's involvement is the basis for assertion of privilege or work product. That would impose an unbearable burden on the courts and other litigants. Thus, where the court finds that a party used in-house counsel to apply a veneer of privilege to non-privileged business communications, the court should impose costs on that party. [\*20]

Finally, the defendants asserted work product protection as to a number of spreadsheets of financial figures. Some of these were created after March 3, 1999, the date that the plaintiffs' counsel sent a demand letter and litigation was reasonably foreseeable, including a "chart of disputed amounts." (Doc. PRV 3554.) That document appears, in fact, to satisfy both the temporal and causation elements of work product protection. On the other extreme, several of the spreadsheets are patently business documents, for example, Document PRV 3627, which is entitled "Subscription billing financial model" and contains revenue estimates. Other spreadsheets for which protection is sought were prepared in 1998 and contain statistical summaries of so-called "true-ups" not just with respect to the plaintiffs but also regarding Ameritech's other subscription billing services clients such as ADT Security Systems. The defendants have the burden of demonstrating that these documents were prepared *because of* imminent litigation rather than to facilitate business decisions, and there is nothing so demonstrating.



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**CONCLUSION**

For the reasons set out above, the Court has ordered that the defendants [\*21] produce to the plaintiffs on or before the close of business on November 6, 2001 the documents listed in Appendix A.

Pursuant to *Fed. R. Civ. P. 37(a)(4)*, after affording the defendants an opportunity to be heard, the Court found that the defendants' non-disclosure of many of the documents listed on their March 2001 and September 2001 privilege logs was not substantially justified. Although the Court is not awarding all of the relief requested by the plaintiffs, the Court awards the plaintiffs' reasonable expenses, including attorneys' fees and costs, incurred in the following activities: Preparing and filing Plaintiffs' Motion to Compel in June 2001; preparing and filing Plaintiffs' Supplemental Memorandum in October 2001, and arguing the plaintiffs' motion on October 31 and November 2, 2001.

The plaintiffs shall submit an itemization of their fees and expenses to the defendants on or before November 13, 2001. If the defendants dispute any amounts sought, the defendants shall notify the plaintiffs on or before November 20, 2001 of the specifically disputed items, and the parties shall proceed as set out in Local Rule 54.3(d). Any amount not disputed shall be paid by November 30, 2001.

[\*22] **IT IS SO ORDERED.**

**GERALDINE SOAT BROWN**

**United States Magistrate Judge**

**DATED: November 8, 2001**

**APPENDIX A****Documents to be Produced**

**Defendants' Revised Privilege Log - AM Documents, September 17, 2001**

. PRV 413-415	. PRV 413-415
. PRV 502-505	. PRV 502-505
. PRV 527	. PRV 527
. PRV 550-551	. PRV 550-551
. PRV 563-565	. PRV 563-565
. PRV 566-568	. PRV 566-568
. PRV 900-901	. PRV 900-901
. PRV 940-946	. PRV 940-946
. PRV 1071-1082	. PRV 1071-1082
. PRV 1083-1086	. PRV 1083-1086
. PRV 1166-1171	. PRV 1166-1171
. PRV 1187	. PRV 1187
. PRV 1195-1201	. PRV 1195-1201
. PRV 1234-1235	. PRV 1234-1235
. PRV 1236-1237	. PRV 1236-1237
. PRV 1238	. PRV 1238
. PRV 1239-1240	. PRV 1239-1240
. PRV 1246	. PRV 1246
. PRV 1296	. PRV 1296
. PRV 1301	. PRV 1301
. PRV 1336	. PRV 1336
. PRV 1381-1382	. PRV 1381-1382
. PRV 1383-1385	. PRV 1383-1385
. PRV 1418	. PRV 1418
. PRV 1420	. PRV 1420
. PRV 1425-1427	. PRV 1425-1427
. PRV 1460-1463	. PRV 1460-1463
. PRV 1503	. PRV 1503
. PRV 195-207	. PRV 195-207
. PRV 212-224	. PRV 212-224
. PRV 226-252	. PRV 226-252
. PRV 259-271	. PRV 259-271
. PRV 273-285	. PRV 273-285
. PRV 316-324	. PRV 316-324
. PRV 328-336	. PRV 328-336

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. PRV 1505	. PRV 2425-2426
. PRV 1509-1510	. PRV 2428
. PRV 1511-1513	. PRV 2430-2431
. PRV 1719-1736 (except PRV 1718)	. PRV 2449
. PRV 2023-2026 (except redact on 2026 "Bill's recommendation")	. PRV 2451
. PRV 2027-2033 (except redact on 2027 "Macks . . . \$"; redact on 2028 "Macks . . . problems"; redact on 2031 "Mike Carson . . . this")	. PRV 2454
. PRV 2046-2047	. PRV 2457
. PRV [*23] 2051-2054	. PRV 2485-2486
. PRV 2067-2069 (except redact on 2068 "Need . . . tariff")	. PRV 2487-2488
. PRV 2071-2071A	. PRV 2489-2490
. PRV 2072	. PRV 2491-2492
. PRV 2076-2081	. PRV 2497-2498
. PRV 2082-2087	. PRV 2502-2503
. PRV 2094-2095	. PRV 2504
. PRV 2137-2139 (unredacted)	. PRV 2505-2515
. PRV 2147-2150	. PRV 2516
. PRV 2151-2154	. PRV 2581-2628
. PRV 2155-2159	. PRV 2629-2666
. PRV 2206	. PRV 2667-2668
. PRV 2207-2209	. PRV 2669-2782
. PRV 2210	. PRV 3372
. PRV 2217	. PRV 3373
. PRV 2220	. PRV 3378
. PRV 2223	. PRV 3379
. PRV 2242	. PRV 3393-3395
. PRV 2243	. PRV 3416-3419
. PRV 2254	. PRV 3428
. PRV 2267-2270	. PRV 3487-3488
. PRV 2288	. PRV 3549
. PRV 2309	
. PRV 2338-2340	
. PRV 2341-2376	

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. PRV 3561	. AM 127638-127668 (unredacted)
. PRV 3570-3577	. AM 127669-127673 (unredacted)
. PRV 3618-3623	. AM 127674-127680 (unredacted, except maintain redaction on 127674 and 127675)
. PRV 3624-3629	. AM 127681 (unredacted)
. AM 25518	. AM 127682-127683 (unredacted)
. AM 77970	. AM 127684-127685 (unredacted)
. AM 83539-83540	. AM 127686-127689 (unredacted)
. AM 94126	. AM 127691-127702
. AM 94700 (2nd redaction)	. AM 127703-127705 (unredacted, except maintain redaction on 127704 and 2nd and 3rd redactions on 127705)
. AM 116444-116445	. AM 136879
. AM 119202	. AM 144267-144269 (unredacted)
. AM 119212-119214	. AM 144288-144290 (unredacted)
. AM [*24] 119215 (unredacted)	. AM 144301-144302
. AM 119231	. AM 144303-144304
. AM 119250	. AM 144431
. AM 119253-119255	. AM 144446-144447
. AM 119309-119311	. AM 144664-144666
. AM 119632	. AM 144764 (unredacted)
. AM 125863-125864	. AM 144771-144773 (unredacted)
. AM 127020	
. AM 127028-127041	<b>[*25] Defendants' Revised Privilege Log - SBC Documents, September 17, 2001</b>
. AM 127565-127575 (unredacted, except maintain redactions on 127571 and 127573)	. PRV 2805-2807
. AM 127576-127580 (unredacted, except maintain redactions on 127577 and first redaction on 127579)	. PRV 2867-2870
. AM 127581-127587 (unredacted, except maintain redactions on 127584 and 127586)	. PRV 3006
. AM 127588-127609	. PRV 3007
. AM 127610-127615 (unredacted, except maintain redactions on 127611 and 127613)	. PRV 3008
. AM 127616-127626	. PRV 3009
. AM 127634-127637	. PRV 3011
	. PRV 3013-3014
	. PRV 3017-3021
	. PRV 3022-3023

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. PRV 3028-3030

. SBC 070923-070925

. PRV 3031-3032

. SBC 070933-070935

. PRV 3080-3081

. SBC 070940-070941

. PRV 3093

. SBC 070942-070943

. SBC 070944-070945

. PRV 3094-3097

**Defendants' Privilege Log - SBC Documents Relating  
to Count I**

. PRV 3122-3123

. PRV 1026

. PRV 3231-3232

. PRV 1517-1518

. PRV 3249-3250

. PRV 1554-1571

. PRV 3256

. PRV 1587-1592

. PRV 3258-3260

. PRV 1593-1601

. PRV 3323-3326

. PRV 1602-1612

. PRV 3328-3332

. PRV 1622-1630

. PRV 3342-3354

. PRV 1642-1662

. SBC 8600-8604

. [\*26] PRV 2791-2804

. SBC 19972-19973, 19977

. SBC 54545

. PRV 2808-2823

. SBC 61135-61136

. PRV 2871-2873

. SBC 61351

. PRV 2880-2882

. SBC 61357

. PRV 2885-2887

. SBC 61414

. SBC 61416

. PRV 2944

. SBC 070828

. PRV 2945-2951

. SBC 070832

. PRV 2952-2958

. SBC 070837-070838

. SBC 070842-070857

. PRV 2964-2967

. SBC 070859-070864

. PRV 2970-2974

. SBC 070865-070867

. PRV 2975-2977

. SBC 070896-070898

. SBC 070903-070904

. PRV 2986-2989

. SBC 070905

. PRV 2996-2999

. SBC 070917

. PRV 3000-3001

. SBC 070919

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. PRV 3044	. PRV 3293-3301
. PRV 3054-3063	. PRV 3333-3335
. PRV 3087	. PRV 3338-3339
. PRV 3107-3108	. PRV 3340-3341
. PRV 3109-3112	. PRV 3529-3534
. PRV 3113-3121	. SBC 000232
. PRV 3124	. SBC 004239
. PRV 3126-3128	. SBC 004244
. PRV 3129-3131	. SBC 004246-004247
. PRV 3132	. SBC 021160-021163
. PRV 3133	. SBC 048293
. PRV 3143-3146	. SBC 061201-061202
. PRV 3148-3149	. SBC 061206-061207
. PRV 3158	. SBC 061215-061216
. PRV 3171-3172	. SBC 061385
. PRV 3173	. SBC 061423
. PRV 3174-3190	. SBC 061530-061536
. PRV 3221	. SBC 70968
. PRV 3267-3268	. SBC 70969-70970 (unredacted)
. PRV 3290	. SBC 70971-70973 (unredacted)
	. SBC 70996-70997
	. SBC 71005-71006
	. SBC 71011-71015

**Tab 2**

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**JAMES P. BRENEISEN, JR., BARBARA L. BRENEISEN, LAURA M. JONES, ANNA M. LINEWEAVER, JENNIFER HORTON, and AMY L. BOONOS a/k/a AMY L. CLARK, Plaintiffs, v. MOTOROLA, INC., a corporation,, JUNE JOHNSON, individually and not as an employee of MOTOROLA, INC., DARLENE PATTERSON, individually and not as an employee of MOTOROLA, INC., DON SMITH, individually and not as an employee of MOTOROLA, INC., ALAN SHAW, individually and not as an employee of MOTOROLA, INC., FRANK GALINDO, individually and not as an employee of MOTOROLA, INC., ROY FAIN, individually and not as an employee of MOTOROLA, INC., and MARK LARSON, individually and not as an employee of MOTOROLA, INC., Defendants.**

**Case No. 02 C 50509**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, WESTERN DIVISION**

*2003 U.S. Dist. LEXIS 11485*

**July 3, 2003, Decided**

**July 3, 2003, Filed; July 7, 2003, Docketed**

**DISPOSITION:** [\*1] Defendants' Motion for Protective Order granted in part and denied in part.

**LexisNexis(R) Headnotes**

**COUNSEL:** For JAMES P BRENEISEN, JR, BARBARA L BRENEISEN, LAURA M JONES, ANNA M LINEWEAVER, plaintiffs: Mark J. Vogg, Williams, Montgomery & John, Ltd., Chicago, IL.

For JAMES P BRENEISEN, JR, BARBARA L BRENEISEN, LAURA M JONES, ANNA M LINEWEAVER, plaintiffs: Robert A. Clifford, Clifford Law Offices, P.C., Chicago, IL.

For JAMES P BRENEISEN, JR, BARBARA L BRENEISEN, LAURA M JONES, ANNA M LINEWEAVER, plaintiffs: Patrick E. Mahoney, Patrick Mahoney & Associates, Chicago, IL.

For JAMES P BRENEISEN, JR, BARBARA L BRENEISEN, LAURA M JONES, ANNA M LINEWEAVER, plaintiffs: Peter Thomas Shovlain, Peter T. Shovlain & Associates, Waukegan, IL.

For MOTOROLA, INC., defendant: Michael A. Warner, Joan E. Gale, Scott A. Carlson, Susan F. Gallagher, Theresa Robbins Shea, Christopher Lawrence Casazza, Seyfarth Shaw, Chicago, IL.

For JUNE JOHNSON, DARLENE PATTERSON, DON SMITH, ALAN SHAW, FRANK GALINDO, ROY FAIN, defendants: Michael A. Warner, Scott A. Carlson, Theresa Robbins Shea, Seyfarth Shaw, Chicago, IL.

For MARK LARSON, defendant: Scott A. Carlson, Seyfarth Shaw, Chicago, IL.

**JUDGES:** P. MICHAEL MAHONEY, [\*2] MAGISTRATE JUDGE, UNITED STATES DISTRICT COURT. Philip G. Reinhard.

**OPINIONBY:** P. MICHAEL MAHONEY

**OPINION:**

**Memorandum Opinion and Order**

This Court must address a discovery dispute between James P. Breneisen (the "named Plaintiff") and other current and former employees of Motorola Inc. (collectively "Plaintiffs") and Motorola Inc. and seven

individuals and supervisors of Motorola Inc. (collectively "Defendants" or "Motorola"). The current dispute before this Court is Plaintiffs' attempt to possess memoranda and emails written by the individual Defendants. In response to Plaintiffs' attempt, on December 2, 2002, while this case was still in the Eastern Division, Defendants filed a Motion for Protective Order ("Defendants' Motion for Protective Order"). Plaintiffs filed their response on December 30, 2002. On January 21, 2003, after this case had been transferred to the Western Division, Defendants filed their reply. This Court held an in court hearing on April 15, 2003. The specifics of that hearing are not relevant for the instant motion. However, what is relevant is that during that in court hearing, this Court ordered Defendants to produce the documents listed on its privilege log [\*3] for an *in camera* inspection. For the following reasons, Defendant's Motion for a Protective Order is granted in part and denied in part.

### Background

This case involves claims brought under the Family Medical Leave Act, 29 U.S.C. § 2601 ("FMLA"), as well as common law claims for intentional infliction of emotional distress ("IIED"). Plaintiffs in this case are current and former employees of Motorola's Rockford facility who allegedly exercised their rights under the FMLA. Plaintiffs' Amended Complaint contains twenty counts against Defendants. Plaintiffs are alleging they were the victims of harassment and intimidation by Defendants in order to prevent additional employees from exercising their rights under FMLA.

Vital to Plaintiffs' case are five emails that are in the possession of the named Plaintiff. Allegedly, these emails were sent between August 31, 2001 and January 7, 2002 by Defendants June Johnson and Darlene Patterson to each other and to Defendant Alan Shaw. The validity of the emails is the crux of this litigation due to the damaging nature of their content. The named Plaintiff alleges he received these emails from Motorola information [\*4] technology employee Jamie Campbell, although Ms. Campbell denies ever having the emails or giving them to the named Plaintiff.

At issue are various communications, both memorandum and email form, between Defendants after the termination of the named Plaintiff. Defendants, in order to prevent disclosure of these communications, filed a Motion for Protective Order.

Defendants maintain that Plaintiffs seek discovery of documents created by the individual Defendants who are agents of Motorola, particularly those containing summaries of factual events and investigations relating to the claims in the instant case. The memoranda at issue are identified as "February 6, 2002, regarding J.

Breeneisen" and "April 8, 2002, regarding L. Jones," and updated versions of the February 6, 2002 memorandum. n1 Defendants oppose the discovery of these items, based on the assertion that the information is protected by the attorney-client privilege and the work-product doctrine.

n1 It should be noted that Defendants' Motion for a Protective Order only sought the protection of certain documents that Plaintiffs had previously requested and not all the documents listed on Defendants' privilege log. However, Plaintiffs, in response to Defendants' Motion for a Protective Order, made it clear in their brief that they sought every document on the privilege log. Defendants, in reply, then articulated a privilege argument for every document listed on their privilege log.

[\*5]

Defendants first argue that the factual summaries and chronological statements of events are protected by the attorney-client privilege. Specifically, Defendants argue that factual summaries and chronological statements were prepared by individual Defendants and the Human Resource Manager at the direction of counsel and in anticipation of and in response to the instant litigation. In terms of the February 6, 2002 memorandum and email relating to James Breneisen, Defendants argue that the named Plaintiff informed Motorola's Human Resources Manager, Bobbi Cooper, that he was going to sue Motorola based upon his alleged treatment. Ms. Cooper, at the direction of Motorola's law department, prepared a factual summary of events relating to, and in response to the named Plaintiff's threat of litigation.

In terms of the April 1, 2, 3, 8, 22 and May 10, 2002 documents and emails relating to the Plaintiffs, Defendants argue that the individual Defendants were served with the complaint for the instant case between March 22 and April 1, 2002. These individuals contacted Ms. Cooper who in turn contacted Motorola's law department. The law department, Defendant asserts, directed Ms. Cooper to assist [\*6] the individuals in assembling information for outside counsel for litigation. Ms. Cooper, in turn, according to Defendants, communicated to the individual Defendants and assisted them in updating the memoranda relating to the named Plaintiff.

Plaintiffs argue that, in terms of the February 6, 2002 memorandum and email regarding James Breneisen, the claim that the memorandum was created at the direction of Motorola's legal department is supported only by Ms. Cooper's unverified declaration.



Additionally, documents reflecting any subsequent fact investigation of the Law and Human Resources Departments of Motorola are not privileged because they reflect statements that would have been made absent the privilege. The attorney-client privilege, according to Plaintiffs, protects only those disclosures necessary to obtain informed legal advice which might not have been made absent the privilege. Therefore, because Motorola policy requires its Human Resources Department to investigate employee complaints, Plaintiffs maintain that the documentation in question is merely documentation produced in the normal course of business and not in furtherance of litigation.

Defendants next argue, as discussed [\*7] above, that the memoranda created by Ms. Cooper and the individual Defendants were created in response to a specific threat of litigation by the named Plaintiff. Therefore, pursuant to *Federal Rules of Civil Procedure 26(b)(3)*, Defendants maintain that these documents should be privileged under the work-product doctrine.

Plaintiffs argue the February 6, 2003 memorandum and documents reflecting the subsequent fact investigation of Plaintiffs' claim were created in the ordinary course of business and are not work product. Specifically, Plaintiffs argue that not every document created or produced by a company can be categorized as work product simply because the company's internal investigation is co-existent with a present or anticipated lawsuit that is the same subject matter of the litigation. See *Caremark v. Affiliated Computer Services, Inc.*, 195 F.R.D 610, 614-15 (N.D. Ill. 2000).

Lastly, Plaintiffs argue that even if the memoranda and emails in question are protected by work-product privilege, Plaintiffs are nevertheless entitled to the documents because they have demonstrated a substantial need for the information. Specifically, Plaintiffs maintain that because [\*8] of the nature of the information, Plaintiffs cannot and will not be able to obtain the documents from any other source, and as such, Plaintiff can demonstrate both a substantial need for the materials and that Plaintiffs would suffer undue hardship in procuring the requested information some other way.

### Discussion

*Rule 26(c)* states "for good cause shown, the court in which the action is pending ... may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including ... (1) that the disclosure or discovery not be had." *Fed. R. Civ. P. 26(c)(1)*. The district court has discretion to decide when a protective order is appropriate and what degree of protection is required. *Seattle Times Co., v. Rhinehart*, 467 U.S. 20, 36, 81 L. Ed. 2d 17, 104 S. Ct. 2199 (1984). *Rule 26(c)*

states only good cause is required in determining whether or not to issue a protective order. *Id. at 37*. In deciding whether good cause exists, the district court must balance the interests of the parties taking into account, the harm to the party seeking the protective order, and the importance [\*9] of the disclosure to the non-moving party. *Wiggins v. Burge*, 173 F.R.D 226, 229 (N.D. Ill. 1997).

### A. Attorney-Client Privilege

The Seventh Circuit applies the general principles of attorney-client privilege as outlined by Wigmore:

- (1) Where legal advice of any kind is sought,
- (2) from a professional legal adviser in a capacity as such,
- (3) the communications relating to that purpose,
- (4) made in confidence,
- (5) by the client,
- (6) are at the client's instance permanently protected
- (7) from disclosure by the client or by the legal adviser
- (8) unless the protection is waived.

*United States v. White*, 950 F.2d 426, 430 (7th Cir. 1991) (citing 8 Wigmore§ 2292). Because Defendants are the party seeking to establish the privilege, Defendants bear the burden of demonstrating that all of the requirements for invoking the attorney-client privilege are met. *White*, 950 F.2d at 430. The inquiry into whether documents are subject to the privilege "must be made and sustained on a question-by-question or document-by-document basis;" it cannot be a blanket claim." *EEOC v. Int'l Profit Assoc.*, 206 F.R.D. 215, 218 (citing [\*10] *White*, 950 F.2d at 430).

The attorney-client privilege extends to corporate in-house counsel. See *Upjohn Co. v. United States*, 449 U.S. 383, 389, 101 S. Ct. 677, 66 L. Ed. 2d 584 (1981)(stating corporate employees' communications to counsel for corporation in order to secure legal advice for corporation are privileged). However, communications made by and to a corporate in-house counsel with respect to business matters, management decisions, or business advice are not protected by the privilege. 6 *Moore's Federal Practice*, § 26.49 (Matthew Bender 3d ed. 2002). To be entitled to the privilege, a corporate lawyer must not only be functioning as a lawyer, but the advice given must be predominately legal, as opposed to business, in nature. *Id.* In deciding whether the privilege exists, this Court must examine whether the lawyer was acting as a lawyer rather than a business advisor or management decision maker. Generally, there is a presumption that a lawyer in the legal department of the

corporation is giving legal advice, and an opposite presumption for a lawyer who works on the business or management side. However, the lawyer's position in the [\*11] corporation is not necessarily dispositive. See e.g., *Boca Investorings Partnership v. United States*, 31 F. Supp. 2d 9, 12 (D.D.C. 1998)(finding documents prepared by a corporate attorney who worked on business side of office were nevertheless entitled to protection because advice was predominately legal as opposed to business).

As stated above, Defendants first argue that the investigative factual summaries and chronological statements of events are protected by the attorney-client privilege. This is so, Defendants argue, because the investigative factual summaries and chronological statements were prepared by the individual defendants and Motorola's Human Resource Manager at the direction of counsel and in anticipation of and in response to filed litigation. This Court agrees that some of the communications are covered by attorney-client privilege, but not all.

As stated above, to establish an attorney-client privilege, there needs to be a communication with an attorney where legal advice is sought. After reviewing the documents submitted for an *in camera* inspection, this Court finds that only PR 0009 and 0023 falls under the attorney-client privilege. These [\*12] documents contain communications from attorneys in Defendant's corporate law department which contain advice regarding the impending litigation. As such, these documents are privileged. See *Lexecon, Inc. v. Milberg Weiss Bershad Specthrie & Lerach*, 1993 U.S. Dist. LEXIS 6898, 1993 WL 179789, \*7 (N.D. Ill. May 24, 1993)("Attorney-client privilege claims would protect only documents, from client to lawyer or from lawyer to lawyer or from lawyer to client, whose production would reveal the content of privileged communications from clients made for the purpose of securing legal advice or services.")

#### B. Work-Product Doctrine

The work-product doctrine, codified as *Rule 26(b)(3) of the Federal Rules of Civil Procedure*, protects otherwise discoverable documents and tangibles. *Rule 26(b)(3)* provides:

[A] party may obtain discovery of documents and tangible things otherwise discoverable under subdivision (b)(1) of this rule and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative (including the other party's attorney, consultant, surety, indemnitor,

insurer, or agent) only upon a showing that the party seeking discovery has [\*13] substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

*Fed. R. Civ. P. 26(b)(3)*. The test to determine whether materials were prepared in anticipation of litigation is "whether, in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation." *Binks Mfg. Co. v. Nat'l Presto Indus., Inc.*, 709 F.2d 1109, 1119 (7th Cir. 1983). To qualify under the privilege, the material sought must come into existence because of the prospect of litigation or because some articulable claim is likely to lead to litigation. *Id.* at 1120. Important to note for this case, the work-product privilege extends beyond the attorney to documents [\*14] prepared by a party's representative or agent. *Ventre v. Datronic Rental Corp.*, 1993 U.S. Dist. LEXIS 17594, No. 92 C 3289, 1993 WL 5243777, at \* 3 (N.D. Ill. Dec. 13, 1993). The work-product privilege can be rebutted, however, "if the party seeking production demonstrates both a substantial need for the materials and that it would suffer undue hardship in procuring the requested information some other way." *Logan v. Commercial Union Ins. Co.*, 96 F.3d 971, 976 (7th Cir. 1996).

In support of their position, Defendants have produced a declaration of Bobbi Cooper. Ms. Cooper's declaration is supported by the documents submitted for an *in camera* inspection to this Court. According to Ms. Cooper's declaration, on February 5, 2002, the named Plaintiff informed Ms. Cooper that he was going to sue Motorola based on his alleged treatment as an employee. After meeting with members of her team, Ms. Cooper stated that she felt it necessary to seek the advice of Motorola's law department. For the purpose of seeking legal advice, Ms. Cooper and Ms. Patterson prepared a memorandum concerning the named Plaintiff to be given to Motorola's internal law department on February 6, 2002. (Decl. [\*15] of Bobbi Cooper at P2). This document is PR 0063-0065. Two of the recipients of this document (email) were Kay Hoogland and Margaret

Hockenberry, members of Motorola's internal law department. Additionally, Ms. Cooper stated that since the named Plaintiff's statement to her regarding his suing Defendant, Motorola's internal and outside attorneys have directed her to assist them by coordinating with the individual Defendants and coordinating some of the fact gathering efforts. (Decl. of Bobbi Cooper at P4). This statement is supported by the material submitted to this Court for an in camera inspection.

For example, PR 0011-0021, 0035-0039, 0047-0062 are chronological histories submitted to Ms. Cooper by the individual Defendants on or about April 1, 2002. These documents clearly are work product as they were gathered only in anticipation of litigation and for the purposes of assisting internal and outside attorneys in this case. Additionally, documents 0004-0008, 0010, 0022, 0024-0028, and 0033 were created in anticipation of litigation and for the purposes of assisting the attorney's in the instant action. While most of these documents are merely communications regarding deposition [\*16] dates and schedules, they fit under the work-product privilege.

However, documents stamped 0001-0003, 0029-0032 and 0034 do not fit under the work-product privilege. Rather, these documents appear to be communications regarding the normal course of business activities and not prepared in anticipation of litigation. Therefore, 0001-0003, 0029-0032 and 0034 are discoverable. Defendants are ordered to produce those documents to Plaintiffs within 7 days of this Order.

Plaintiffs may still discover the documents deemed work product above, however, if they demonstrate a "substantial need" for the documents and that they would suffer "undue hardship" if they were required to obtain the information in another manner. *Caremark, 195 F.R.D. at 614*. This burden is difficult to meet and is satisfied only in "rare situations, such as those involving witness availability." *Trustmark Insurance Co. v. General & Cologne Life Re of America, 2000 U.S. Dist. LEXIS 18917, 2000 WL 1898518, at \*3* (N.D. Ill. Dec. 20, 2000). Plaintiffs have failed to meet this burden. Plaintiffs can obtain the information contained in the factual chronologies and/or investigative reports by submitting interrogatories [\*17] and/or deposing the author of the chronology or report.

#### **Conclusion**

For the above stated reasons, Defendants' Motion for a Protective Order is granted in part and denied in part. Defendants are ordered to produce the documents bate stamped 0001-0003, 0029-0032 and 0034 within 7 days of this Order. The remaining bate stamped documents are privileged.

**ENTER**

**P. MICHAEL MAHONEY, MAGISTRATE  
JUDGE**

**UNITED STATES DISTRICT COURT**

**DATE: 7/3/03**

**Tab 3**

LEXSEE 1999 US DIST LEXIS 17281

**JOHN F. BYRNES et al., Plaintiffs, -against- EMPIRE BLUE CROSS BLUE  
SHIELD, Defendant.**

**98 Civ. 8520 (BSJ)(MHD)**

**UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF  
NEW YORK**

*1999 U.S. Dist. LEXIS 17281*

**November 2, 1999, Decided  
November 4, 1999, Filed**

**LexisNexis(R) Headnotes**

**COUNSEL:** [\*1] For RICHARD G. KUNKEL, JOSEPH G. MURPHY, DANIEL ROSENBERG, DANIEL G. SANDERS, JAMES C. SNYDER, ANTHONY J. TRUHON, JOHN WANDZILAK, JR., JOHN F. BYRNES, WILLIAM A. DE MAURO, FRANCIS J. DEVLIN, MICHAEL ELKINS, JERROLD I. EHRLICH, BEVERLY GLICKERMAN, EUGENE F. HARRISON, GERALD HARRISON, JOHN F. LUCZUN, JOHN F. MULDOON, HARRY E. NICHOLSEN, RONALD D. ZAMMIT, plaintiffs: Meredith Haver Savitt, Hite & Casey, P.C., Albany, NY.

For STERLING E CATHEY, LOUIS L. LEVINE, ELLEN H. PROPP, JOHN L. SHURTLEFF, JULES K. LAMBEK, consolidated plaintiffs: Meredith Haver Savitt, Hite & Casey, P.C., Albany, NY.

For EMPIRE BLUE CROSS BLUE SHIELD, defendant: Gary H. Glaser, Seyfarth Shaw Fairweather & Geraldson, New York, NY.

**JUDGES:** MICHAEL H. DOLINGER, UNITED STATES MAGISTRATE JUDGE.

**OPINIONBY:** MICHAEL H. DOLINGER

**OPINION:**

**MEMORANDUM & ORDER**

MICHAEL H. DOLINGER  
UNITED STATES MAGISTRATE JUDGE:

Plaintiffs are former employees of the defendant Empire Blue Cross Blue Shield. They have sued under the Employee Retirement Income Security Act, 29 U.S.C. § 1101 et seq., challenging the denial by defendant of certain life insurance benefits allegedly promised to them.

The parties [\*2] currently dispute the discovery status of some documents in the possession of a non-party, the Segal Company, which served as an actuary and consultant to Empire. In that consulting capacity, representatives of Segal apparently participated in the decision-making process that led Empire to change the benefits plan in which plaintiffs were participants or beneficiaries.

Plaintiffs served a subpoena duces tecum on Segal, which triggered a motion by defendant to quash the subpoena in part. Specifically, defendant contends that seven documents sought by plaintiffs from Segal are protected by defendant's attorney-client privilege and that two of them are also immunized from discovery under the work-product rule.

For the reasons that follow, we grant the motion in part, concluding that one of the seven documents and a portion of a second document are protected.

**ANALYSIS**

Since the claims and defenses in this case arise under federal law, *Fed. R. Evid. 501* dictates that the application of the attorney-client privilege is governed by federal law. See, e.g., *United States v. Goldberger & Dubin, P.C.*, 935 F.2d 501, 505 (2d Cir. 1991); *von Bulow v. von Bulow*, 811 F.2d 136, 141 (2d Cir. 1987).

[\*3] As for the work-product rule, it is always assessed under federal law in the federal courts. See, e.g., *United Coal Cos. v. Powell Constr. Co.*, 839 F.2d 958, 966 (3d Cir. 1988); *Bowne of New York City, Inc. v. AmBase Corp.*, 150 F.R.D. 465, 471 (S.D.N.Y. 1993).

#### A. The Attorney-Client Privilege

The attorney-client privilege protects from disclosure those communications made in confidence between an attorney and a client for the purpose of facilitating the attorney's rendering of legal services to the client. See, e.g., *United States v. Constr. Prods. Research, Inc.*, 73 F.3d 464, 473 (2d Cir. 1995); *United States v. Adlman*, 68 F.3d 1495, 1499 (2d Cir. 1995); *United States v. Schwimmer*, 892 F.2d 237, 243 (2d Cir. 1989). The privilege is not limited, however, to communications directly between client and counsel. It also encompasses contacts between the attorney and a client's agent or representative and between the client and the attorney's agents, provided that the communications are intended to facilitate the provision of legal services by the attorney to the client. See, e.g., *Adlman*, 68 F.3d at 1499 [\*4] (citing *United States v. Kovel*, 296 F.2d 918, 918 (2d Cir. 1961)); *Golden Trade, s.r. L. v. Lee Apparel Co.*, 143 F.R.D. 514, 518 (S.D.N.Y. 1992) (citing 2 J. Weinstein & M. Berger, Weinstein's Evidence P 503(b)[03] at 503-1, 503-6 (1990)). Since all of the documents at issue were either authored by or sent to Segal -- which is not the client -- Empire argues that the privilege applies because Segal was assisting defendant's attorneys in preparing and rendering advice to Empire.

To assess this argument, we first turn to the evidentiary record before us. In this regard we note that the party that invokes the privilege bears the burden of proving the facts on which the privilege claim is based. See, e.g., *Adlman*, 68 F.3d at 1500. To satisfy that burden, the party cannot rely on conclusory assertions, but rather must proffer competent evidence to demonstrate that its privilege claims are well founded. E.g., *von Bulow*, 811 F.2d at 146.

In this case defendant proffers principally the affidavit of Joyce Tichy, Esq., who is an Assistant Vice President and Associate Counsel for Empire. We have also been provided portions [\*5] of the deposition testimony of S. Tyrone Alexander, the defendant's Senior Vice President of Human Resources.

We are not told in detail by either Ms. Tichy or Mr. Alexander what specific services Segal performed for Empire in connection with this project, although some idea of Segal's role may be gleaned from the withheld documents. The record so created demonstrates that Empire apparently had a long-term relationship with Segal, which served as the actuary for one or several of

the benefit plans maintained by Empire for its employees. In addition, however, a representative of Segal served on a working group established by Empire to determine whether and in what respects the company should change its benefits plans, and Segal performed other services for Empire in connection with that project.

Segal's representative on the task force was not an attorney, and Segal itself is not a law firm. Rather its expertise, insofar as pertinent to the benefits modification decision, appears to have been in acquiring information about what other companies were offering and possibly in assessing the economic and competitive significance of proposed changes in the benefit plans offered by Empire. [\*6]

Given the apparent fact that Empire and its counsel utilized the services of Segal in assessing the advisability of altering Empire's benefits plan, we do not view the Second Circuit's decision in *United States v. Ackert*, 169 F.3d 136 (2d Cir. 1999), as necessarily fatal to Empire's privilege claims. In that case the attorney for the client had consulted an accounting firm for information useful to the attorney's performance of his legal duties to the client, but there was no indication that the accounting firm had been retained in whole or in part by the attorney or the client to assist in the project for which the legal services were being provided. *Id.* at 139-40. In contrast, as noted, here the Segal Company was involved as a consultant on the very project for which the attorney was also rendering assistance to Empire.

Nonetheless, the privilege claims of Empire can succeed only if the Segal employees' participation in the assertedly protected communications was designed to assist the attorney to perform her counseling function, and not merely to aid the business decision of Empire's officers. See, e.g., *Adlman*, 68 F.3d at 1500. [\*7] To assess that question, we have reviewed the withheld documents in camera. Based on that review and the evidentiary record, we make the following rulings on defendant's claim of attorney-client privilege.

#### 1. Memorandum from Joyce Tichy, Esq. to Noel Boyland and Others

This memorandum from Empire's attorney to a number of Empire employees and to Segal's representative, Noel Boyland, encloses a draft of a letter prepared by counsel for transmission to the State Insurance Superintendent. The covering memorandum requests that Mr. Boyland and other recipients review the letter and attached documents, and in context it is evident that this review is intended to assist the attorney in preparing the final version of the letter. Since preparation of that letter is within the scope of the legal services that the attorney is providing, document 1 comes within the scope of the privilege.

## 2. Memorandum from Joyce Tichy, Esq. to Noel Boyland

This communication from Empire's attorney conveys to Segal a copy of a memorandum that the attorney was sending to the corporate client. The memo to the client conveys an item of information previously requested by the client.

This set of documents [\*8] is not protected by the privilege. First, there is no indication that counsel undertook this communication to Mr. Boyland to assist her in performing any services for the client, whether of a legal nature or otherwise. Second, the underlying memo to the client conveyed only a purely factual item of information, not self-evidently related to any legal service that an attorney might be expected to perform for a client. Since the conveyance by an attorney to a client of facts learned elsewhere is not protected by the privilege and is not ordinarily a legal service, see, e.g., *Smith v. Conway Org., Inc.*, 154 F.R.D. 73, 78 (S.D.N.Y. 1994), there is no basis for viewing this communication to Segal as protected.

## 3. Notes by Noel Boyland

This document consists of handwritten notes by Mr. Boyland of a meeting of the "Board", presumably of Empire. The notes do not, on their face, reflect any legal advice by counsel, and appear to refer to a discussion of non-legal aspects of the decision whether to modify Empire's benefit plans. Since defendant offers no competent evidence that this document reflects attorney-client privileged communications, n1 we conclude that it has [\*9] not met its burden to demonstrate the applicability of the privilege.

n1 Empire's trial attorney lists this document as privileged on the basis that it contains "notes of comments by counsel regarding legal aspects of retiree benefit changes." (Undated Declaration of Gary H. Glaser, Esq., at P 3 (quoting privilege log)). This assertion is not competent evidence, since there is no indication that trial counsel was present at the meeting, and there is no other source of information as to what the notes reflect, either from their author or from corporate counsel. As noted, the notes themselves also do not appear to reflect legal advice.

## 4. Memorandum from Sonia Peter (of Segal) to Joyce Tichy, Esq.

This memorandum was sent from an employee of Segal to Empire's counsel and conveyed certain data that the attorney had requested from Segal. It is not self-

evident from the document that the information was sought by counsel in order to facilitate her rendering of legal advice to the client, although that is at least [\*10] possible.

We infer that defendant relies in this respect on the general statement by Ms. Tichy in her affidavit that her role in connection with Empire's decision to change its benefits plans "was solely legal, and was solely to render my legal opinion regarding potential risks, ramifications or liabilities associated with various proposed changes to benefits provided by Empire to both its employees as retirees." (Aff. of Joyce Tichy, Esq., sworn to June 4, 1999, at P 8). The implication is that any request by her to Segal for information was necessarily related to her performance of her legal advisory function.

The difficulty with this assertion is that it appears to be contradicted by at least one of the withheld documents -- numbered 2 -- which, as noted, indicates that counsel was also providing the client with business-related factual data, separate and apart from her advisory function. Given this lack of clarity, we conclude that defendant has not demonstrated that this particular document was conveyed to counsel for the purpose of assisting her in formulating legal advice for the client. See, e.g., *Adlman*, 68 F.3d at 1500 (privilege claim rejected since evidence [\*11] was subject to conflicting interpretations).

## 5 & 6. Memos from Segal to Joyce Tichy, Esq. ( # 5) and from Segal to Joseph Blunk ( # 6)

The next two documents are a memorandum from Sonia Peter of the Segal Company to Empire's attorney and a letter from Ms. Peter to Empire's Vice President for Compensation, Benefits & HRIS. Each of these writings encloses the same chart, summarizing legal research performed at Segal. There is no specific indication that Segal undertook this research at the request of the attorney, and indeed the memorandum addressed to Ms. Tichy appears to suggest the contrary. n2

n2 From the letter to Mr. Blunk it may also be inferred that this research was performed at his request rather than at that of Ms. Tichy.

In this somewhat unusual circumstance we conclude that the attorney-client privilege may not be asserted. The privilege protects communications by an attorney that embody the attorney's legal advice. It also covers, as noted, communications by others within the reach of the attorney-client [\*12] relationship that are designed to facilitate the attorney's performance of legal services. It does not, however, cover communications between a non-attorney and a client that involve the conveyance of

legal advice offered by the non-attorney, except perhaps when the non-lawyer is acting under the supervision and at the direction of an attorney. See, e.g., *Nat'l Hockey League Players' Assoc. v. Bettman*, 1994 U.S. Dist. LEXIS 1160, 1994 WL 38130, at \*12 (S.D.N.Y. Feb. 4, 1994); *Stryker Corp. v. Intermedics Orthopedics, Inc.*, 145 F.R.D. 298, 305 (E.D.N.Y. 1992).

Although the matter is not free from doubt, it appears in this instance that Segal chose to undertake legal research either on its own or at the suggestion of a non-lawyer at Empire, and then provided the fruits of that research to the non-lawyer client and to Empire's counsel. Such work by a non-attorney, undertaken without a request by the attorney to assist her, is not within the privilege, see, e.g., *Occidental Chem. Corp. v. OHM Remediation Servs. Corp.*, 175 F.R.D. 431, 435 (W.D.N.Y. 1997) (no privilege absent proof that non-attorney was hired to assist counsel); *Nat'l Hockey League Players' Ass'n*, 1994 WL 38130, [\*13] at \*12 (same); cf. *Golden Trade. s.r. L.*, 143 F.R.D. at 519 (protecting communications with non-attorney patent agents), and hence is unprotected. n3

n3 We offer no suggestion as to whether these document would be protected under the work-product rule, since defendant does not invoke that defense to production for these documents.

#### 7. Memorandum from Joyce Tichy, Esq. to Noel Boyland With Attached Documents

The last document consists of a memorandum from Empire's counsel to Segal's representative, and two attached memos. One conveys four questions or requests for information from an officer at Empire, and the other embodies a proposed response, apparently authored by the attorney. In the cover memorandum, however, the attorney requests that Segal's representative review the attached response before it is conveyed to the client.

Of the four inquiries, one calls for legal analysis and the other three seek purely factual information. The responsive memorandum consists of a legal analysis prepared [\*14] by or for the General Counsel, and briefer responses to the factual inquiries.

The communication by counsel to Segal seeks assistance by the consultant in preparing a document that consists predominantly of legal advice rendered by the attorney to her client. As such it is covered by the privilege. As for the other two documents, to the extent that they reflect a request for legal advice to counsel and the attorney's advice in response to that request, they are protected.

The other segments of the two attached documents are not protected. The information in question is, as noted, purely factual, and appears to have been compiled originally by non-lawyers at Empire from the company's own records. Moreover, it is apparent that this data was intended to assist the business decision-makers to assess the economic impact of possible alternatives, and thus does not reflect the performance by counsel of legal services. See, e.g., *United States v. Millman*, 822 F.2d 305, 310 (2d Cir. 1987); *General Elec. Capital Corp. v. DirecTV, Inc.*, 1998 U.S. Dist. LEXIS 18932, 1998 WL 849389, at \*6 (D.Conn. July 30, 1998). The fact that the data was funneled by Empire through its attorney for conveyance [\*15] back to a higher level decision-maker within the company does not trigger the protection of the privilege if it would not otherwise apply.

#### B. The Work-Product Rule

In support of the motion to quash, defendant invokes the work-product rule as an alternative ground to protect against compelled production of two of the seven disputed documents, those numbered 2 and 7. n4 We conclude that document 2 is not protected by the rule, and that the portion of document 7 that embodies legal advice, and is thus covered by the attorney-client privilege, is also protected work-product.

n4 In its memorandum of law, defendant initially lists documents 1, 2 and 7 as the items for which work-product immunity is sought. (Def.'s Mem. of Law at 9). In the body of its argument, however, the memorandum refers only to documents 2 and 7. (Id. at 9-10).

*Rule 26(b)(3) of the Federal Rules of Civil Procedure* establishes a qualified immunity from discovery for documents "prepared in anticipation of litigation or for trial" by the [\*16] party or its attorney or by an agent of the party or attorney. As recently interpreted by the Second Circuit, this wording covers documents prepared "because of" litigation or the prospect of litigation, regardless of whether the document was intended to assist in such litigation. See *United States v. Adlman*, 134 F.3d 1194, 1196-1203 (2d Cir. 1998). Moreover, there is no requirement that the anticipated litigation be imminent rather than merely a potential future prospect. If the preparation of the document is attributable to concern about the possibility of such litigation in the future, Rule 26(b)(3) is triggered. *Id.* at 1198. See also *id.* at 1205 (Kearse, J., dissenting).

The protection of the work-product rule is only conditional. Thus, even if otherwise applicable, it may be overcome if the discovering party demonstrates that he



"has [a] substantial need of the materials in the preparation of [his] case and that [he] is unable without undue hardship to obtain the substantial equivalent of the materials by other means." *Fed. R. Civ. P. 26(b)(3)*. See, e.g., *Horn & Hardart Co. v. Pillsbury Co.*, 888 F.2d 8, 12 (2d Cir. 1989). [\*17]

In pressing its work-product theory, defendant makes no effort to demonstrate an evidentiary basis for its claim, at least in the affidavits and deposition testimony proffered on the motion. Again, however, it is possible that some support for the claim may be found in the substance of the withheld documents, and we have therefore referred to them for this purpose.

As noted, document 2 contains an answer to a purely factual question posed by an official at Empire. There is nothing in the document that suggests that the factual inquiry in question was motivated by a concern about possible future litigation, as distinguished from a need to assess the financial considerations that might affect the decision whether to change the company's benefits plans.

As for document 7, we have already concluded that the sections containing a legal analysis are protected by the attorney-client privilege. The same portions of the document are plainly within the ambit of the work-product rule, since the contents of the analysis make it self-evident that the concern of the client that elicited the analysis was the prospect of litigation. See *Adlman*, 134 F.3d at 1202. We also note that [\*18] plaintiffs

demonstrate no compelling need for these portions of the document, see, e.g., *Martin v. Valley Nat'l Bank*, 140 F.R.D. 291, 304 (S.D.N.Y. 1991), and therefore cannot justify setting aside the protection of the work-product rule in this instance.

The balance of the document does not trigger the same protection. It involves factual information relating to business considerations that might affect the decision in question, and we have every reason to believe that the corporate decision-makers would have reviewed such data even absent any concern about possible future lawsuits.

#### CONCLUSION

For the reasons noted, we conclude that document 1 is protected by the attorney-client privilege, and that the portions of document 7 that refer to or contain legal analysis are protected by the privilege and also constitute protectible work product. The balance of the documents at issue have not been shown to be privileged or otherwise immune from discovery and are therefore to be produced within seven days.

Dated: New York, New York

November 2, 1999

MICHAEL H. DOLINGER

UNITED STATES MAGISTRATE JUDGE

**Tab 4**

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**H****Motions, Pleadings and Filings**

Only the Westlaw citation is currently available.

United States District Court, N.D. Illinois, Eastern  
Division.

HEIDELBERG HARRIS, INC., Plaintiff,

v.

MITSUBISHI HEAVY INDUSTRIES, LTD. and  
MLP U.S.A., INC., Defendants.

No. 95 C 0673.

Dec. 18, 1996.

Alan N. Salpeter, Javier H. Rubinstein, Mayer,  
Brown & Platt, Chicago, IL, Richard L. Mayer,  
Richard L. DeLucia, Richard S. Gresalifi, Michael  
D. Loughnane, Kenyon & Kenyon, New York City,  
for Plaintiff.Harry J. Roper, William P. Oberhardt, John E. Titus  
, George S. Bosy, Roper & Quigg, Chicago, IL, for  
Defendants.*MEMORANDUM OPINION AND ORDER*

ASHMAN, United States Magistrate Judge.

**I. Procedural Background**

\*1 Defendants, Mitsubishi Heavy Industries, Ltd. and Mitsubishi Lithographic Presses U.S.A., Inc. ("Mitsubishi"), bring this motion to compel Plaintiff, Heidelberg Harris ("Harris"), to produce documents claimed to be immune from discovery under the attorney client and work product privileges and additionally, to produce, in unredacted form, documents already produced.

Prior to the filing of this motion, Harris was withholding over 500 documents under claims of attorney client and work product privilege. After

the motion to compel was filed, Harris reviewed its privilege log and produced almost 200 documents, many in redacted form. Mitsubishi, however, contends that the majority of the documents still claimed to be privileged are outside the scope of either the attorney client or work product protection. Consequently, Mitsubishi seeks the production of most of the remaining documents in unredacted form, and the unredacted production of documents already produced. The documents have been submitted to this Court for *in camera* inspection.

**II. Factual Background**

Harris brought this suit alleging the infringement of three of its patents, all of which cover offset printing presses, specifically gapless blanket cylinders, used in the printing of newspapers, magazines and other publications. The patents at issue in this case include Patent Nos. 5,304,267 ("the '267 patent"), 5,429,048 ("the '048 patent") and 5,440,981 ("the '981 patent"). Harris claims that Mitsubishi is willfully infringing these three patents, thus subjecting Mitsubishi to potential liability for treble damages. 35 U.S.C. § 284. Mitsubishi denies the infringement of any Harris owned patents and further claims that the patents are invalid and unenforceable.

**III. Legal Analysis**

In asserting that Harris' unproduced documents are not within the scope of either the attorney client or work product privilege, Mitsubishi divides the documents into five categories, with numerous documents falling into more than one category. As an introductory matter, the Court notes that, because of the large numbers of documents reviewed, the Court will make its ruling on categories of documents, rather than explaining the basis for its ruling on each document individually. However, where the Court finds that a document is not privileged, the Court will address the document individually and explain the basis for its finding.

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*Category One--Communications Not Involving Attorneys*

The first category of documents delineated by Mitsubishi are those which it claims do not contain communications to or from attorneys. Mitsubishi claims that these documents were neither authored nor received by attorneys. Defendant therefore contends that Harris must identify an attorney operating in his legal capacity to whom the document was sent or from whom the document originated in order to establish protection under the attorney client privilege. Mitsubishi essentially argues that, where the document was neither authored by or sent to an attorney, it cannot constitute a communication with an attorney, and thus is not entitled to protection under the attorney client privilege.

\*2 The essential elements of the attorney client privilege, as set forth by Wigmore, include:

- (1) Where legal advice of any kind is sought (2) from a professional legal advisor in his capacity as such, (3) the communications relating to that purpose (4) made in confidence (5) by the client, (6) are at his instance permanently protected (7) from disclosure by himself or by the legal advisor, (8) except the protection be waived.

8 J. Wigmore, EVIDENCE § 2292 at 904, (MacNaughton rev. ed. 1961).

The party asserting this privilege bears the full burden of establishing these elements. *Fischer v. United States*, 425 U.S. 391, 96 S.Ct. 1569 (1976). Therefore, the mere fact that an attorney client relationship exists does not create a presumption of confidentiality. *U.S. v. Tratner*, 511 F.2d 248 (7th Cir.1975). The party asserting the privilege must affirmatively demonstrate why the privilege should attach, which requires the party asserting the privilege to show who was involved in the communication and that the advice sought was of a legal nature. See *Fischer, supra*.

While revealing a privileged communication to a third party generally destroys the privilege, if the third party shares a community of interest with the privilege holder, the privilege remains intact. See *Baxter Travenol Laboratories, Inc. v. Abbott*

*Laboratories*, 1987 WL 12919 (N.D.Ill.1987). A community of interest arises when two parties have an identical legal interest with respect to the subject matter of a communication between an attorney and a client regarding legal advice. *Baxter Travenol*, 1987 WL 12919 at \*1. A community of interest may arise between two companies jointly developing a patent because they have a common legal interest in obtaining the greatest protection and ability to profit from the patent. *Id.* The community of interest, however, covers only communications relating to the prosecution and litigation of the patents, and not communications relating to the parties rights between themselves. *Id.* at \*2. [FN1]

FN1. During the course of the September 10, 1996 oral argument on Mitsubishi's motion, the Court ruled that Harris shared a community of interest with American Roller, but did not share any such relationship with Day International or Reeves Brothers. The Court notes, however, that a community of interest existed between Harris and Reeves Brothers solely for the purpose of the litigation discussed in Doc. No. 238 in category four. Based on this community of interest, the Court finds Doc. No. 238 to be privileged and not subject to disclosure. However, for the purposes of the other documents to which Reeves was a party, no such community of interest exists, and indeed, the Plaintiff never argued to the contrary.

Additionally, Defendants claim such documents cannot be subject to the work product immunity. The work product immunity protects from discovery an attorney's thoughts, strategies, mental processes and opinions prepared in anticipation of litigation. See *Hickman v. Taylor*, 329 U.S. 495, 67 S.Ct. 385 (1947); FED.R.CIV.P. 26(b)(3) (1970).

Keeping the above principles in mind, the Court has conducted an *in camera* review of the documents in Mitsubishi's category one. Included in this category are documents numbered:

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6, 22-24, 36, 40, 60, 66, 78, 89, 101, 128, 135, 159, 182, 196-197, 199, 267, 269, 300, 309, 321-323, 325, 352-353, 355, 367, 393, 399, 410-411, 441, 454-455, 469, 482-483, 486, 488-489, 496-499, 505, 511 and 533.

The Court finds that the following documents are subject to the attorney client privilege based on the fact that each document is either a communication from an attorney to employees of Harris conveying legal advice on the patents at issue in this case or related patents, or a communication from a Harris employee to counsel conveying information for the purposes of obtaining legal advice on the above issues:

\*3 22, 23, 24, 36, 60, 66, 78, 89, 128, 135, 159, 182, 196, 197, 199, 267, 300, 321, 322, 323, 352, 353, 355, 393, 410, 441, 469, 486, 488, 496, 497, 499, 505, and 511.

The Court also finds that the following documents, which contain attorneys' thoughts and strategies prepared in anticipation of this litigation, are subject to the work product doctrine: 60, 66, 323, and 355.

The following category one documents are not protected by the attorney client privilege or the work product immunity, or are only protected in part:

*Doc. No. 6*--This document is a handwritten note of one of the inventors, Jim Vrotacoe, regarding sleeves for the offset press. It contains neither legal advice from an attorney, nor information that was conveyed to counsel to obtain legal advice. The document is therefore not subject to any protection and must be produced unredacted.

*Doc. Nos. 40*--This is a communication from Bogert to Harris employees conveying legal advice about the Mitsubishi blanket. Pages two and three of the document are therefore privileged and need not be disclosed. However, the first page is a blank page with a handwritten note on it which is not privileged and must be produced.

*Doc. No. 101*--This is a letter from the Canadian patent agent, Dennison Associates, to a Harris employee regarding the Canadian patent

application. Although the representatives of an attorney come within the ambit of the attorney client privilege, patent agents are generally not considered to be an attorney's representatives for purposes of the privilege. [FN2] *Sneider v. Kimberly-Clark Corp.*, 91 F.R.D. 1, 5 (N.D.Ill.1980). Consequently, this document is not privileged and must be produced unredacted.

FN2. While the Court concludes that the German patent agents at issue in this case are covered by the attorney client privilege based on its analysis in the later part of this opinion, the Court notes that this determination was made as a result of evidence presented which established that the German patent agents were engaged in the substantive lawyering process and were authorized under the law of their country to act, in essence, as attorneys. This conclusion with respect to the German patent agents in no way alters the general rule that patent agents who merely act as a conduit for information are not within the scope of the attorney client privilege.

*Doc. No. 269*--This document is a letter from a Harris employee to an employee of American Roller, a company with which Harris co-developed a patent, memorializing a draft of a contract between the two companies. No attorneys were involved in this communication and the document is therefore not privileged and must be produced in unredacted form.

*Doc. No. 309*--This is a handwritten note from one Harris employee to another discussing the joint patent application with American Roller. This document was the subject of a declaration that purported to establish the existence of an attorney client privilege, however, the declaration is not sufficiently specific to convince the Court of the applicability of the privilege to a document which appears, on its face, to contain only non-privileged business information.

*Doc. No. 325*--This communication is an e-mail from one employee of Harris to another regarding the blanket rubber formulas and does not convey legal advice or information conveyed for

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purposes of obtaining such advice. The document must therefore be produced in unredacted form.

*Doc. No. 367*--This document is an invention disclosure form that is essentially identical to Doc. No. 366 which Harris voluntarily disclosed. Therefore, the privilege with respect to this document, if any existed, is waived and the document must be produced.

\*4 *Doc. No. 399*--This is an e-mail from one Harris employee to another discussing conversations with Day International. The document does not contain any privileged information and therefore must be disclosed. The Court notes that this document was the subject of a declaration that did not match the substance of the document. The declaration was therefore disregarded in ruling on this document.

*Doc. No. 411*--This communication is a facsimile from an American Day employee to a Harris employee reproducing a letter originally sent from an American Roller employee to a Day International employee. The privilege with respect to this document is waived by virtue of disclosure to a third party, Day, and the document must be produced.

*Doc. Nos. 454 and 455*--No. 454 is an e-mail from one Harris employee to another regarding blankets being developed by Grace. Doc. No. 455 is a copy of Doc. No. 454. Neither document contains any privileged communication, as both involve business information. Therefore, both documents must be produced unredacted.

*Doc. Nos. 482 and 483*--Doc. No. 482 is a letter from a Harris employee to an American Roller employee regarding the American Roller agreement. Doc. No. 483 is a copy of Doc. No. 482. Neither document involves a communication with an attorney, nor does either serve to convey legal advice. Therefore, the documents must be produced.

*Doc. No. 489*--This document is a copy of a European patent containing handwritten notes of a Harris employee reflecting information conveyed to counsel to obtain legal advice. The European patent is public information and is therefore not privileged and must be produced.

However, the handwritten notes are protected by the attorney client privilege and may be redacted.

*Doc. No. 498*--This document is the handwritten notes of a Harris employee reflecting instructions to seek legal advice on certain issues and containing miscellaneous business information. The notations concerning obtaining legal advice from Tarolli on the top of the page may be redacted as they are protected by the attorney client privilege. This information was ultimately conveyed to Tarolli to obtain legal advice on patent related issues. However, the remainder of the document is not privileged and must be produced.

*Doc. No. 533*--This communication is a handwritten memo from a Reeves employee to an American Roller employee regarding printing blanket terminology. This document contains no legal advice, nor information conveyed to obtains such advice and is therefore not privileged. Additionally, any privilege would have been waived by virtue of the document's disclosure to third parties.

*Category Two--Anonymous or Undated Documents*  
The second category of documents designated by Mitsubishi are those it contends are anonymous or undated or both. Defendant claims that these omissions make it impossible to determine the applicability of the attorney client or work product privileges. No documents which are solely in this category are any longer at issue as a result of this Court's September 10, 1996 ruling and Harris' subsequent production.

*Category Three--Document Not Addressed to a Recipient*

\*5 The third category of documents set forth by Mitsubishi includes documents not addressed to a recipient. Mitsubishi characterizes these documents as memoranda to files. Defendants argue that these documents cannot be privileged because, where a document is not addressed to anyone, there is no communication with a client. Included in category three are Doc. Nos.:

6, 22-24, 36, 66, 89, 159, 196, 197, 262-264, 273-277, 323, 353, 355, 367, 373, 393, 406, 410, 469, 486, 496-498, 505, 511 and 552.

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Memos to files prepared by non-legal personnel containing business information are clearly not privileged. These memos are not communications directed to anyone for the purpose of obtaining legal advice and cannot therefore fall within the ambit of the privilege. *Sneider*, 91 F.R.D. at 6. The same reasoning applies with equal force to memos to file prepared by counsel because, once again, the intent to confidentially communicate with the client is missing. *Id.* However, these attorney produced memos may be covered by the work product privilege if they contain the attorney's mental impressions and were prepared in anticipation of litigation. *Id.* Additionally, "memoranda of information or advice directed to or received from an attorney, prepared by an agent of the client or attorney, as a record of that advice or request are protected by the attorney client privilege. That the notes simply highlight or outline relevant portions of that advice should in no way defeat the privilege." *Abbott Laboratories v. Airco, Inc.*, Slip Op. No. 82 C 3292 (N.D.Ill. Nov. 5, 1985).

Applying the above principals, the Court finds that the following documents are subject to the attorney client privilege:

22, 23, 24, 36, 66, 89, 159, 196, 197, 262, 273-277, 323, 353, 355, 393, 406, 410, 469, 486, 496, 497, 505, 511, and 552.

The following documents are also subject to the work product privilege: 66, 323, 355, and 552.

The Court finds the following category three documents to be not within in the scope of the attorney client privilege:

*Doc Nos. 263-264*--Doc. No. 263 is a draft of a purchasing agreement between American Roller and Harris, prepared by one of Harris' attorneys. There is no claim that this draft is in any material respect different than the purchasing agreement ultimately used by the parties. The agreement concerns the parties' rights amongst themselves in the patent the two companies co-developed and does not relate to the prosecution or litigation of that patent. The communication is therefore not within the scope of the parties' community of

interest and the privilege is therefore waived. Doc. No. 264 is the same as Doc. No. 263, with the addition of the attorney's handwritten notes conveying legal advice to employees of Harris. These handwritten notes are privileged and may be redacted.

*Doc. No. 373*--This document is the typed notes of a Harris employee regarding miscellaneous information about one of the patents with handwritten notes reflecting legal advice given by one of the Harris attorneys in a meeting. The typed document is not privileged and must be produced, however, the handwritten notes are subject to the attorney-client privilege and may be redacted.

\*6 Additionally, Doc. Nos. 6, 367 and 498 were found not privileged as a result of the Court's analysis of the category one documents.

#### *Category Four--Documents Related to Internal Business Strategy*

The fourth category of documents encompasses those communications which Mitsubishi claims relate to Harris' internal business strategy regarding licensing negotiations with third parties.

Documents in category four include:

84, 87, 89, 91, 211, 238, 244, 254, 294-295, 299-300, 324-327, 337, 342, 371, 374-377, 379-387, 389-390, 392-400, 403, 405-406, 408, 410, 411-415, 418, 423, 427-431, 436, 438, 440-450, 452-456, 458-467, 469, 478-479, 481-483, 505-506 and 513.

Mitsubishi argues that, because many of the documents were sent to non-legal personnel, this indicates that the documents involve business strategy rather than legal communications.

Where the client is a corporation, the Seventh Circuit applies the "subject matter" test to determine the scope of the attorney client privilege. Under that test, "if the agent is in possession of information acquired in the ordinary course of business relating to the subject matter of his employment, and the information is communicated confidentially to corporate counsel to assist him in giving legal advice, then the communication is privileged." *See Harper & Row Publishers, Inc. v.*

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*Decker*, 423 F.2d 487 (7th Cir.1970), *aff'd*, 400 U.S. 348, 91 S.Ct. 479 (1971).

It is clear from the affidavits submitted and the context of the communications that all of the parties involved, either as authors or recipients, with the documents in this category fall within the perimeter of the subject matter test articulated above. Consequently, the Court finds the following documents to be protected by the attorney client privilege:

87, 89, 91, 211, 238, 244, 254, 294, 295, 299, 300, 324, 325-27, 337, 342, 374, 375, 376, 377, 379-387, 392, 393, 396, 398, 399, 400, 403, 406, 408, 410, 413-415, 430, 436, 438, 440, 441, 443, 446, 448, 460-467, 469, 478-479, 505, 506, and 513.

The Court also finds that Doc. No. 238 is privileged. This document is from an attorney for Reeves Brothers to the attorney for Harris discussing legal strategy and advice in anticipation of potential litigation pursuant to 35 U.S.C. § 1337. Reeves was one of two manufacturing licensees of Harris' gapless blanket technology. Reeves and Harris therefore shared the same legal interest in enforcing the Harris owned patents. Consequently, the Court finds that the two companies shared a community of interest for purposes of the information contained in Doc. No. 238.

The following documents are not privileged and must be produced either unredacted, or in redacted form, where indicated:

*Doc. No. 84*--This is a memo from one Harris employee to others regarding a meeting to discuss a review of the print blanket. The memo contains references to attorney advice on the subject of the blankets. The memo must be produced, but the attorney advice is privileged and may be redacted.

\*7 *Doc. No. 371*--This document is a letter from a Harris employee to Day's general counsel regarding the licensing agreement between the parties. This document is not privileged because it was disclosed to a third party not subject to the community of interest exception. Any privilege is therefore waived and the document must be

produced.

*Doc. No. 389*--This is an e-mail from one Harris employee to other Harris employees conveying information on a meeting with Day. Although the Court was unable to read the entire document because portions were blocked out, the information appears to be general business and scheduling information about the meeting which is not subject to the attorney client privilege. The document must therefore be produced.

*Doc. No. 390*--This communication is an e-mail from one Harris employee to several others conveying information about upcoming visits with Day and Reeves. Most of the document contains business information that is not subject to the attorney client privilege, however, paragraph three appears to contain legal advice and may therefore be redacted. The remainder of the document must be produced.

*Doc. Nos. 394, 395 and 397*--These documents are letters or memos from one of Harris' attorneys to employees of American Roller and/or Day conveying information on the licensing agreement. Because the documents were disclosed to a third party, namely Day, which is not subject to the community of interest exception, any attorney client privilege with respect to these documents has been waived, and all of the documents must be produced.

*Doc. No. 405*--This document is a memorandum from a Harris employee to the attorney for Day regarding a draft of the licensing agreement. Since Day is not covered by any community of interest exception, any attorney client privilege is waived by virtue of disclosure to a third party, and the document must be produced.

*Doc. No. 412*--This document is a letter from one of the attorneys for Harris to a Day employee regarding the '928 patent application. Disclosure to Day has waived any attorney client privilege and the document must be disclosed.

*Doc. No. 418*--This is an e-mail from one Harris employee to another regarding discussions with Day International personnel about the licensing agreement between the two companies. This communication contains business, rather than legal, information and is therefore not subject to the attorney client privilege. Doc. No. 418 must



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be disclosed.

*Doc. No. 423*--This communication is a letter from a Day employee to a Harris employee regarding the licensing agreement. Attached is a copy of the agreement with changes proposed by Day. This document originated from a third party not covered by the community of interest exception and any privilege is therefore waived. However, the handwritten notes of the Harris employee requesting legal advice are privileged and may be redacted.

*Doc. Nos. 427, 428 and 431*--These are letters or memoranda from an attorney for Reeves to a Harris employee regarding a proposed licensing agreement. Attached to *Doc. No. 427* is a draft of the agreement. Any privilege with respect to these documents has been waived by disclosure to a third party (Reeves), not covered by the community of interest exception, and the documents must be produced.

\*8 *Doc. No. 429*--This document is an e-mail from a Harris employee to other employees regarding the licensing agreement between Harris and Reeves. The information contained in this communication pertains to business and technical, rather than legal, matters and is therefore not privileged and must be produced.

*Doc. Nos. 442, 444, 445, 447, 449, 450, 452, 453 and 458*--These communications are either letters or e-mail from one Harris employee to others regarding discussions with Grace personnel about the testing of print blankets, the development of confidentiality agreements and other matters related to business conducted with Grace. These documents do not contain information conveyed for purposes of obtaining legal advice or legal opinions, but rather contain business information and are therefore not privileged and must be produced.

*Doc. No. 456*--This is a letter from one of Harris' attorneys to a Harris employee with a copy of a Grace patent attached. The letter contains legal advice and opinions and is therefore privileged, however, the attachment is public information and is subject to production.

*Doc. No. 459*--This is an e-mail from one Harris employee to others containing information on the proposed business relationship with Grace. The

document does not contain any privileged information and must therefore be disclosed.

*Doc. No. 481*--This is a two-page document. The first page contains no privileged information and must be produced. However, the second page contains information conveyed for the purpose of obtaining legal advice and is therefore privileged.

Additionally, the Court notes that *Doc. Nos. 411, 454-55, and 482-83* were ruled on in category one.

*Category Five--Documents Connected with Harris' German Patent Agents*

The fifth category delineated by Mitsubishi includes those documents connected with members of Harris' patent department in Germany, including Messrs. Bogert, Hoerschler, and Stoltenberg. Documents in category five include:

21, 34, 42, 43, 50, 95, 97, 99, 123, 168-171, 187-191, 288, 302-303, 354, 495 and 549.

After reviewing the arguments presented in the parties' memoranda submitted in connection with Mitsubishi's motion to compel, the Court requested the submission of affidavits by the members of Harris' German patent department regarding their qualifications as attorneys, the structure of the German legal system and their ability to practice law in Germany. These affidavits and a memorandum arguing that Harris' German patent employees were the functional equivalent of American attorneys were submitted along with the documents produced for *in camera* inspection and Defendants were then given leave to file a response.

The submitted affidavits establish that Mr. Stoltenberg is a Patentassessor and is the head of the Patent Department at Heidelberger Druckmaschinen AG, Harris' German parent corporation. [FN3] A "Patentassessor" is an in-house patent attorney who is qualified to practice before the German Patent Office, but who is not able to represent a client before the German District Court. Patentassessors are qualified to conduct any activities which take place before the German Patent Office, including the appealing of decisions of examiners on applications, and the filing and

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litigating of opposition proceedings. Patent assessors may also provide legal advice to clients on such issues as patentability, patent infringement and validity.

FN3. Mr. Stoltenberg is responsible for all decisions related to patent lawsuits affecting Heidelberg Harris in the United States and U.S. attorneys handling those suits report directly to and request approval for any course of action from Mr. Stoltenberg.

\*9 To become a Patent assessor, it is necessary to have a technical university degree, to have completed ten years of training with the patent department of a German company and to have passed a three-day "bar" exam concentrating on German patent law, but also covering other areas of German law. However, there is a distinction made between Patent assessors and a Rechtsanwalt, or an attorney-at-law, who appears before the civil and criminal courts.

Messrs. Bogert and Hoerschler are employed by the Patent Department of Heidelberger Druckmaschinen AG and are currently Patentanwaltzkandidats, studying to become Patent assessors. Both are qualified to render advice and opinions on patent issues to Heidelberger Druckmaschinen AG and its subsidiaries. Additionally, both have been under the supervision of and have reported directly to Mr. Stoltenberg. Mr. Bogert has been the primary person to whom Harris has turned for patent advice from October of 1988 to September of 1993.

Mitsubishi argues that, since neither Stoltenberg, Bogert, nor Hoerschler are licensed attorneys, the privilege cannot attach to any documents authored by or sent to any of them. Defendants argue that the extension of the attorney client privilege to cover communications not connected with a licensed attorney abrogates the traditionally narrow scope accorded to the privilege. By affidavit submitted from a German attorney-at-law, Defendants contend that, under German law, a Patent assessor is not capable of creating a

privileged communication and that Patentanwaltzkandidats are really no more than the German equivalent of an American law student, unable to render legal advice or create confidential communications.

Additionally, Mitsubishi claims that applying the privilege as Harris contends it should be applied would lead to an anomalous result which is contrary to the law of the United States. Mitsubishi contends that if the attorney client privilege is applied to the facts of this case, the privilege would be extended to cover a communication created outside of this country, which would not be privileged where made (in Germany) and which, if made in the United States, would not be privileged here, based on the fact that communications with patent agents are generally not privileged. Defendant argues that Mr. Stoltenberg is more closely equivalent to a Patent Agent than to an attorney.

The Court finds that Mr. Stoltenberg is the functional equivalent of an attorney and that the attorney client privilege therefore applies to legal communications with which he was involved. Additionally, the Court finds that Messrs. Bogert and Hoerschler were Mr. Stoltenberg's agents in that they shared a relationship similar to that which exists between an American attorney and a paralegal or law clerk. Therefore, legal communications emanating from or received by Bogert and Hoerschler are also subject to the privilege.

The purpose of the attorney client privilege is to encourage the free flow of communications between the professional qualified to give legal advice and the client seeking that advice. *Sneider*, 91 F.R.D. at 2. A mechanical application of this principle which focuses on labels rather than reasoning defeats the purpose of the privilege. It is therefore essential to look to the substance of the roles assumed by the parties, rather than merely ending the analysis with the titles attached to the parties involved.

\*10 In this case, Messrs. Stoltenberg, Hoerschler, and Bogert were all qualified to give legal advice

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and were in fact often relied upon by Harris in this capacity. Courts have held that, where a foreign patent agent is engaged in the "substantive lawyering process" and communicates with a United States attorney, the communication is privileged to the same extent as a communication between American co-counsel on the subject of their joint representation. *See Mendenhall v. Barber-Greene Co.*, 531 F.Supp. 951, 953 (N.D.Ill.1982); *Baxter Travenol Laboratories, Inc. v. Abbott Laboratories*, 1987 WL 12919 \*8 (N.D.Ill.1987). By parity of reasoning, where a party who may arguably be termed a foreign patent agent is engaged in the substantive lawyering process and communicates with his client, the communication is privileged to the same extent as a communication between an American attorney and his client.

The documents listed below are all communications to or from Mr. Bogert which either contain legal advice or convey information for purposes of obtaining such advice. Applying the principles discussed above, the Court finds that these documents are covered by the attorney client privilege and are therefore not subject to discovery. The privileged documents are:

21, 34, 42, 43, 50, 95, 97, 123, 168, 169, 188, 189, 190, 191, 302, 354 and 549.

The remaining documents are not privileged and must be disclosed in whole or in part for the following reasons:

*Doc. No. 99*--This document is a letter from Bogert to a Harris employee requesting a copy of the agreement between American Roller and Harris. The letter contains no privileged information and must therefore be produced.

*Doc. No. 170*--This is a letter from Wallon (written for Stoltenberg) to a Harris employee requesting an improved copy of a document which Harris previously sent to Stoltenberg. The document contains no privileged information and must therefore be disclosed.

*Doc. No. 171*--This communication is a memo from an employee at Harris to Bogert conveying business and administrative information. The memo contains no legal advice or information conveyed for purposes of obtaining such advice

and is therefore not privileged and must be produced.

*Doc. No. 187*--This is a cover letter from Bogert to a Harris employee with a copy of a German patent attached. The cover letter contains no privileged information and the German patent is information which is publicly available. Therefore, neither document is privileged and both must be produced.

*Doc. No. 288*--This is a compilation of patent evaluations and patent abstracts sent from a Harris employee to Hoerschler. The documents contain publicly available information and business advice and therefore are not privileged and must be produced.

*Doc. No. 303*--This document is a memo from one Harris employee to another conveying business, rather than legal, information or advice and is therefore not privileged and must be produced.

\*11 *Doc. No. 495*--This communication is a memo from one Harris employee to another regarding Sunday press patent activity. The document contains largely non-privileged information and must therefore be produced, however, the information contained in paragraphs 2 and 7 is legal advice, subject to the attorney client privilege, and those paragraphs may be redacted.

The final two groups of documents Mitsubishi seeks production of include A) documents related to Harris' patent applications, including patent disclosures, drafts of patent applications, and technical, non-legal material and B) the complete text of documents already produced in redacted form. Each group will be addressed individually below.

#### *Group A--Documents Related to Harris' Patent Applications*

Mitsubishi moves for discovery of documents it claims appear to be patent disclosures, drafts of patent applications, and other technical, non-legal documents. These documents include:

13-17, 46, 50, 68, 78, 80, 93, 159, 162-166, 168-173, 177-180, 182, 187-193, 198-199, 202, 204-205, 207, 209-210, 228-230, 249, 289,

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291-292, 296, 301-303, 308-309, 330-333, 339, 352-353, 357-364, 367, 373, 388, 391, 484, 486, 495-498, 511-512, 519, 521-522, 525, 529-530, 531-533, 536-549 and 557.

The intermingling of technical information with requests for legal advice or with the legal advice itself does not automatically destroy the privilege. *Sneider*, 91 F.R.D. at 4. Where the party asserting the privilege can establish that the communications were intended to be confidential and were made primarily to obtain legal advice or were primarily legal in nature, the privilege may attach. *Id.* However, this protection will not be extended to papers, communications and documents arising from *ex parte* patent proceedings and therefore, all "patent disclosures, draft patent applications and technical, non-legal material related to the final patent must be produced." *Id.*

In light of the above principles, the Court finds that the following documents are primarily legal in nature in that they predominately contain either legal advice or information conveyed for the purpose of obtaining such advice and are therefore privileged:

13, 14, 16, 17, 46, 50, 68, 78, 93, 163, 164, 166, 168, 169, 172, 173, 177, 178, 188, 192, 193, 199, 202, 204-05, 207, 209, 210, 228, 229, 289, 296, 301- 02, 309, 330-33, 339, 352, 357, 359-64, 388, 391, 484, 486, 496, 497, 519, 522, 531, 532, 536, 537-39, 547, 549 and 557.

Additionally, Doc. Nos. 17 and 549 were prepared in anticipation of litigation and contain attorney strategies and mental impressions and are therefore also covered by the work product doctrine.

The remaining documents are not privileged and must be produced in part or in whole for the following reasons:

*Doc. No. 15*--This communication is a letter from Hoerschler to a Harris employee conveying legal advice on a Mitsubishi patent, which is attached to the letter. The letter is a privileged communication and is not subject to production, however, the copy of the Mitsubishi patent is public information and must be disclosed.

*\*12 Doc. No. 80*--This is a memo from Stoltenberg to Harris employees and attorneys informing them that Mr. Hoerschler would be replacing Mr. Bogert as the patent engineer in charge of patent matters at Harris. This document contains no privileged communications and must therefore be disclosed.

*Doc. No. 162*--This is a copy of an information disclosure statement sent to the United States Patent and Trademark Office by one of Harris' attorneys. The communication is related to *ex parte* patent proceedings and appears to have been part of the patent application and is therefore not privileged and subject to discovery.

*Doc. No. 165*--This is a letter from one of the attorneys for Harris to Bogert conveying legal advice and providing information for the purposes of obtaining legal advice. Attached is a copy of a draft patent application. The letter contains privileged communications and need not be produced, however, the draft patent application is public information and must be disclosed.

*Doc. No. 171*--This communication is a memorandum from a Harris employee to Bogert discussing administrative patent matters. The memo does not contain any privileged information and is therefore subject to discovery.

*Doc. No. 179*--This document is a letter from an American Roller employee to a Harris employee discussing the joint patent application with a copy of a draft of the patent attached. The letter contains business, rather than legal, advice or information and is therefore not privileged. The draft of the patent application is also not privileged. Consequently, both documents must be produced.

*Doc. No. 180*--This is a letter from one of the Harris attorneys to a Harris employee containing legal advice on the patent information disclosure statement with a copy of the statement attached. The letter is privileged and need not be produced.

However, the attachment is part of the patent application and must be disclosed.

*Doc. No. 187*--This communication is a cover letter from Bogert to a Harris employee discussing the submission of english translations of German patents with a copy of the patents

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attached. The letter does not contain any privileged information and the patent is public information. Therefore, both must be disclosed.

*Doc. No. 198*--This is a letter from one of the attorneys for Harris to a Harris employee discussing legal advice on some of the patent applications with a copy of the patent applications attached. The letter is privileged and need not be disclosed, but the drafts of the patent applications are public information and must be produced.

*Doc. No. 230*--This document is a fax cover sheet from one of the attorneys for Harris to a Harris employee with a copy of a Mitsubishi patent attached. The cover sheet does not contain any confidential information and is therefore subject to discovery and the patent is public information and must be disclosed. However, the handwritten notes rendering legal advice which appear on the patent are privileged and may be redacted.

\*13 *Doc. No. 249*--This is a letter from a Harris employee to a Grace employee discussing experimentation on the Grace print blankets. The information appears to be primarily business information, and furthermore, any privilege which may have existed was waived by disclosure to the third party, Grace. Consequently, this document must be produced.

*Doc. Nos. 291 and 292*--*Doc. No. 291* is the same as the first part of *Doc. No. 292*, which is a two part document. The first part of *No. 292* is an e-mail from one of the Harris attorneys to Bogert discussing training sessions. The second part of *No. 292* is also an e-mail to several Harris employees from Harris' in-house counsel discussing legal advice from Harris' outside counsel. The first part of the document contains no privileged information. Therefore, both *Doc. No. 291* and the first part of *Doc. No. 292* must be disclosed. However, the second part of *Doc. No. 292* (the e-mail from Lee to Brown and others) is privileged and is not subject to discovery.

*Doc. No. 308*--This is a letter from one of the Harris attorneys to a Harris inventor conveying legal advice on the gapless blanket cylinder with a copy of U.S. patents attached. The letter is

clearly privileged and need not be produced, however, the attached patents are public information and must be disclosed.

*Doc. No. 358*--This is a memo from one Harris attorney to a Harris employee conveying legal advice on the '587 patent with a copy of an office action from the United States Patent and Trademark Office rejecting one of the Harris patent applications. The letter contains privileged communications and therefore need not be disclosed, however, the attachment is public information and must be produced.

*Doc. No. 373*--This document is the typed notes of one Harris employee reflecting patent ideas with handwritten notes reflecting legal advice given by Harris' outside counsel. The typed notes are not privileged communications and therefore must be produced, however, the handwritten notes may be redacted as they contain privileged information.

*Doc. No. 512*--This is a letter from one American Roller employee to an attorney for American Roller discussing administrative information about the joint Harris/American Roller patent. The letter does not contain any privileged communications and is therefore subject to production.

*Doc. Nos. 521 and 525*--These documents are letters from an American Roller employee to American Roller personnel and a Reeves employee. Any privilege is waived by disclosure to the third party, Reeves, with whom Harris does not share a community of interest. The document must therefore be produced.

*Doc. No. 529*--This is a letter from an American Roller employee to one of Harris' attorneys discussing administrative patent information. This document does not contain legal advice or information conveyed to obtain such advice and must therefore be produced.

*Doc. No. 530*--This communication is a letter from one American Roller employee to another discussing the joint patent developed with Harris. Information under "10/16/90" is not privileged and therefore must be produced. However, information under "10/18/90" reflects a privileged attorney client communication and therefore may be left redacted.

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**\*14** *Doc. Nos. 540-546*--These documents are letters or facsimiles from employees of NEARC or Stork Screens to employees of American Roller. Any privilege with respect to these documents is waived by disclosure to third parties (NEARC and Stork Screens) not covered by the community of interest exception and all of the documents must therefore be produced.

*Doc. No. 548*--This is an e-mail from one Harris employee to another discussing the Mitsubishi printing presses. The communication does not contain any privileged information and must therefore be produced.

The Court notes that *Doc. Nos. 170, 189-191, 303 and 495* were addressed in category five, *Doc. No. 353* was addressed in category three, and *Doc. Nos. 182, 367, 498 and 533* were addressed in category one.

*Group B--Documents Already Produced in Redacted Form*

Finally, Mitsubishi seeks production of numerous documents already produced in redacted form. Mitsubishi claims the redacted portions of these documents are not subject to any privilege and that the full text of the documents must therefore be produced. Consequently, Mitsubishi seeks the unredacted production of the following documents:

1, 2, 11, 12, 19, 35, 41, 44, 45, 47, 51-53, 56, 65, 67, 70, 72-74, 76, 77- 79, 81, 86, 88, 94, 110, 120, 127, 140, 149, 152-55, 176, 181, 185, 186, 201, 203, 208, 212, 219, 220, 234, 235, 239, 240, 242, 246, 247, 253, 257, 260, 261, 278, 283, 285, 290, 293, 307, 320, 338, 347, 365, 402, 412, 471, 473, 474, 494, 503, 515, 518, 526, 528, 530, 535 and 555.

After examining the unredacted documents, the Court concludes that the following documents need not be produced in any greater detail based on the Court's conclusion that the redacted information was protected under either the attorney client privilege or the work product doctrine:

1 [FN4], 2, 11, 45, 51, 52, 56, 67, 72-74, 76, 77, 78, 81, 86, 110, 120, 140, 149, 152-55, 185, 186, 201, 203, 208, 235, 239, 247, 257, 285, 290, 293, 307, 320, 347, 365, 402, 471, 473, 474, 494, 503,

515, 526, and 555.

*FN4.* This document is also subject to protection under the work product doctrine.

The remaining documents must be produced in unredacted form for the following reasons:

*Doc. Nos. 12 and 65*--These documents are the same--both are a fax from one Harris employee to others of a copy of a Japanese patent. Patents are public information and are therefore not privileged. Consequently, the documents must be produced.

*Doc. No. 19*--This is a fax from the Japanese division of Harris to another Harris employee of a copy of a Japanese patent application. The document must be produced for the same reasons articulated above.

*Doc. No. 35*--This document is a letter from Bogert to Harris employees regarding Mitsubishi's plan to introduce the new machines to the market. The letter contains business, rather than legal, advice and information and must therefore be produced.

*Doc. Nos. 41 and 70*--These two documents are essentially the same. Both are letters from the Japanese branch of Harris to Stoltenberg regarding the opening of a patent for public inspection and information about the patent itself.

The documents contain only business information and must therefore be produced.

**\*15** *Doc. No. 44*--This is a letter from Harris-Japan to Stoltenberg regarding research on Sumitomo's applications for patents and information on patent applications. Confidential research on matters of public record is not the equivalent of confidential legal communications and the documents must therefore be produced. *See Sneider*, 91 F.R.D. at 5.

*Doc. No. 47*--This document is a status report from an unknown source to Harris employees listing the names of individuals associated with various organizations. This document does not contain any privileged communications and must be disclosed.

*Doc. No. 53*--This is an e-mail from one Harris employee to another listing the Sunday Press inventions and information on patents and use in

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current design. Nothing in this document is privileged and therefore the entire document must be produced.

*Doc. No. 79*--This document is a status report from one Harris employee to another conveying the status of various inventions. It does not appear to contain any privileged communications, but rather merely contains business information and must therefore be disclosed.

*Doc. No. 88*--This is the handwritten notes of one Harris employee discussing gapless blanket disclosures. This document does not contain legal advice or information that is legal in nature and the document must therefore be produced.

*Doc. No. 94*--This is a letter from an employee of the European Patent Office to a Harris employee.

The Court was unable to determine the nature of this communication because the document is in German. Since the Plaintiff has failed to show how this document is privileged, the document must be produced.

*Doc. No. 127*--This is a copy of a document sent from the United States Patent and Trademark Office to one of Harris' attorneys. The redacted portion does not contain any privileged communications and therefore the entire document must be produced.

*Doc. No. 176*--This document is a memo from a Harris employee to an unknown recipient discussing the agenda for a meeting with American Roller. The document does not contain any privileged communication and must therefore be produced.

*Doc. No. 181*--This communication is a memo from one of Harris' attorneys to Harris Graphics discussing the summary of the invention, background information, a description of the invention and a discussion of the invention's patentability. The entire document must be produced with the exception of the paragraph on patentability which contains legal advice and may be left redacted.

*Doc. No. 212*--This is a letter from an employee of Perry Printing to a Harris employee discussing Perry Printing's possible patent infringement as a result of its use of Mitsubishi's presses. This document was disclosed to a third party and therefore cannot be privileged. The entire

document must be produced.

*Doc. No. 219*--This is a letter from the attorney for Sumitomo to a Harris employee discussing Harris' request for information on Sumitomo's patent, with a handwritten note directing a copy to the attention of Harris' attorneys. Nothing in this document is privileged, including the handwritten note, and the entire document must therefore be produced.

\*16 *Doc. No. 220*--This document is a letter from a Harris employee to Sumitomo requesting information on blankets used by Mitsubishi which were produced by Sumitomo, with a handwritten note to send copies to Harris' attorneys. The document contains no privileged communication and must be produced in its entirety.

*Doc. No. 234*--This is a fax cover sheet from a Harris attorney to a Harris employee with a handwritten note at the bottom from an unknown source. The fax cover sheet and the note contain no privileged information. Additionally, there is no indication who authored the note. Therefore, the entire document must be produced.

*Doc. No. 240*--This is a copy of a draft of a licensing agreement between Harris and Reeves Brothers. The redacted information is handwritten notes which are illegible. Because Plaintiff has failed to establish how these notes are privileged and because the Court is unable to make this determination on its own, the document must be produced unredacted.

*Doc. No. 242*--This is a letter from a Reeves employee to an attorney for Harris discussing the licensing agreement between the two companies, with an illegible handwritten note redacted. The entire document must be produced for the reasons stated above.

*Doc. No. 246*--This is a letter from a Harris employee to a Grace employee discussing the production of experimental blanket sleeves, with a redacted handwritten note from a Harris employee to send copies to the attorneys for Harris. The note does not contain privileged communications and the letter must therefore be produced unredacted.

*Doc. No. 253*--This is a letter from a Harris employee to an employee of Day International with a redacted handwritten note by an unknown

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author to send a copy of the letter to the attorneys and with attached fax cover sheets from Harris' in-house counsel to outside counsel. None of the redacted information is legal advice or information conveyed to obtain such advice and the entire document must therefore be disclosed.

*Doc. Nos. 260, 261 and 278*--These documents all contain redacted handwritten notes either addressing a copy of the document to a Harris attorney or making general notations on patent related matters. The author of the notes in Doc. No. 278 is unknown. The notes do not contain privileged communications and therefore, the documents must all be produced unredacted.

*Doc. No. 283*--This is a two part document. The first part is a memo from one Harris employee to another discussing the status of the patents with redacted information that appears to be the Harris employee's guess on the odds of obtaining a patent on some of the new inventions. The redacted material is not privileged and must be disclosed. The second part of the document is a status report conveying legal advice of a Harris attorney and is therefore privileged. The second part of the document need not be produced.

*Doc. No. 338*--This is a memo from one Harris employee to another discussing a meeting with Day International with redacted information on what the attorneys for Day will tell the attorneys for Harris about the subjects discussed at the meeting. The information discussed at the Day meeting is not subject to any attorney client privilege because Day is a third party which does not share any community of interest with Harris. Consequently, any privilege that would have inhered in these discussions is waived and the entire document must be produced.

\*17 *Doc. No. 412*--This is a letter from the attorney for Harris to an American Roller employee discussing the jointly developed patents with redacted notations and symbols by an unknown author. Because the author of these notations is unknown, the Court is unable to determine the applicability of any privilege and the documents must therefore be produced in unredacted form.

*Doc. No. 518*--This is a letter from one American Roller employee to another discussing the joint

patent developed with Harris. The paragraph that begins with "(2)" contains legal advice and may be redacted, however, the remainder of the document contains strictly non-privileged information and must therefore be produced.

*Doc. No. 528*--This document is a letter from a Reeves employee to an American Roller employee discussing the patent on microspheres. The communication was revealed to a third party (Reeves) and therefore, the Court finds that any privilege is waived and the entire document must be produced.

*Doc. No. 530*--This communication is a letter from one American Roller employee to another discussing the joint patent developed with Harris. Information under "10/16/90" is not privileged and therefore must be produced. However, information under "10/18/90" reflects a privileged attorney client communication and therefore may be left redacted.

*Doc. No. 535*--This is a letter from one American Roller employee to another discussing the joint American Roller/Harris patent application. The document does not contain any privileged information and must therefore be produced.

#### *Conclusion*

Based on the above reasons, Mitsubishi's motion to compel is granted in part and denied in part. Pursuant to this ruling, the Court orders the production of the documents specified in the individual rulings made in each category and group.

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#### **Motions, Pleadings and Filings (Back to top)**

- 1:95cv00673 (Docket) (Feb. 02, 1995)

END OF DOCUMENT



**Tab 5**

LEXSEE 2005 US DIST LEXIS 911

**MADISON HOBLEY, Plaintiff, v. CHICAGO POLICE COMMANDER JON  
BURGE, et al., Defendants.**

**Case No. 03 C 3678**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF  
ILLINOIS, EASTERN DIVISION**

*2005 U.S. Dist. LEXIS 911*

**January 12, 2005, Decided  
January 13, 2005, Docketed**

**SUBSEQUENT HISTORY:** Sanctions disallowed by, Motion denied by *Hobley v. Burge*, 226 F.R.D. 312, 2005 U.S. Dist. LEXIS 3904 (N.D. Ill., 2005)

**PRIOR HISTORY:** *Hobley v. Burge*, 2004 U.S. Dist. LEXIS 6858 (N.D. Ill., Apr. 20, 2004)

**DISPOSITION:** Jones Day's motion for reconsideration DENIED.

**LexisNexis(R) Headnotes**

**COUNSEL:** [\*1] For MADISON HOBLEY, Plaintiff: Kurt Henry Feuer, Jonathan I. Loevy, Arthur R. Loevy, Jonathan A. Rosenblatt, Michael I Kanovitz, Loevy & Loevy, Chicago, IL; Andrea D. Lyon, Center for Justice in Capital Cases, DePaul College of Law, Chicago, IL.

For JON BURGE, CHICAGO POLICE COMMANDER, ROBERT DWYER, DET., JAMES LOTITO, DET., VIRGIL MIKUS, DET., DANIEL MCWEENEY, DET., JOHN PALADINO, DET., PATRICK GARRITY, SGT., Defendants: James Gus Sotos, Michael William Condon, John J. Timbo, Elizabeth A Ekl, Hervas, Sotos, Condon & Bersani, Itasca, IL.

For CITY OF CHICAGO, Defendant: William J. Holloway, Steven M. Puiszis, Charles Robert Schmadeke, Robert Thomas Shannon, Renee Patrice O'Neill, William Yu, Elizabeth F Staruck, Corinne Cantwell Heggie, Hinshaw & Culbertson, Chicago, IL; John Patrick Goggin, Joseph R. Curcio, Ltd., Chicago, IL; Terrence Michael Burns, Harry N. Arger, Paul A.

Michalik, Daniel Matthew Noland, Dykema Gossett Rooks Pitts PLLC, Chicago, IL; June K. Ghezzi, Gregory Steven Otsuka, Jones Day, Chicago, IL.

For LEROY MARTIN, GAYLE SHINES, Intervenor: Martin Peter Greene, Eileen Marie Letts, Kevin Thomas Lee, Terry Miller, Greene & Letts, Chicago, IL.

**JUDGES:** Magistrate [\*2] Judge Geraldine Soat Brown, Judge Marvin Aspen.

**OPINIONBY:** GERALDINE SOAT BROWN

**OPINION:**

**MEMORANDUM OPINION AND ORDER**

Geraldine Soat Brown, Magistrate Judge

Before the court is a motion filed by non-party Jones Day for reconsideration of this court's April 20, 2004 Opinion and Order requiring that certain documents be produced to counsel for plaintiff Madison Hobley. n1 After careful consideration of the issues, including an evidentiary hearing, Jones Day's motion for reconsideration is DENIED.

n1 This motion and supporting memorandum do not appear on the court's docket and do not have a docket number.

**PROCEDURAL BACKGROUND**

A. Jones Day's motion

From 1991 through 1994, attorneys from the law firm Jones Day represented the City of Chicago ("City") in proceedings entitled *City of Chicago v. Burge, et al*, brought by the police board to terminate former Police Commander Jon Burge. (Jones Day's Mem. Supp. Mot. for Recons. ("JD Mem.") at 2; *id.*, Ex. 1, Affidavit of June K. Ghezzi P 1.) [\*3] Jones Day continues to represent the City in other matters. (*Id.*) Both the City and Jon Burge are defendants in this case. In the April 20, 2004 Opinion and Order, the City was ordered to produce to Hobley's counsel all of the "Jones Day Police Board documents." (Op. & Order, April 20, 2004 at 16.) [Dkt 158.] On May 12, 2004, lawyers from the Jones Day firm appeared in court, seeking reconsideration of the April 20, 2004 Opinion and Order to the extent that it requires production of "police board documents" that are still in Jones Day's possession. Jones Day is not a party to this action, but was permitted to bring the present motion in which it asserts that the documents are protected by attorney-client privilege and work product protection.

On June 16, 2004, this court denied Jones Day's motion for reconsideration insofar as it attempted to assert the attorney-client privilege, and ordered an evidentiary hearing on the work product protection claim. (Order, June 16, 2004.) [Dkt 216.] Jones Day objected to the June 16, 2004 order. (Jones Day's Objections.) [Dkt 255.] District Judge Aspen upheld the order requiring a witness from Jones Day to appear for an evidentiary hearing [\*4] on the work product protection claim, but reversed the finding that the City had waived its attorney-client privilege as to the Jones Day police board documents and directed that the City be given an opportunity to present evidence on the attorney-client privilege issue at the evidentiary hearing. (Op. & Order, July 23, 2004 at 3, 4-5.) [Dkt 279.]

#### B. The evidentiary hearing

The evidentiary hearing was held on August 23, 2004. At the hearing, the City did not produce a witness to testify or other evidence in response to the opportunity presented in Judge Aspen's order. Instead, the City's counsel informed the court that an agreement had been reached with Hobley's attorneys regarding the attorney-client privilege aspect of the documents at issue and that those documents had been produced pursuant to that agreement. (Tr. at 4, 108-09.) n2 This court understands that to mean that the City is not contesting the court's previous finding that the City's former counsel from the law firm of Hinshaw & Culbertson (the "Hinshaw firm") was authorized to waive the attorney-client privilege and the City's work product protection with respect to the Jones Day police board documents. "The [\*5] attorney-client privilege belongs to the client alone." *In re Special*

*September 1978 Grand Jury (II)*, 640 F.2d 49, 62 (7th Cir. 1980). Because the City has waived the attorney-client privilege, any "police board documents" being withheld by Jones Day solely on the basis of attorney-client privilege must be produced.

n2 Except as otherwise stated, transcript references are to the evidentiary hearing held on August 23, 2004, and exhibit numbers refer to exhibits admitted at that hearing.

Because Jones Day's motion was brought by an entity (Jones Day), this court's order establishing the evidentiary hearing directed Jones Day and the Hinshaw firm each to produce at the hearing a witness pursuant to *Fed. R. Civ. P. 30(b)(6)* to testify as to certain matters. (Order, June 16, 2004.) Notably, the witness presented by Jones Day, attorney June K. Ghezzi, admitted that the inquiry she made in order to testify as to information possessed by "Jones Day" was limited. She testified that she spoke with a legal [\*6] assistant, Julianne Foran, several secretaries and the manager of the records department. (Tr. 113-14.) She apparently did not make any inquiry as to the knowledge of any other Jones Day partner. (Tr. 157.) n3 Apparently, she did not inquire of the other Jones Day attorneys who, Jones Day states, had represented the City in the police board proceedings. (JD Mem at 2 n. 1.)

n3 Jones Day is a general partnership of attorneys. (Tr. at 153.)

#### RELEVANT FACTS

Certain facts relating to this motion are undisputed. Other matters initially asserted as fact turned out, at the evidentiary hearing, to have very little support and a surprising lack of contemporaneous documentation, especially considering that all of the participants are lawyers or paralegals working under attorney supervision.

#### A. The grand jury subpoena covering the police board documents

Jones Day states that, in representing the City in the police board proceedings, its attorneys created documents in anticipation of and during those proceedings [\*7] reflecting the attorneys' legal opinions, mental impressions, and litigation strategy. (Jones Day's Resp. to Magistrate Judge Brown's Aug. 24, 2004 Order ("JD Suppl. Resp.") at 2.) [Dkt 308.] Jones Day further states that following the conclusion of that matter, it

maintained those documents in Jones Day's secure office and later at a secure off-site storage facility used by the firm. (JD Mem. at 2; Ghezzi Aff. P 2.) In May 2002, the City retained the Hinshaw firm in connection with the investigation by the Special Prosecutor into charges of police brutality by Jon Burge and others. (Objection by Def. City of Chicago to Magistrate Judge Geraldine Soat Brown's 5/12/04 Order, Ex. B, Affidavit of James Navarre P 2.) [Dkt 196.]

On December 16, 2002, Jeffrey Given, Chief Assistant Corporation Counsel for the City, informed Ms. Ghezzi that a grand jury subpoena had been served on the City pertaining to the Special Prosecutor's investigation, and that the documents in Jones Day's possession relating to the police board proceedings were likely covered by the subpoena. (Ghezzi Aff. P 3; Ex. JD 3.) Ms. Ghezzi's affidavit also states that on the following day she communicated with Jack Goggin, [\*8] an attorney with the Hinshaw firm, regarding the production of those documents, and that during that conversation, Ms. Ghezzi informed Mr. Goggin that Jones Day would segregate the privileged documents and produce the non-privileged police board documents. (Ghezzi Aff. P 4.) During her testimony at the evidentiary hearing, Ms. Ghezzi had a general recollection that she told "anybody who asked," "We'll give you the non-privileged documents... We'll pull them, I'll give you the non-privileged documents." (Tr. at 122.)

In late 2002 and January 2003, Jones Day retrieved 57 boxes of documents relating to the police board proceedings from its off-site storage facility. (*Id.* at 123; Ghezzi Aff. P 5.) In January 2003, Jones Day legal assistants reviewed the documents and culled out five boxes that allegedly contained privileged materials. (*Id.* at 123-24, 127.) n4 All of the review and selection of privileged documents was done by non-attorneys; no attorney at Jones Day reviewed the documents in the five withheld boxes. (*Id.* at 146-47.) Ms. Ghezzi testified that she would not have reviewed the selection of the documents until it came time [\*9] to prepare the privilege log. (*Id.* at 147.)

n4 Ms. Ghezzi referred to these documents as "privileged" documents, but the court understands that to include documents that Jones Day asserts are protected as work product.

Ms. Ghezzi testified that her normal procedure for dealing with privileged documents involves creating a privilege log. (*Id.* at 130.) She testified that she did not create a privilege log between late 2002 and March 2003

because she thought the Hinshaw firm would inform her when a privilege log was necessary. (*Id.* at 130-31.)

The Hinshaw firm's witness at the evidentiary hearing testified that his firm became aware that Jones Day was pulling privileged documents from the documents being produced in late 2002. (*Id.* at 36.) Ms. Ghezzi also testified that her client contact at the City, Jeffrey Given, knew that Jones Day was reviewing the police board documents for privilege and that those privileged documents would not be produced to the Hinshaw [\*10] firm. (*Id.* at 129-30.) However, her basis for that belief was that it was "what [she] would do in any case." (*Id.* at 130.) Jones Day did not produce any writing confirming to the City or the Hinshaw firm that it was withholding documents.

After the allegedly privileged documents were removed, the remaining documents (52 boxes) were produced to the Hinshaw firm around January 9, 2003. (Ghezzi Aff. PP 6-7.) Again, surprisingly, Jones Day produced no receipts, cover letters or other documents reflecting the transfer of 52 boxes of documents to the custody of another law firm.

Ms. Ghezzi claims that on January 23, 2003, attorney Robert Shannon from the Hinshaw firm contacted her about the production of the police board documents and informed her that a privilege log would eventually be needed, but there had been "some sort of postponement and such a log would not be needed at that time." (*Id.* P 8.) However, the Hinshaw firm's witness at the evidentiary hearing testified that the Hinshaw firm's records reflect no such conversation between Ms. Ghezzi and Mr. Shannon, and Mr. Shannon has no recollection of that conversation. (Tr. at 45-48.)

Jones Day's billing records, Ex. [\*11] JD 18, contain an entry for February 3, 2003, that Ms. Ghezzi interpreted as reflecting time spent leaving a voice mail message for the Special Prosecutor, Edward Egan, in response to a communication from Mr. Egan to another Jones Day lawyer. (*Id.* at 133-34.) She testified that in that voice mail message she told Mr. Egan that Jones Day was producing non-privileged documents to the Hinshaw firm. (*Id.* at 134.) She believes that she "would have also said that we have the privileged documents here, and call me if you have any questions." (*Id.*) Apparently, Jones Day did not confirm that communication in writing.

The Hinshaw firm produced the police board documents to the Special Prosecutor in January and February 2003. (Navarre Aff. P 3.) Notwithstanding her conversation with Mr. Given in December 2002, and the communication from the Special Prosecutor in February 2003, Ms. Ghezzi testified that she was not aware until "almost a year later" that the documents that Jones Day

had transferred to the Hinshaw firm had been produced to anyone. (Tr. at 131.)

**B. Discovery in this lawsuit; Hobley's Second Motion to Compel**

Madison Hobley filed this lawsuit in May 2003. From [\*12] June 2003 until May 2004, the City was represented in this case by attorneys from the Hinshaw firm, including Steven Puiszis, who was the *Rule 30(b)(6)* witness presented by the Hinshaw firm at the evidentiary hearing. (*Id.* at 10; Atty. Appearance [dkt 10]). In August 2003, Judge Aspen ordered that the City "expedite" its responses to Hobley's discovery. (Order, Aug. 19, 2003.) [Dkt 30.] In September 2003, Hobley's counsel filed Hobley's Second Motion to Compel, asking that the City be ordered to respond to Hobley's document requests including documents concerning the police board proceedings to terminate Jon Burge. (Pl.'s Second Mot. Compel, Ex. A, Pl.'s First Set of Requests for Production.) [Dkt 39.] Although the Hinshaw firm attorneys knew that Jones Day had retained five boxes of police board documents, the City's counsel did not make any effort to obtain or review the five boxes of documents. (Tr. at 50.) Nor did the City's counsel request a privilege log from Jones Day at that time. (*Id.*)

The outcome of Hobley's Second Motion to Compel was recited in the April 20, 2004 Opinion and Order, at 4-8. Relevant to the present motion are orders granting the Second Motion [\*13] to Compel (Order, Oct. 8, 2003) [dkt 47]; Op. & Order, Oct. 14, 2003 [dkt 50]), including an Opinion and Order entered on November 10, 2003, sanctioning the City's then-counsel Mr. Shannon and requiring the City to produce a privilege log by December 2, 2003, to preserve any privileges the City intended to assert (Op. & Order, Nov. 10, 2003 at 10-11) [dkt 63]). The privilege log was to cover any documents the City intended to withhold on the ground of any privilege. (*Id.*) The order excepted only documents covered by the then-existing stay on *Monell* discovery. (*Id.* at 10.) Notably, both the October 14, 2003 Opinion and Order and the November 10, 2003 Opinion and Order were prominently featured in the *Chicago Daily Law Bulletin*. n5

n5 The articles included: Patricia Manson, *City Violated Rules of Procedure By Not Fully Responding: Judge*, Chi. Daily L. Bull. 3 (October 17, 2003); Patricia Manson, *Judge Eases Up As Attorneys for City, Ex-Inmate Wrangle Over Torture Claim*, Chi. Daily L. Bull. 3 (October 20, 2003); and Patricia Manson, *U.S. Judge Penalizes City for Discovery Rule*

*Violations*, Chi. Daily L. Bull. 1 (November 11, 2003).

[\*14]

The City did not submit a privilege log or assert any privilege by December 2, 2003, and Hobley's counsel moved for a finding of waiver of privilege. (Pl.'s Mot. Finding of Waiver.) [Dkt 81.] That motion was heard on December 10, 2003. At that hearing, the City's counsel informed the court and Hobley's counsel that the City was not claiming any privilege as to any of the discovery requests and that it was producing all responsive documents except those covered by the stay on *Monell* discovery. (Ex. Pl. 12, Tr. Dec. 10, 2003 at 41-53.) The City's counsel attempted to argue that the City should be able to claim privileges for responsive documents it located in the future. (*Id.* at 46-47, 53.) This court responded that each party is required to make a reasonable search of documents in its possession, custody and control, and produce them by the date they are required to be produced, adding:

And, you know, my point is, don't come back later with a document that was in your possession, custody or control today and say we're not producing this on the basis of privilege or governmental immunity or something else... We're not having a cache of documents held back because [\*15] of some privilege that has not been asserted.

(*Id.* at 46, 48.) Hobley's motion for finding of waiver of privilege was deemed moot because "the defendant[s] have represented to the Court and to counsel that the defendants are not asserting any privileges with respect to the documents that the defendants have been ordered to produce." (Order, Dec. 10, 2003.) [Dkt 82.]

Mr. Puiszis testified at the evidentiary hearing on the present motion that he and Jeffrey Given were aware at the time of the December 10, 2003 hearing that Jones Day had withheld documents based on attorney-client and work product privilege. (Tr. at 57-58, 61.) n6 Mr. Puiszis testified that he believed that his statements to the court and Hobley's counsel that the City was not withholding any documents on the basis of privilege were not misrepresentations because he believed that the five boxes of documents held by Jones Day were covered by the stay of *Monell* discovery. (*Id.* at 51-53, 84.) However, the actions of the City and its counsel belie that belief. Although Mr. Puiszis testified that the City produced those documents "without waiving [the City's] *Monell* objection" (*id.* at 51), [\*16] the City has never presented any document or other evidence that such a

reservation was expressed at the time. Significantly, prior to the December 10, 2003 hearing, in October 2003, Mr. Shannon wrote to Hobley's counsel, "We have offered to make available the Jon Burge police board file, obviously subject to our existing attorney eyes only agreement." (City's Reply Supp. Cross-Mot. Protective Order, Ex. A, Oct 27, 2003 letter, Shannon to Loevy at 5.) [Dkt 136.] A few days later, Mr. Shannon wrote again to Hobley's counsel confirming that the "Jon Burge police board records" would be available after review by other defendants' counsel. (*Id.*, Ex. C, Oct. 31, 2003 letter, Shannon to Loevy at 1.) Neither letter contains any expression suggesting that the City viewed the Jones Day police board documents as *Monell* discovery (or any suggestion that some of the police board documents were being withheld). The City produced the police board documents in January 2004 when the stay on *Monell* discovery was still in effect, demonstrating the City's belief that they were *not* covered by the stay.

n6 The transcript erroneously states Mr. Given's name as "Gibbon."

[\*17]

Significantly, no one on behalf of the City gave Hobley's counsel or the court any reason to suspect that there was a subset of the "Jones Day police board documents" that had not been produced because of a claim of privilege, until the March 2004 briefing on Hobley's Fourth Motion to Compel.

C. Hobley's Fourth Motion to Compel, and the April 20, 2004 Opinion and Order

In January 2004, the City's attorneys made available for review by Hobley's counsel what was represented to be "the Jones Day Police Board documents." That production generated Hobley's Fourth Motion to Compel, which was granted in the April 20, 2004 Opinion and Order. The City submitted a motion and two briefs in connection with Hobley's motion. n7 In its cross-motion for protective order filed on February 10, 2004, the City stated, "A decision was made not to assert any claim of privilege or work production [sic] in connection with the Jones Day records." (City's Cross-Mot. Protective Order at 5.) [Dkt 110.] The first hint that not all of the "Jones Day Police Board documents" had been produced appeared in a footnote in the City's March 16, 2004 reply brief. See April 20, 2004 Opinion and Order at [\*18] 15. Accordingly, the City was ordered to produce any "Jones Day Police Board documents" that had not yet been produced. (*Id.* at 15-16.) The fact that unproduced documents were still in Jones Day's possession was not

revealed to the court or Hobley's counsel until after the April 20, 2004 Opinion and Order had been entered.

n7 Specifically, the City filed a cross-motion for protective order on February 10, 2004; a reply in support of its cross-motion on March 16, 2004; and a response to Hobley's sur-reply on March 31, 2004. Those documents were filed under seal, without permission.

At the evidentiary hearing, the Hinshaw firm's witness presented no credible testimony about the basis for the statement that "A decision was made not to assert any claim of privilege or work production [sic] in connection with the Jones Day records." (City's Cross-Mot. Protective Order at 5.) The only explanation proffered was that the statement was "inartfully drafted." See Tr. at 99. The City's counsel knew, even as the [\*19] motion containing that statement was signed and filed, that Jones Day was holding documents on the basis of a claim of privilege. In fact, when a paralegal at the Hinshaw firm found a Jones Day's attorney notebook from the police board proceedings among the 52 boxes of documents, the Hinshaw lawyers returned the notebook to Jones Day. (*Id.* at 100, 101-03.)

#### D. Jones Day's knowledge and actions

As discussed above, Jones Day took no action to advise Hobley's counsel that it was holding documents responsive to Hobley's document requests, or to assert any privilege or claim of protection for those documents, until its lawyers appeared in court in May 2004, seeking reconsideration of the April 20, 2004 Opinion and Order. Jones Day states that until April 21, 2004, when an attorney from Hinshaw faxed a copy of the April 20, 2004 Opinion and Order, Jones Day knew nothing about the proceedings in this case. (JD Suppl. Resp. at 3, 4, 7-8.) Ms. Ghezzi testified that she was not aware of this lawsuit until April 2004. (Tr. at 150.)

This court finds simply not credible Ms. Ghezzi's testimony as Jones Day's *Rule 30(b)(6)* witness that the partnership "Jones Day," including Ms. Ghezzi, [\*20] was not aware of this lawsuit and not aware of the need for Jones Day to act to assert any privilege or protection over the documents it was holding.

First, to believe that until April 21, 2004, Ms. Ghezzi and the other partners of Jones Day, for whom Ms. Ghezzi testified as a *Rule 30(b)(6)* witness, were unaware of this lawsuit and the other civil lawsuits filed against the City (Jones Day's client) relating to allegations of torture by Jon Burge and other police officers (a matter on which Jones Day had represented

the City and was holding relevant documents) would require this court to believe that those lawyers are completely isolated from an important and intensively reported legal controversy in the community in which they live and practice law. This lawsuit, filed in May 2003, and other lawsuits subsequently filed by former Death Row inmates who claim they were tortured while in Chicago police custody, have been the subject of reports in print, radio and television. Indeed, Ms. Ghezzi admitted that she knew there were civil proceedings pending against Jon Burge. (*Id.* at 150-51.) As noted above, orders entered in this case were the subject of prominent and repeated coverage [\*21] in October and November 2003 in the *Chicago Daily Law Bulletin*. Ms. Ghezzi admitted that the Jones Day law firm subscribes to the *Chicago Tribune* and the *Chicago Daily Law Bulletin*, although she personally does not read the *Law Bulletin*. (*Id.* at 129.)

Even if this court were to credit that the Jones Day partners, including Ms. Ghezzi, were oblivious to those events, the evidence demonstrates that Jones Day was put on notice of this lawsuit, including the production of the police board documents, months before Jones Day came forward to acknowledge that it was holding documents and claim protection against producing them. Ms. Ghezzi stated in her affidavit that on February 23, 2004, Mr. Puiszis called her and informed her that the police board documents had been produced and that a privilege log was required for the documents that Jones Day had withheld on privilege grounds. (Ghezzi Aff. P 9.) Jones Day's billing records confirm that conversation. (Ex. JD 21.) Mr. Puiszis testified that he called Ms. Ghezzi on February 23, 2004 and requested that Jones Day prepare a privilege log because he believed that the stay on *Monell* discovery in this case would soon be [\*22] lifted. (Tr. at 53, 66.) In that conversation, they discussed this lawsuit and the pending motion to compel (apparently Hobley's Fourth Motion to Compel). (*Id.* at 68-69.) Mr. Puiszis testified that he believes Ms. Ghezzi was "aware of the fact that there had been a lawsuit filed" at the time of that February 23, 2004 conversation and does not think it came to her as a surprise. (*Id.* at 74-75.) Although the discussion of the then-pending motion may have focused on City documents that the Hinshaw firm claimed were inadvertently produced, there is no doubt that, at least by February 23, 2004, Jones Day was on notice that there was a pending civil suit in which the 52 boxes of police board documents it had turned over to the Hinshaw firm had been produced to opposing counsel, and that Jones Day needed to prepare a privilege log for the documents it was holding. (*Id.* at 69-75, 99.)

In addition, there were a number of other conversations in February and March 2004 between representatives of the Hinshaw firm and representatives

from Jones Day about the need for Jones Day to produce a privilege log. *See id.* at 68-69, 73-75, 89-90. On February 27, 2004, Julie Foran, a paralegal [\*23] at Jones Day, called Mr. Puiszis about reviewing the 52 boxes at Hinshaw. (*Id.* at 105.) Mr. Puiszis believes that by that date, Jones Day knew that the 52 boxes of police board documents had been produced to Hobley's counsel. (*Id.* at 106.)

On March 4, 2004, Mr. Puiszis and Ms. Ghezzi had a telephone conversation lasting a half hour by Jones Day's records. (Ex. JD 24.) Ms. Ghezzi's own notes of that conversation state that "boxes" had been "already turned over... per Brown's" order. (Ex. JD 9; Tr. 161-62.) Ms. Ghezzi testified that she knew that "Brown" referred to this judge. (Tr. at 162.) Thus, it is clear that by March 4, 2004, at the very latest, Jones Day was aware that the police board documents had been produced in a case pending in this federal court. Ms. Ghezzi testified that she could not "differentiate" whether the documents had been produced to the Special Prosecutor or to Hobley's counsel. (*Id.* at 183-84.) The court finds it not credible that Ms. Ghezzi did not know and did not ask.

Also in March 2004, a Jones Day paralegal called Mr. Puiszis asking when the privilege log was due. (Ex. HC 6; Tr. at 84-85.) On March 22, 2004, a paralegal at the Hinshaw firm [\*24] advised a Jones Day's paralegal that she needed the privilege log "as soon as possible." (Ex. HC 2; Tr. 86-87.) On March 31, 2004, Ms. Ghezzi had another telephone conference with a lawyer from the Hinshaw firm regarding the privilege log, as well as a telephone call with Jeffrey Given on the same topic. (Ex. JD 24.)

Ms. Ghezzi's affidavit states that Jones Day began to prepare a privilege log the week after her February 23, 2004 conversation with Mr. Puiszis, and that the privilege log was prepared "in the ordinary course" because Jones Day was not given any date by which the log had to be submitted. (Ghezzi Aff. P 10.) However, she testified that Mr. Puiszis told her that the privilege log was due "as soon as you can" and "as soon as possible." (Tr. at 169, 184.) The Jones Day paralegal did not start organizing boxes to begin the privilege log until March 15, 2004, and did not begin "in earnest" to work on the privilege log until April. (*Id.* at 171.) Ms. Ghezzi received a complete draft from the paralegal on April 15, 2004. (*Id.* at 172.) However, no privilege log was served by Jones Day on anyone, including the Hinshaw firm, until after the presentation of Jones Day's present [\*25] motion in May 2004. When Jones Day appeared in court on its motion, its memorandum stated that the privilege log "will" be tendered to the Special Prosecutor. (JD Mem at 4 n. 2.) Apparently, Jones Day had no intention of serving the privilege log on Hobley's counsel even at that date.

## DISCUSSION

Jones Day initially attempted to assert attorney-client privilege and work product protection over the five boxes of documents, both for itself and on behalf of its former client, the City. However, as discussed above, the City has abandoned any interest in asserting attorney-client privilege or work product protection over those documents on its own behalf. Thus, the motion is refined to Jones Day's assertion of work product protection on its own behalf. Jones Day's motion raises this question: When does an attorney waive the attorney's right to assert work product protection?

A. Under the Federal Rules, work product protection must be expressly claimed.

The legal basis for work product protection is well established, as is the factual showing necessary to claim that protection. *See* April 20, 2004 Op. & Order at 9-10. It has been held that work product protection may [\*26] be claimed by the lawyer as well as by the client. *In re Special September 1978 Grand Jury II*, 640 F.2d at 62. Some courts have allowed an attorney to assert work product protection, even if the client cannot. *See, e.g., In re Sealed Case*, 219 U.S. App. D.C. 195, 676 F.2d 793, 809 n. 56 (D.C. Cir. 1982); *In re Special September 1978 Grand Jury II*, 640 F.2d at 52, 63 (attorney may protect his mental impressions, conclusions, opinions and legal theories, even if the client and attorney are foreclosed from asserting work product protection); *but see Securities & Exch. Comm. v. National Student Mktg. Corp.*, 1974 U.S. Dist. LEXIS 7910, No. 225-72, 1974 WL 415 at \*3-4 (D.D.C. June 25, 1974) (Parker, J.) (lawyers who were co-defendants with their clients were precluded from invoking work product protection after their clients waived the privilege in a settlement); *Eagle Compressors, Inc. v. HEC Liquidating Corp.*, 206 F.R.D. 474, 480 (where client chooses to reveal information as part of a settlement strategy, work product protection is waived).

Work product protection, like attorney-client privilege, is not self-executing; a party objecting to a discovery request on privilege grounds [\*27] must present that objection in a timely and proper manner. *Ritacca v. Abbott Labs.*, 203 F.R.D. 332, 335 (N.D. Ill. 2001); *Anderson v. Hale*, 202 F.R.D. 548, 552 (N.D. Ill. 2001). The Federal Rules require that a claim of work product protection be specifically expressed:

When a party withholds information otherwise discoverable under these rules by claiming that it is privileged or subject to protection as trial preparation material,

the party shall make the claim expressly and shall describe the nature of the documents, communications, or things not produced or disclosed in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the applicability of the privilege or protection.

*Fed. R. Civ. P. 26(b)(5)* (emphasis added). The description of withheld information required by *Rule 26(b)(5)* is colloquially called a "privilege log." *See, e.g., Allendale Mutual Ins. Co. v. Bull Data Sys. Inc.*, 145 F.R.D. 84, 87 (N.D. Ill. 1992). However, the Committee Notes to *Rule 26* make clear that the privilege log is not an after-thought to claiming privilege or protection, it [\*28] is the claim of privilege or protection. "To withhold materials without such notice is contrary to the rule, subjects the party to sanctions under *Rule 37(b)(2)*, and may be viewed as a waiver of the privilege or protection." Advisory Committee Notes, 1993 Amendments to *Rule 26(b)(5)*.

Pursuant to *Fed. R. Civ. P. 34(b)*, a party served with a document request must respond within thirty days, and if the party objects to the request, the reason for such objection shall be given. A failure to follow discovery rules may result in a waiver of the privilege. *Ritacca*, 203 F.R.D. at 335; *Applied Sys., Inc. v. Northern Ins. Co. of New York*, 1997 U.S. Dist. LEXIS 16014, No. 97 C 1565, 1997 WL 639235 at \*2 (N.D. Ill. Oct. 7, 1997) (Conlon, J.); *Anderson*, 202 F.R.D. at 552-53.

B. The documents being held by Jones Day are subject to the document request issued to the City.

In its final brief to the court, Jones Day argues that "Jones Day's work product was not subject to this Court's jurisdiction" because the documents have always been in its possession, custody and control, not the City's. (JD Suppl. Resp. at 4.) Jones Day waived that argument by failing to raise [\*29] it in its motion for reconsideration, in its reply to Hobley's response, or in its objections to the District Judge from the order requiring an evidentiary hearing. However, even if the argument is considered, it is easily disposed of. A proper document request was served on the City, a defendant in this case. In response to that document request, the City agreed to produce the "Jones Day police board documents," of which the documents being held by Jones Day are admittedly a subset. The City has the obligation to produce responsive documents in its "possession, custody or control." *Fed. R. Civ. P. 34(a)* (emphasis added). Documents in the possession of a party's former attorneys are documents in that party's control for purposes of *Rule 34(a)*. n8 Upon



the termination of representation, a lawyer has an obligation to deliver to the former client original documents and copies of documents relating to the representation that the client reasonably needs, and to allow the client to copy any documents requested by the client, unless substantial grounds exist to refuse. *Restatement (Third) of the Law Governing Lawyers* § 46(2) and (3) (2000). n9 As a factual matter, the City's control [\*30] over the Jones Day police board documents is confirmed by the fact that Jones Day, without objection, had previously transferred the bulk of those documents to the Hinshaw firm for delivery to the Special Prosecutor in response to a subpoena served on the City, not on Jones Day. Furthermore, the evidence at the evidentiary hearing demonstrates that, when lawyers from the Hinshaw firm called Ms. Ghezzi and told her that Jones Day needed to prepare a privilege log, Ms. Ghezzi did not object to doing so or otherwise suggest that the documents Jones Day was holding were not documents subject to a *Rule 34* request served on the City.

n8 A genuine issue of "control" might possibly exist if a former lawyer refused to comply with a client's direction to produce documents in the lawyer's possession or to prepare a privilege log for them. In such a case, the client would advise opposing counsel of its efforts to get the documents in order to avoid sanctions and to preserve its own right to claim privileges. However, nothing in the record here suggest that this is such a case, and, indeed the record is to the contrary. [\*31]

n9 Jones Day's citation of ISBA Advisory Opinion No. 94-13 for a contrary conclusion is inapposite. (JD Suppl. Resp. at 6.) That opinion considered an inquiry by a lawyer who was concerned that if he released his investigative file to his client, as the client requested, the client (who was then incarcerated on a charge of maiming his former wife) or the client's family might use information in that file (such as the former wife's work place) to locate the former wife and inflict further serious injury on her. The Advisory Committee found that the lawyer was not, under the Rules of Professional Conduct, required to release the materials to the client. The Committee expressly prefaced its opinion as follows:

At the outset, the Committee notes that this opinion does not deal with the issue of whether all or any part of a lawyer's file is or may be discoverable in civil litigation or criminal proceedings pursuant to the applicable law or rules of court.

The Advisory Committee thus did not consider the question at issue here. Furthermore, to the extent that the Advisory Committee relied in part on the 1992 Tentative Draft of the Restatement of the Law Governing Lawyers, that authority has been superceded by the Restatement cited above.

[\*32]

In addition, Jones Day's argument is contrary to the discovery policies of the Federal Rules. Hobley's lawyers served the City with a document request that unquestionably covered the documents Jones Day was holding. Jones Day argues that the documents are not within the scope of a request under *Rule 34(a)* because, as work product created by Jones Day for its representation of the City, they are not in the City's possession, custody or control. Under Jones Day's theory, the City would not have been required to produce those documents or even required to express a claim of work product protection in the manner required by *Rule 26(b)(2)*, because, *in the opinion of its former lawyers*, the documents are work product. n10 Under Jones Day's theory, however, that claim of work product protection would be untestable because the existence of the documents would not be disclosed (which is what almost happened in this case). Under Jones Day's theory, a claim of work product protection would, in fact, be self-executing, contrary to the holdings of the cases cited above. However, both the letter and the policy of the Federal Rules require an express assertion of any claim of work product protection, [\*33] so that such a claim can be tested. Jones Day's belated argument that the documents are not within the court's jurisdiction is rejected.

n10 In this case, it would have been the opinion of the former lawyers' non-attorney staff, because no Jones Day attorney participated in selecting the documents that were withheld.

C. Jones Day failed to assert its claim of work product protection in a timely manner.

Jones Day argues that it acted with "appropriate diligence" when it learned of the April 20, 2004 Opinion and Order. (JD Suppl. Resp. at 7.) However, that is not the relevant time to start the clock. From the facts set out above it is apparent that no later than February 23, 2004, Jones Day had notice that there was a pending federal case in which the police board documents had been produced and a privilege log was needed to make any claim of privilege. No later than March 4, 2004, Jones Day had actual knowledge that the federal case discussed was this very case.

Had Jones Day reviewed the court docket [\*34] in this case, it would have seen the order entered on November 10, 2003 requiring the City to provide a privilege log by December 2, 2003, as well as the December 10, 2003 order stating that the defendants had disclaimed any privileges with respect to any documents that they were ordered to produce. Like the similar order entered in *Marx v. Kelly, Hart & Hallman, P.C.*, 929 F.2d 8, 11 (1st Cir. 1991), those orders were "an obvious red flag" relative to Jones Day's "future right to withhold documents on grounds of privilege." Had Jones Day asked the Hinshaw firm for copies of documents filed that discussed the police board records, it would have seen that the City's lawyers were telling the court that a decision had been made not to assert any privilege or work product protection for the Jones Day police board documents. However, Jones Day apparently took no action to learn of any deadlines or orders in this case, nor to learn the status of any motions relating to the police board documents.

Likewise, Jones Day did *nothing* to bring to the attention of Hobley's counsel that it was holding responsive documents, or to assert any claim of work product for those documents [\*35] until May 2004, at least two months (and possibly longer) after it had actual knowledge of the case and the need to assert any claim of privilege or protection. Indeed, the only thing that brought Jones Day's possession of the documents to light was the April 20, 2004 Opinion and Order compelling production. Withholding documents without notice of a claim of privilege is contrary to the Federal Rules. See Advisory Committee Notes, 1993 Amendments to *Rule 26(b)(5)*, quoted above.

In this case, Jones Day and Hobley's counsel were asked to submit legal memoranda on the issue of the responsibility of a lawyer who seeks to assert a work product objection on the lawyer's own behalf to ensure that the objection is made in a timely manner. (Order, Aug. 24, 2004.) [Dkt 302.] Neither party was able to cite a case directly on point. However, the policies behind *Rules 26* and *34* and the cases construing those Rules lead to this conclusion: When Jones Day had actual knowledge from the City's counsel that the police board

documents had been produced by the City (Jones Day's former client) in a federal civil case, along with a request for a privilege log covering the subset of those documents [\*36] that Jones Day was withholding solely on the basis of a claim of privilege and work product protection, Jones Day had an obligation to comply with those Rules by expressly asserting any such claim. Furthermore, because Jones Day seeks to claim work product protection on its own behalf, Jones Day had its own individual obligation to do what was necessary to make its claim in a proper and timely manner. Jones Day could not properly rely on its former client, the City, to protect Jones Day's work product claim. After all, a client can choose, for its own reasons, to waive any privilege or protection, as the City did here. Also, only Jones Day could have set out the information required by *Rule 26(b)(5)* in order to make a claim of privilege or work product, because Jones Day was holding the documents.

Interestingly, at the hearing, Ms. Ghezzi testified that Jones Day did nothing to investigate whether a privilege log was necessary before the call from Mr. Puiszis in February 2004, because Jones Day was waiting to hear from the Hinshaw firm "or somebody else." (Tr. 203-04.) However, in its final brief on its motion, Jones Day states that there was no duty on the part of the City or the [\*37] Hinshaw firm to notify Jones Day that it should assert its work product claim. (JD Suppl. Resp. at 9.) If that is Jones Day's understanding of the law, its reliance on the Hinshaw firm or "somebody else" as an excuse for its failure to take any action to protect its work product was plainly unjustified.

Based on the foregoing facts, the court finds that Jones Day unjustifiably failed to claim work product protection in a timely and proper manner. Under the order of this court, a privilege log making any claim of privilege or work product protection was due no later than December 2, 2003. Even assuming, *arguendo*, that Jones Day did not have actual notice of this lawsuit until March 4, 2004, by that date at the very latest Jones Day had an obligation to act promptly to assert and protect its work product claim, including investigating whether any court orders had been entered impacting its claim. Jones Day failed to take even that simple and basic action. See *Marx*, 929 F.2d at 12 n. 5 (stating that party should have challenged directly an order finding waiver of privilege rather than simply ignoring and violating it).

The next issue is the consequence of Jones [\*38] Day's failure. Jones Day argues that its position should be analyzed under the cases considering inadvertent disclosure of privileged documents. (JD Suppl. Resp. at 8.) However, those situations are not analogous. In the case of an inadvertent disclosure, the party seeking

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discovery knows of the documents and has an opportunity to contest the claim of privilege. In this case, however, Jones Day simply withheld the documents without notice to Hobley's counsel that it was doing so, which is a violation of *Rule 26(a)(5)*, as observed by the Advisory Committee Notes quoted above.

Although waiver is a severe sanction, it is appropriate in a case like this where there has been unjustified delay in asserting the claim. See *Ritacca*, 203 F.R.D. at 335-36; *Applied Sys.*, 1997 U.S. Dist. LEXIS 16014, 1997 WL 639235 at \*3. Courts have hesitated to find waiver in cases of minor procedural violations where there was a good faith attempt to comply and some notice to the opposing party of the privilege objection; accidental failure to list a privileged document in a case involving voluminous documents; or non-flagrant violations involving documents that are plainly protected. *Applied Sys.*, 1997 U.S. Dist. LEXIS 16014, 1997 WL 639235 at \*2. [\*39] However, none of those extenuating circumstances apply here. Here, Jones Day knew about the lawsuit, knew about the need to assert expressly its claim for work product protection, and simply did nothing to advise Hobley's counsel that it was

holding documents under a claim of protection until after the court ordered production of the documents. Thus, the court finds that Jones Day has waived any claim of work product for the police board documents.

Because the City has abandoned any claims of privilege or work product protection on its own behalf, there is no reason for any of the police board documents to be withheld from production. Those documents must be produced to Hobley's counsel no later than January 24, 2004.

#### CONCLUSION

For the foregoing reasons, Jones Day's Motion for Reconsideration of Court's Order Mandating Production of Jones Day's Privileged Documents is denied.

IT IS SO ORDERED.

GERALDINE SOAT BROWN

United States Magistrate Judge

January 12, 2005

**Tab 6**

LEXSEE 1995 U.S. DIST. LEXIS 16523

**IN RE: BRAND NAME PRESCRIPTION DRUGS ANTITRUST LITIGATION;  
This Document Relates to: ALL CASES**

**94 C 897, MDL 997**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF  
ILLINOIS, EASTERN DIVISION**

*1995 U.S. Dist. LEXIS 16523*

**November 3, 1995, Decided  
November 6, 1995, DOCKETED**

**LexisNexis(R) Headnotes**

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**JUDGES:** Charles P. Kocoras, United States District Judge

**OPINIONBY:** Charles P. Kocoras

**OPINION:**

#### MEMORANDUM OPINION

CHARLES P. KOCORAS, District Judge:

This matter is before the Court pursuant to *Rules 26, 34 and 37 of the Federal Rules of Civil Procedure* on Class Plaintiffs' Motion to Compel Defendant Schering-Plough Company ("Schering") to produce documents withheld on the basis of the attorney-client privilege.

Class Plaintiffs' motion arises out of Schering's production of nearly two million documents for the plaintiffs' inspection. From this two million page

production the Class selected approximately 100,000 pages for copying. Schering initially withheld approximately 2,400 documents or portions of documents, on attorney-client privilege grounds.

Following a series of Rule 12(k) conferences which involved discussions [\*8] regarding over 800 documents listed in Schering's privilege log, Class Plaintiffs filed this motion to compel seeking the production of approximately 100 documents. The Class' motion rests on two general grounds: (1) that Schering has failed to sufficiently establish its claim of privilege for many of the documents listed in its privilege log; and (2) that many of Schering's privilege claims lack a supportable factual or legal basis.

### LEGAL STANDARD

The attorney-client privilege protects from discovery documents which reflect communications made in confidence by the client. *U.S. v. Lawless*, 709 F.2d 485 (7th Cir. 1983). The Seventh Circuit has adopted Wigmore's statement of the conditions necessary for the establishment of the privilege:

- (1) Where legal advice of any kind is sought,
- (2) from a professional legal adviser in his capacity as such,
- (3) the communications relating to that purpose,
- (4) made in confidence,
- (5) by the client,
- (6) are at his instance permanently protected,
- (7) from disclosure by himself or by the legal adviser,
- (8) except the privilege may be waived.

*Radiant Burners, Inc. v. American Gas Ass'n*, 320 F.2d 314, 319 (7th Cir. 1963) [\*9] (en banc), cert. denied, 375 U.S. 929, 11 L. Ed. 2d 262, 84 S. Ct. 330 (1963). Schering, as the party seeking to invoke the benefits of the privilege, bears the burden of establishing its existence. See *U.S. v. White*, 950 F.2d 426, 430 (7th Cir. 1991).

Since the attorney-client privilege has the effect of withholding relevant information from the fact finder, the privilege is narrowly construed and applies only where necessary to achieve its purpose. *Fisher v. U.S.*, 425 U.S. 391, 403, 48 L. Ed. 2d 39, 96 S. Ct. 1569 (1976); *Radiant Burners*, 320 F.2d at 323. As a result, generalized or broad privilege claims will not be upheld. *U.S. v. Lawless*, 709 F.2d at 487. Rather, the party seeking to invoke the privilege must make a particularized showing for each document or redaction in issue. *Allendale Mutual Ins. Co. v. Bull Data Sys.*, 152 F.R.D. 132, 138 (N.D.Ill. 1993).

With these principles in mind, the Court turns to the parties' arguments.

### DISCUSSION

As we indicated during a hearing held in early September, rather than becoming ensnared on document-specific issues, the Court will try to center its discussion upon general legal principles. In so doing [\*10] we hope to offer the parties general guidance to resolve not only their present document disputes, but any future privilege disputes as well. Thus, for the sake of expediency and judicial economy we will, whenever possible, limit our discussion to general legal principals rather than document specific issues.

In their moving papers the Class Plaintiffs have broken down the documents that they claim Schering has wrongfully withheld into nine categories. For the ease of discussion, we will follow the Class' structure.

#### **I. Category 1: documents created by a non-attorney for simultaneous review by both attorneys and non-attorneys.**

The Class' first category consists of documents that were created by a non-attorney and circulated to both attorneys and non-attorneys for comments and review. n1 According to the Class, Schering must produce these documents because they are non-privileged business documents which were primarily circulated among non-attorneys, and only incidentally forwarded to an attorney. We agree.

n1 Since filing its motion, the Class has chosen to not pursue a number of their initial requests, based upon legal principles articulated in our September 18, 1995 Memorandum Opinion dealing with privilege issues raised by Defendant American Home Products (hereinafter "AHP Opinion"). Under Category 1, the Class has chosen not to challenge the following documents: Entry Nos. 18, 287, 1818 and 1958.

[\*11]

Schering can hardly dispute that these documents which they describe as "seeking legal advice" had both a legal and a business purpose, as they were circulated to both legal and non-legal personnel for comments and review. In fact, the legal nature of one document is questionable, as it was not even addressed to an attorney, but rather simply "copied" to an attorney. n2

n2 Arguably, a copy of a communication between two non-legal employees may be

directed to an attorney with an "implied" request for legal advice on continuing business developments. See *Scullin Steel Co. v. Evans Transp. Co.*, 1987 U.S. Dist. LEXIS 14053, 1987 WL 9016 at \*1 (N.D.Ill. Apr. 1, 1987). Schering, however, has not made a showing that that was the case here. Neither we nor the Class Plaintiffs are required to infer facts about documents in order to qualify them for privileged status.

Here, we are not dealing with documents which communicate legal advice to non-legal personnel, or documents which reflect discussions of legal advice among non-lawyers. Rather, [\*12] the documents in Category 1 were prepared by a non-attorney for simultaneous review by both legal and non-legal personnel for the purpose of seeking both business and legal advice. At least two courts have found that such documents cannot be deemed privileged because they are not primarily legal in nature. *Baxter Travenol Laboratories, Inc. v. Abbott Laboratories*, 1987 U.S. Dist. LEXIS 10300, 1987 WL 12919 at \* 5 (N.D.Ill. June 19, 1987) ("Where a document is prepared for simultaneous review by legal and non-legal personnel and legal and business advice is requested, it is not primarily legal in nature and is therefore not privileged"); *In re Air Crash Disaster at Sioux City*, 133 F.R.D. 515 (N.D.Ill. 1990). While we do not wish to endorse such a categorical resolution of a privilege issue, the fact of the matter is that Schering gives us nothing more to go on.

Schering asks us to look at the nature of each document and to find that although it may have had some business purpose it was primarily legal in nature, yet Schering offers no factual support which would allow us to draw this conclusion. Schering offers little more than a list of the recipients of each document and the conclusory description: "memorandum [\*13] to legal counsel seeking legal advice." Based on Schering's modest descriptions and lengthy distribution lists, it is evident that the documents in Category 1 are not confidential client communications necessarily made for the purpose of receiving legal advice. The documents do not appear to be primarily legal in nature.

Moreover, the non-privileged status of the documents did not change when copies of the documents were forwarded to an attorney. Parties may not create a privilege in otherwise nonprivileged business documents by "funneling" or incidentally copying them to an attorney. See *Radiant Burners*, 320 F.2d at 324; *Baxter*, 1987 U.S. Dist. LEXIS 10300, 1987 WL 12919 at \*5.

Accordingly, based on the factual information submitted for our review, we cannot say that the

Category 1 documents in issue are primarily legal in nature and are privileged.

## **II. Category 2: Documents primarily concerned with business rather than legal matters**

The Class describes their second category of documents as communications concerning primarily business rather than legal issues. n3 Schering does not deny, nor can it, that the attorney-client privilege does not protect communications primarily regarding business [\*14] advice. See *Ziemack v. Centel Corp.*, 1995 U.S. Dist. LEXIS 6942, 1995 WL 314526 at \*4 (N.D.Ill. May 19, 1995) ("For the privilege to apply, counsel must be involved in a legal, not business, capacity, and the confidential communications must be primarily legal in nature."). Rather, it is Schering's contention that the documents in Category 2 are privileged because they "relate to" requests for legal advice or they convey legal advice.

n3 Pursuant to our AHP Opinion, the class has withdrawn their challenge to the following documents in Category 2: Entry Nos. 171, 376, 377, 665, 777, 1300, 1841, 2242 and 2251.

Schering's response, however, assumes that any and all communications from an attorney to a client are privileged. That is not so. Rather, communications from an attorney to a client are protected by the privilege "only to the extent that they reveal confidential information provided by the client." *Ziemack*, 1995 U.S. Dist. LEXIS 6942, 1995 WL 314526 at \*4; *Sioux City*, 133 F.R.D. at 518. See also *Ohio Sealy Mattress Mfg. Co. v. Kaplan*, [\*15] 90 F.R.D. 21, 28 (N.D.Ill. 1980) ("Communications from the attorney to the client should be privileged only if it is shown that the client had a reasonable expectation in the confidentiality of the statement."). Thus, the legal advice or communication must at the very least relate to a prior confidential client communication. *Id.* This approach is consistent with the Seventh Circuit's instruction to confine the privilege to the "narrowest possible limits" consistent with the privilege's purpose. *Radiant Burners*, 320 F.2d at 323; *United States v. Weger*, 709 F.2d 1151, 1154 (7th Cir. 1983).

Schering has failed to carry its burden in establishing that the documents listed in Category 2 reveal or relate to the substance of a confidential client communication that was necessary to obtain informed legal advice. Indeed, the majority of the Category 2 documents are, as described by the Class, business documents relating to product marketing and pricing. Some documents address marketing strategies and



pricing issues, while others appear to be audits. For the most part that the Category 2 documents are business documents created in the ordinary course of business and forwarded to [\*16] an attorney for his or her review. There is no indication that the documents reveal client confidences or were created for the purpose of receiving legal advice. In its cursory descriptions of the Category 2 documents, Schering often states that a document "reflects legal advice." This is not enough to satisfy its burden of showing that the privilege exists.

### III. Category 3: Documents relating to Schering's interactions with the Pharmaceutical Manufacturers Association

Category 3 consists of ten documents that pertain to Schering's interactions with the Pharmaceutical Manufacturers Association ("PMA"), a trade association to which Schering belongs. n4 According to the Class, Schering has failed to establish that these documents fall under the protection of the attorney-client privilege, as there is no indication that the communications contain either confidential information or were made with an expectation of confidentiality. We agree.

n4 Pursuant to our AHP Opinion, the Class has withdrawn its challenge to the following documents in Category 3: Entry Nos. 98, 704, 1221 and 1503.

[\*17]

Communications between a trade association's counsel and its members can be privileged, provided the usual elements of the attorney-client privilege are satisfied. *Harper-Wyman Co. v. Connecticut General Life Ins. Co.*, 1991 U.S. Dist. LEXIS 5007, 1991 WL 62510 at \*5 (N.D.Ill. Apr. 17, 1991). The documents in issue are described in Schering's privilege log as memoranda from PMA counsel containing legal advice on issues such as proposed legislation and federal regulations and voluntary restraint agreements. As stated above, information does not become privileged simply because it came from counsel. *United States v. DeFazio*, 899 F.2d 626, 635 (7th Cir. 1990). Thus, for the PMA memoranda to fall under the privilege, Schering must show that the documents reveal confidential information provided by the client. *Ziemack*, 1995 U.S. Dist. LEXIS 6942, 1995 WL 314526 at \*4. Schering has failed in this regard.

Schering spends considerable effort arguing the issue of waiver of confidentiality. However, before we can enter into a discussion of whether or not privilege claims to the PMA documents were "waived" when they were distributed among various Schering employees,

Schering must establish that the privilege claims attached. Based [\*18] upon its privilege logs and its legal arguments, Schering has failed to carry its burden.

### IV. Category 4: Documents that lack identification of either the recipients or context in which the documents were created

The Class has demonstrated that a number of documents listed on Schering's privilege log lack even the most basic identifying information, i.e. the name of the author or the recipient. Schering offers no substantive argument in response, except for a statement that the Class' challenges are based on "erroneous legal principles already discussed," and an unsubstantiated charge that the Class has refused to acknowledge information provided during 12(K) conferences. Schering's failure to properly address the Class' concerns does not pass legal muster.

Schering does, however, address one Category 4 document (Entry No. 1493) by way of example. Document No. 1493 is a document that was found in the files of someone to whom it was not copied. According to the Class, based on the fact that the document was circulated beyond its designated distribution list, Schering cannot establish that the document was kept confidential. However, in its Opposition Memorandum Schering [\*19] reveals that this "someone" who had a copy of Document No. 1493 was Robert Luciano, the Chairman of the Board and Chief Executive Officer of Schering. While we tend to agree with the Class that finding a document in the files of an employee beyond the document's designated distribution list seems to indicate a failure to keep the document confidential, given the circumstances we hardly think that a waiver of confidentiality has occurred. Arguably, Luciano, as Chairman of the Board and CEO, was directly concerned with the matter contained in the document. See *Sylgab Steel & Wire Corp. v. Imoco-Gateway Corp.*, 62 F.R.D. 454, 456-57 (N.D.Ill. 1974), *aff'd*, 534 F.2d 330 (7th Cir. 1976).

Thus, based on Schering's failure to properly respond to the Class' position regarding Category 4 documents, the Class' motion to compel is granted with the exception of Entry No. 1493.

### V. Category 5: Certain notes and meeting minutes

The four n5 documents contained in Category 5 are either handwritten notes or minutes from certain meetings. The Class objects to Schering's withholding these documents on privilege grounds because Schering cannot identify contextual information such as [\*20] who was present at the meetings or whether the subject matter of the meetings was privileged. Again, Schering

does not offer a substantive response to the Class' position. Because Schering has failed to establish the privileged nature of the documents in issue, the Class' motion to produce these documents is granted.

n5 Pursuant to this Court's AHP Opinion, the Class has chosen not to challenge one of the documents originally listed under Category 4 (Entry No. 2364).

#### **VI. Category 6: Material created for use in public presentations**

Schering has likewise failed to carry its burden of establishing that the documents in Category 6 fall under the privilege. Category 6 consists of documents that were created for and used in presentations. Based upon Schering's privilege log, there is no indication that the materials used in the presentations revealed client confidences. The documents and slides appear to be nothing more than legal advice and/or overviews of the law. Moreover, even assuming that the [\*21] presentation materials contained client confidences, Schering has not shown that the communications remained confidential. That is, Schering fails to reveal who attended the presentations, and whether these individuals were directly concerned with the materials presented. Finding that Schering has failed to carry its burden with respect to Category 6, the Class Plaintiff's motion to compel these materials is granted.

#### **VII. Category 7: Drafts of documents**

Plaintiffs challenge six draft documents in Schering's privilege log. n6 The drafts that the Class continue to seek originate from non-attorneys and were sent either to other laymen, or to both laymen and attorneys. The Class insists that these drafts are not protected by the privilege because the documents concern pricing issues. Thus, according to the Class, the documents concern business rather than legal questions.

n6 After reviewing our AHP Opinion, the Class withdraws its challenge to three documents under Category 7: Entry Nos. 647, 888, 944.

[\*22]

The mere fact that the final version of these documents may have been intended for public dissemination does not take them out from under the protection of the privilege, if the drafts of these documents were intended to be confidential

communications concerning legal advice. See *In Re Grand Jury Subpoena Duces Tecum*, 731 F.2d 1032 (2d Cir. 1984). Preliminary drafts of documents which were not distributed, and which reflect confidential communications regarding legal advice are privileged. Id.

Schering states that the draft documents have been withheld not simply because they were circulated to attorneys but rather, because they were prepared by attorneys or prepared by non-attorneys and sent to attorneys for the principal purpose of obtaining legal advice. Schering represents that in some cases a final version of the document was never issued to a third party or a third person. Again, Schering fails to represent, either in its privilege log, or in its opposing memorandum, that the drafts contained client confidences revealed for the purpose of seeking legal advice. In its moving papers the Class puts into issue whether or not the drafts contain confidential information. [\*23] Schering fails to respond and accordingly fails to discharge its burden of demonstrating that the materials are privileged.

#### **VIII. Category 8: Documents that do not contain a prior confidential communication from the client**

The documents listed in the Class' Category 8 consist of documents which apparently do not reveal any client confidences. The documents are authored by both legal and non-legal personnel, and either "concern" or "contain" legal advice. Schering argues that the documents are privileged because they contain legal advice or because they either expressly or implicitly request legal advice.

As we stated earlier, the attorney-client privilege does not automatically protect all legal advice or all requests for legal advice. Communications from an attorney to a client are protected by the privilege "only to the extent that they reveal confidential information provided by the client." *Ziemack*, 1995 U.S. Dist. LEXIS 6942, 1995 WL 314526 at \*4. Disclosures from a client to an attorney, are likewise only entitled to limited protection, as the privilege ". . . protects only those disclosures-- necessary to obtain informed legal advice-- which might not have been made absent the privilege." [\*24] Id. (quoting *Fisher*, 425 U.S. at 403). Schering once again asks both the Class and the Court to infer from descriptions such as "memorandum from counsel containing legal advice" and "notes of counsel containing legal advice" that all the elements of the privilege have been met. Neither the Class nor the Court is required to make such inferences.

Schering further claims that its privilege log "clearly identifies" the confidential communications about which

legal advice is sought. By way of example Schering points to Entry No. 199 which is described as a "settlement agreement." The Class, however, reveals that this settlement agreement is an agreement to which Schering was not a party. According to the Class, based on discussions held during 12(K) conferences the plaintiffs learned that the document is an analysis of a settlement agreement between a Pharmacy and the federal government.

Finding that Schering has failed to discharge its burden in establishing that a privilege exists to the Category 8 documents, the Class Plaintiff's motion to compel these documents is granted.

**IX. Category 9: Miscellaneous documents that are not privileged**

Finally, the Class seeks [\*25] five miscellaneous documents that do not fit into any other categories. n7 Other than its bare assertion that the Class' challenges are "based on the same erroneous principles already discussed" and on the Class' refusal to acknowledge information provided during 12(K) conferences, Schering offers no substantive response. We have reviewed the Class' arguments and descriptions of the

documents and agree that they are not entitled to attorney-client privilege protection. For the most part the documents deal with communications from a competitor of Schering, or other third parties. Based on Schering's privilege log and the Class' descriptions, the documents are not privileged.

n7 As a result of our AHP Opinion, the Class withdraws its challenge to three documents in this category: Entry Nos. 765, 958, 1214.

**CONCLUSION**

For the reasons set forth above, Class Plaintiffs' motion is, with one exception, granted. With the exception of Entry No. 1493, Schering is hereby directed to produce all challenged documents [\*26] that have not been otherwise withdrawn.

Charles P. Kocoras

United States District Judge

Dated: November 3, 1995

**Tab 7**

LEXSEE 2001 US DIST LEXIS 20152

**MOLD-MASTERS LIMITED, Plaintiff, v. HUSKY INJECTION MOLDING  
SYSTEMS LTD., Defendant.**

**Case No. 01 C 1576**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF  
ILLINOIS, EASTERN DIVISION**

*2001 U.S. Dist. LEXIS 20152*

**December 5, 2001, Decided  
December 6, 2001, Docketed**

**DISPOSITION:** [\*1] Plaintiff's motion to compel production of documents and things identified in Husky's third amended privilege log granted in part and denied in part.

**LexisNexis(R) Headnotes**

**COUNSEL:** For MOLD-MASTERS LIMITED, plaintiff: Daniel A. Boehnen, Christopher Michael Cavan, Joshua Reuben Rich, Sean Michael Sullivan, James Michael McCarthy, Stephen Richard Carden, Paul S. Tully, McDonnell, Boehnen, Hulbert & Berghoff, Ltd., Chicago, IL.

For HUSKY INJECTION MOLDING SYSTEMS, LTD., defendant: Constantine L. Trela, Lisa A. Schneider, Sidley Austin Brown & Wood, Chicago, IL.

For HUSKY INJECTION MOLDING SYSTEMS, LTD., defendant: Bruce C Haas, Marc J. Pensabene, Fitzpatrick, Cella, Harper and Scinto, New York, NY.

For HUSKY INJECTION MOLDING SYSTEMS, LTD., counter-claimant: Constantine L. Trela, Lisa A. Schneider, Sidley Austin Brown & Wood, Chicago, IL.

For HUSKY INJECTION MOLDING SYSTEMS, LTD., counter-claimant: Bruce C Haas, Fitzpatrick, Cella, Harper and Scinto, New York, NY.

For MOLD-MASTERS LIMITED, counter-defendant: Daniel A. Boehnen, Christopher Michael Cavan, Joshua Reuben Rich, Sean Michael Sullivan, Stephen Richard

Carden, Paul S. Tully, McDonnell, Boehnen, Hulbert & Berghoff, Ltd. [\*2] , Chicago, IL.

**JUDGES:** MARTIN C. ASHMAN, United States Magistrate Judge. Judge Suzanne B. Conlon.

**OPINIONBY:** MARTIN C. ASHMAN

**OPINION:**

**MEMORANDUM OPINION AND ORDER**

Mold-Masters Limited filed suit against Husky Injection Molding Systems Ltd. for infringement of patent number 5,299,928 (the "928 patent"). Presently before this Court is Mold-Masters's Motion to Compel Production of Documents and Things Identified in Husky's Third Amended Privilege Log. For the following reasons, this Court grants Mold-Masters's motion in part and denies it in part.

**I.**

This infringement suit involving the 928 patent commenced on March 6, 2001, after Husky refused to discontinue producing and selling a certain injection molding nozzle, the purported infringing product, as per a demand by Mold-Masters, which was made in a February 23, 2001 letter. By way of history, Husky was aware of Mold-Masters's 928 patent before the February 23 letter was sent. Husky had unsuccessfully opposed Mold-Masters's European counterpart to the 928 patent in or around January 2001.

The point of contention between the parties that we confront now concerns two binders of documents that Husky has withheld from discovery pursuant [\*3] to the

attorney-client privilege and work-product doctrine. Based on Husky's description of these documents on its Third Amended Privilege Document Log, n1 Mold-Masters claims that Husky's assertion of the attorney-client privilege and work-product doctrine is improper. Based also on Husky's description of these documents on its Third Amended Privilege Document Log, Mold-Masters claims that the documents must be disclosed pursuant to this Court's September 7, 2001 order. The September 7 order related to legal opinions Husky had requested or received regarding any issue of validity, infringement, enforceability, or liability with respect to the 928 patent, or which discussed the scope of coverage or meaning of the claims of the 928 patent. The September order stated that if Husky chose to rely on any such opinion for any purpose at any time in the litigation, Husky would have to produce to Mold-Masters "all documents or portions of documents that relate to the subject matter of the opinion." (Order 9/7/01 at 2.) After entry of the order, Husky did, in fact, elect to rely on a legal opinion regarding the validity of the 928 patent.

n1 Husky has amended its privilege log three times in part because of its failure to sufficiently describe documents listed on the log.

[\*4]

At the suggestion of the parties, we have agreed to conduct an in camera review of the documents in dispute. The pertinent issues have been fully briefed.

## II.

We begin our analysis with a brief discussion of the attorney-client privilege, the work-product doctrine, the privilege log requirement contained in *Federal Rule of Civil Procedure 26(b)(5)*, and this Court's September 7 order. Then we apply these principles and rules to the appropriate documents to resolve the instant dispute.

The attorney-client privilege protects confidential communications between a client and his legal advisor. It developed as a consideration for the fostering of confidence and trust by the client in his legal advisor so that the legal advisor could provide effective legal advice. *Trammel v. United States*, 445 U.S. 40, 51, 63 L. Ed. 2d 186, 100 S. Ct. 906 (1980); *Prevue Pet Prods., Inc. v. Avian Adventures, Inc.*, 200 F.R.D. 413, 415 (N.D. Ill. 2001) (quoting *Upjohn Co. v. United States*, 449 U.S. 383, 389, 66 L. Ed. 2d 584, 101 S. Ct. 677 (1981)). The general principle of the attorney-client privilege takes the following form: "Where legal advice [\*5] of any kind is sought from a professional legal adviser in his capacity as such, the communications relating to that purpose, made in confidence by the client, are at his instance

permanently protected from disclosure by himself or by the legal adviser, except the protection be waived." *United States v. White*, 950 F.2d 426, 430 (7th Cir. 1991) (quoting 8 Wigmore, Evidence § 2292, at 554 (McNaughton rev. 1961)). Because the attorney-client privilege is in derogation of the judicial search for truth, it is strictly construed. *In re Walsh*, 623 F.2d 489, 493 (7th Cir. 1980). The party asserting the attorney-client privilege bears the burden of establishing all of its elements on a document-by-document basis. *United States v. Lawless*, 709 F.2d 485, 487 (7th Cir. 1983).

The work-product doctrine not only protects communications between a client and his legal advisor, but also much that has its source outside of client communications. It developed as a consideration for the maintenance of a "certain degree of privacy" to protect the legal advisor's work so as to promote balance and fairness in the adversarial system. *Upjohn Co.*, 449 U.S. at 397-402; [\*6] *Hickman v. Taylor*, 329 U.S. 495, 507-12, 91 L. Ed. 451, 67 S. Ct. 385 (1947). In codified form, the work-product doctrine states that "a party may obtain discovery of documents . . . otherwise discoverable . . . and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means." *Fed. R. Civ. P. 26(b)(3)*. The party asserting the work-product doctrine must establish all of its elements on a document-by-document basis. *Applied Telematics, Inc. v. Sprint Communications Co.*, 1996 U.S. Dist. LEXIS 13782, Civ. A. No. 94-4603, 1996 WL 539595, at \*4 (E.D. Pa. Sept. 18, 1996). The threshold determination in any case is "whether, in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation." *Binks Mfg. v. National Presto Indus.*, 709 F.2d 1109, 1118-19 (7th Cir. 1983) [\*7] (quoting 8 Charles Alan Wright et al., *Federal Practice and Procedure* § 2024, at 343 (2d ed. 1994)).

As to any information withheld pursuant to the attorney-client privilege or work-product doctrine, Rule 26(b)(5) requires that the withholding party make the claim of privilege or protection expressly "and describe the nature of the documents, communications, or things not produced or disclosed in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the applicability of the privilege or protection." *Fed. R. Civ. P. 26(b)(5)*. For each document, this description should include the date of the document, all authors and recipients of the document along with their capacities, a statement of the

subject matter of the document, and an explanation of the basis for withholding the document from discovery. *SmithKline Beecham Corp. v. Apotex Corp.*, 193 F.R.D. 530, 533-34 (N.D. Ill. 2000); *Weeks v. Samsung Heavy Indus.*, 1996 U.S. Dist. LEXIS 8554, No. 93 C 4899, 1996 WL 341537, at \*2 (N.D. Ill. June 20, 1996); *Allendale Mut. Ins. Co. v. Bull Data Sys., Inc.*, 145 F.R.D. 84, 88 (N.D. Ill. 1992). If the description [\*8] falls below this standard and fails to provide sufficient information for the court and the party seeking disclosure to assess the applicability of the attorney-client privilege or work-product doctrine, then disclosure of the document is an appropriate sanction. *SmithKline Beecham Corp.*, 193 F.R.D. at 534; *Christman v. Brauvn Realty Advisors, Inc.*, 185 F.R.D. 251, 257-58 (N.D. Ill. 1999); *Conagra, Inc. v. Arkwright Mut. Ins. Co.*, 32 F. Supp. 2d 1015, 1017-18 (N.D. Ill. 1999); *Stern Walters Partners, Inc. v. Kaminky*, 1996 U.S. Dist. LEXIS 3041, No. 94 C 5705, 1996 WL 115290, at \*5-6 (N.D. Ill. Mar. 13, 1996).

It should hardly come as a surprise that an attachment to a document must appear as a separate entry on the privilege log. See *O'Connor v. Boeing N. Am., Inc.*, 185 F.R.D. 272, 280 (C.D. Cal. 1999); *Leonen v. Johns-Manville*, 135 F.R.D. 94, 98 (D.N.J. 1990); *Sneider v. Kimberly-Clark Corp.*, 91 F.R.D. 1, 4 (N.D. Ill. 1980). Courts provide protection against disclosure pursuant to the attorney-client privilege and work-product doctrine on a document-by-document basis. Since a document with [\*9] an attachment constitutes two separate documents, a party objecting to the disclosure of a document with an attachment must prove that both the document and the attachment individually satisfy the requirements of the applicable privilege or doctrine. *Lawless*, 709 F.2d at 487; *Applied Telematics, Inc.*, 1996 U.S. Dist. LEXIS 13782, 1996 WL 539595, at \*4. Merely attaching a document to a privileged or protected document does not make the attached document privileged or protected. *O'Connor*, 185 F.R.D. at 280; *Leonen*, 135 F.R.D. at 98; *Sneider*, 91 F.R.D. at 4.

Lastly, we mention this Court's September 7 order. Because Husky has relied on a legal opinion regarding the validity of the 928 patent, the September order requires Husky to produce to Mold-Masters "all documents or portions of documents that relate to the subject matter of the opinion." (Order 9/7/01 at 2.) Thus, any document or portion of any document in Husky's possession that concerns, pertains to, or refers to the validity of the 928 patent must be disclosed, regardless of whether that document would otherwise be privileged or protected.

\*\*\*

Against this backdrop, [\*10] we turn to the documents submitted for in camera review. n2 Each document is analyzed separately by the document number provided by Husky. Because Husky's objections to disclosure are based on the content of each document, we rely heavily on Husky's Third Amended Privilege Document Log to assess Husky's assertion of the attorney-client privilege and work-product doctrine. In this regard, Husky's descriptions of the documents are quite unhelpful. The descriptions are general and conclusory, making it extremely difficult to assess the applicability of Husky's assertions of the attorney-client privilege and work-product doctrine. n3 Nevertheless, to the extent this Court can discern from the content of the documents and Husky's description of the documents that the attorney-client privilege or work-product doctrine applies, such documents may be withheld. Yet documents that are not described at all on Husky's privilege log must be disclosed. This Court has provided Husky with multiple opportunities and sufficient time to comply with Rule 26(b)(5). At this stage of the game, immediate production of any document not described at all on Husky's privilege log is the necessary sanction.

n2 As an initial matter, Husky has not submitted documents P48, P52, P79, P86, P92, P118, P123, P124, P126, P128, P135, P153, P165, P166, P167, and P169 to this Court for in camera review despite the fact that Mold-Masters raised objections to Husky's withholding of these documents from discovery. We find that all of the documents must be disclosed, assuming that the documents have not already been disclosed. Also, we note that Husky included a document titled *Husky's In Camera Explanation for Withholding Documents as Privileged* within each binder of documents submitted for in camera review. These ex parte communications have not been considered by this Court. [\*11]

n3 For example, most document descriptions contain slight variations of the following phrase: "confidential communication made for the purpose of providing legal advice in anticipation of litigation, not regarding the 928 patent." (Def.'s Third Am. Privilege Doc. Log at 1-19.) Husky's privilege log does not describe the subject matter of the documents, which, especially in the case of untitled drawings, often leaves this Court guessing as to what the documents pertain.

**P3**

Husky described document P3 as a letter with attachment dated February 21, 2001, from Robert Bachman, Husky's lawyer, to Robin Arnott, a Husky employee. A handwritten note has been redacted from the letter. The handwritten note must be disclosed because Husky failed to provide any information describing the handwritten note on its privilege log.

**P21**

Husky described document P21 as an e-mail dated August 23, 2000, from Arnott to Eric Spencer and Mike Gould, Husky employees. The content of the e-mail preceding the sentence beginning with "The reason" does not reveal a confidential communication that [\*12] was made for the purpose of obtaining legal advice. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the remainder of the e-mail contains information protected under the attorney-client privilege. The content of the e-mail reveals that the e-mail was prepared in anticipation of litigation, but the information contained in the e-mail must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent.

**P26**

Husky described document P26 as an e-mail dated May 18, 2000, from Arnott to Spencer. Included with the e-mail is an attached message that is not described at all on Husky's privilege log. For that reason, the attached message must be disclosed. The content of the e-mail itself does not reveal a confidential communication that was made for the purpose of obtaining legal advice. The content of the e-mail reveals that the e-mail was prepared in anticipation of litigation, but the information contained in the e-mail must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent.

**P27**

Husky described [\*13] document P27 as an e-mail with handwritten notes dated May 18, 2000, from Spencer to Arnott. Included with the e-mail are attached messages that are not described at all on Husky's privilege log. Also, Husky failed to provide any information about the handwritten notes on its privilege log. For that reason, the attached messages and handwritten notes must be disclosed. The content of the e-mail itself does not reveal a confidential communication that was made for the purpose of obtaining legal advice. The content of the e-mail reveals that the e-mail was prepared in anticipation of litigation,

but the information contained in the e-mail must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent.

**P38**

Husky described document P38 as a May 15, 2000 report authored by Arnott. This Court cannot tell from the content of the report or from Husky's description of the report whether the report contains information protected under the attorney-client privilege or work-product doctrine. The report is a compilation of public information; its purpose is unknown. Therefore, the report must be disclosed.

**P50 [\*14]**

Husky described document P50 as a November 25, 1999 report authored by Arnott. The report is an earlier draft of P38. This Court cannot tell from the content of the report or from Husky's description of the report whether the report contains information protected under the attorney-client privilege or work-product doctrine. The report is a compilation of public information; its purpose is unknown. Therefore, the report must be disclosed.

**P64**

Husky described document P64 as an e-mail dated March 19, 1999, from Ed Jenko, a Husky employee, to Arnott, Charlie Hillman, David Whiffen, Martin Baumann, and David Meyer, all Husky employees. Included with the e-mail is an attached message and a handwritten note that are not described at all on Husky's privilege log. For that reason, the attached message and handwritten note must be disclosed. The content of the e-mail itself does not reveal a confidential communication that was made for the purpose of obtaining legal advice. The content of the e-mail in the paragraph beginning with "Robin" reveals that the information was prepared in anticipation of litigation, but the information must be disclosed pursuant to the September [\*15] 7 order because the information relates to the validity of the 928 patent. This Court cannot tell whether the rest of the e-mail is protected under the work-product doctrine; therefore, the information must be disclosed.

**P65**

Husky described document P65 as an e-mail dated March 18, 1999, from Jenko to Arnott. The content of the e-mail does not reveal a confidential communication that was made for the purpose of obtaining legal advice. The content of the e-mail reveals that the e-mail was prepared in anticipation of litigation, but the information contained in the e-mail must be disclosed pursuant to the



September 7 order because the information relates to the validity of the 928 patent.

**P72**

Husky described document P72 as a letter dated November 20, 1998, from Robert Stratton, Husky's lawyer, to Arnott, and Rick Bauer, Husky's lawyer. The content of the letter does not reveal a confidential communication that was made for the purpose of obtaining legal advice. The content of the e-mail reveals that the information contained in the e-mail was prepared in anticipation of litigation, but the information must be disclosed pursuant to the September 7 order [\*16] because the information relates to the validity of the 928 patent.

**P75**

Husky described document P75 as an e-mail dated March 11, 1999, from Arnott to Jenko. Included with the e-mail are attached messages that are not described at all on Husky's privilege log. For that reason, the attached messages must be disclosed. The content of the e-mail itself reveals that the information contained up to the sentence beginning with "To file" is not protected against disclosure under the attorney-client privilege. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the rest of the e-mail contains information protected under the attorney-client privilege. The e-mail does contain information prepared in anticipation of litigation in the paragraphs up to and including the paragraph beginning with "In the meantime" as well as the sentence beginning with "Finally", but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The remainder of the e-mail is not protected under the work-product doctrine because the information was prepared in the ordinary course [\*17] of business and not in anticipation of litigation.

**P78**

Husky described document P78 as an undated e-mail from Arnott to Jenko and Stefan Von Buren, a Husky employee. Included with the e-mail is an attached message that is not described at all on Husky's privilege log. For that reason, the attached message must be disclosed. All of the information contained in the e-mail itself has already been disclosed so no additional rulings are necessary.

**P81**

Husky described document P81 as an e-mail dated January 19, 1999, from Arnott to Abdeslam Bouti,

George Olaru, Von Buren, and Jenko, all Husky employees. The redacted information contained in the paragraphs beginning with "The situation" and "If Mold-Masters" relays legal advice, but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The redacted information contained in the paragraph beginning with "Based" is not protected under the attorney-client privilege because of waiver; the information relays legal advice contained in the e-mail that has already been disclosed. The redacted information contained in the paragraph beginning [\*18] with "Based" is not protected against disclosure under the work-product doctrine because the information was prepared in the ordinary course of business and not in anticipation of litigation; the information pertains to the design of a potential product.

**P85**

Husky described document P85 as a letter dated March 6, 2001, from Daniel Boehnen, Mold-Masters's lawyer, to Robert Schad, a Husky employee. Some handwritten notes have been redacted from the letter. No information relating to the handwritten notes is included on Husky's privilege log. For that reason, the handwritten notes must be disclosed.

**P87**

Husky described document P87 as a letter dated February 28, 2001, from Jonathan Fischer, a Mold-Masters employee, to Schad. Some handwritten notes have been redacted from the letter. No information relating to the handwritten notes is included on Husky's privilege log. For that reason, the handwritten notes must be disclosed.

**P89**

Husky described document P89 as a letter dated February 23, 2001, from Alan Cantor, Mold-Masters's lawyer, to Schad and Fischer. Some handwritten notes have been redacted from the letter. No information relating [\*19] to the handwritten notes is included on Husky's privilege log. For that reason, the handwritten notes must be disclosed.

**P91**

Husky described document P91 as an e-mail dated March 3, 2001, from T.J. Dhillon, a Husky employee, to Arnott and thirteen other Husky employees. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether any part of the e-mail contains information protected under the attorney-client privilege. The content of the e-mail reveals that the

information contained in the e-mail was prepared in the ordinary course of business and not in anticipation of litigation; the e-mail merely conveys business information to sales associates. Therefore, the e-mail must be disclosed.

#### **P93**

Husky described document P93 as an undated report authored by Bruce Haas, Husky's lawyer. This Court cannot tell from the content of the report or from Husky's description of the report whether the report contains redacted information that is protected under the attorney-client privilege. The content of the report reveals that the redacted information contained in the report was prepared in anticipation of litigation, but [\*20] the redacted information contained in bullet points two and three on page six of the report must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The rest of the redacted information contained in the report is protected against disclosure under the work-product doctrine because the information was prepared in anticipation of litigation; the information does not relate to the validity of the 928 patent.

#### **P94**

Husky described document P94 as a letter dated February 28, 2001, from Fischer to Schad. Some handwritten notes have been redacted from the letter. No information relating to the handwritten notes is included on Husky's privilege log. For that reason, the handwritten notes must be disclosed.

#### **P97**

Husky described document P97 as undated handwritten notes authored by Derek Smith, a Husky employee. This Court cannot tell from the content of the notes or from Husky's description of the notes whether the notes contain information protected under the attorney-client privilege or work-product doctrine. Consequently, the handwritten notes must be disclosed.

#### **P103**

Husky described [\*21] document P103 as an e-mail dated January 14, 1999, from Sandra Hackenberg, a Husky employee, to Arnott and sixteen other Husky employees. Included with the e-mail is an attached document that is not described at all on Husky's privilege log. For that reason, the attached document must be disclosed. The e-mail itself has already been disclosed so no additional rulings are necessary.

#### **P104**

Husky described document P104 as an e-mail dated January 19, 1999, from Arnott to Jenko, Von Buren, and Olaru. This document is identical to P81. Included with the e-mail is an attached message that is not described at all on Husky's privilege log. For that reason, the attached message must be disclosed. The attached message was disclosed in P81 anyway.

The redacted information contained in the paragraphs of the e-mail beginning with "The situation" and "If Mold-Masters" relays legal advice, but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The redacted information contained in the paragraph beginning with "Based" is not protected under the attorney-client privilege because of waiver; the information [\*22] relays legal advice contained in the e-mail that has already been disclosed. The redacted information contained in the paragraph beginning with "Based" is not protected against disclosure under the work-product doctrine because the information was prepared in the ordinary course of business and not in anticipation of litigation; the information pertains to the design of a potential product.

The second page of P104 is a copy of the first page of P104. The same analysis applies.

#### **P105**

Husky described document P105 as an e-mail with attachment dated March 11, 1999, from Jenko to Arnott. Included with the e-mail are attached messages that are not described at all on Husky's privilege log. (One of the attached messages is dated November 27, 1998, also known as P107.) Also, no information relating to the attachment is included on Husky's privilege log. Therefore, the attached messages and document must be disclosed.

This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the redacted information contained in the e-mail is protected under the attorney-client privilege. The e-mail does contain information prepared in anticipation [\*23] of litigation in the paragraph beginning with "In the meantime" and in the sentence beginning with "Finally", but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The remainder of the redacted information contained in the e-mail is not protected under the work-product doctrine because the information was prepared in the ordinary course of business and not in anticipation of litigation. If this ruling looks similar to P75, that is because P105 is identical to P75, except for the fact that parts redacted from P75 were voluntarily

disclosed by Husky in P105. Why Husky imposed on this Court in this fashion is unexplained.

#### **P106**

Husky described document P106 as an e-mail dated December 8, 1999, from Arnott to Jenko. Included with the e-mail are attached messages that are not described at all on Husky's privilege log. For that reason, the attached messages must be disclosed. All of the information contained in the e-mail itself has already been disclosed so no additional rulings are necessary.

#### **P107**

Husky described document P107 as an e-mail with attachment dated November 27, 1998, from [\*24] Arnott to Jenko and Von Buren. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the redacted information contained in the e-mail is protected under the attorney-client privilege. The content of the e-mail reveals that the redacted information was prepared in the ordinary course of business and not in anticipation of litigation; the e-mail pertains to the design of a potential product. Therefore, the e-mail must be disclosed.

#### **P108**

Husky described document P108 as an e-mail dated November 11, 1998, from Arnott to Jenko and Von Buren. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the redacted information in the paragraphs beginning with "We also" and "In summary" is protected under the attorney-client privilege. The content of the redacted paragraph beginning with "Meanwhile" relays legal advice, but the information contained in the paragraph must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The content of the redacted paragraph beginning with "If we" relays legal advice that does not pertain [\*25] to the validity of the 928 patent, and therefore the information need not be disclosed. The content of the redacted paragraphs beginning with "We also" and "In summary", except for the final sentence beginning with "Can", reveals that the information contained in those paragraphs was prepared in anticipation of litigation, but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The sentence beginning with "Can" is not protected under the work-product doctrine because the information contained in that sentence was prepared in the ordinary course of business and not in anticipation of litigation; the information pertains to the manufacture of a potential product.

#### **P109**

Husky described document P109 as an e-mail dated October 1, 1998, from Arnott to Whiffen, Olaru, Jenko, and Von Buren. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the redacted portion of the e-mail is protected under the attorney-client privilege. The content of the redacted information contained in the sentence beginning with "What" reveals that the information was [\*26] prepared in anticipation of litigation, but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The content of the redacted information contained in the sentence beginning with "Please" reveals that the information was prepared in the ordinary course of business and not in anticipation of litigation; the information pertains to the design of a potential product. Therefore, the e-mail must be disclosed.

#### **P110**

Husky described document P110 as an e-mail with attachment dated October 1, 1998, from Hackenberg to Arnott and eleven other Husky employees. No information relating to the attachment is included on Husky's privilege log. For that reason, the attachment must be disclosed. The e-mail itself contains no privileged or protected information.

#### **P111**

Husky described document P111 as an undated facsimile from Arnott to Whiffen. No information relating to the faxed documents is included on Husky's privilege log. For that reason, the faxed documents must be disclosed.

#### **P112**

Husky described document P112 as a letter dated July 8, 1997, from Olaru to Whiffen, Bouti, [\*27] and Peter Hall, all Husky employees. This Court cannot tell from the content of the letter or from Husky's description of the letter whether the redacted portion of the letter is protected under the attorney-client privilege or work-product doctrine. Therefore, the letter must be disclosed.

#### **P114**

Husky described document P114 as an e-mail dated March 11, 1999, from Arnott to Jenko. Included with the e-mail are attached messages and documents. Neither the attached messages nor the attached documents are described at all on Husky's privilege log. For that reason, the attached messages and documents must be disclosed. The content of the e-mail itself reveals that the information contained up to the sentence beginning with

"To file" is not protected against disclosure under the attorney-client privilege. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the rest of the e-mail contains information protected under the attorney-client privilege. The e-mail does contain information that was prepared in anticipation of litigation in the paragraphs up to and including the paragraph beginning with "In the meantime" as well as [\*28] the sentence beginning with "Finally", but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The remainder of the e-mail is not protected under the work-product doctrine because the information was prepared in the ordinary course of business and not in anticipation of litigation. Incidentally, P114 is identical to P75.

**P115**

Husky described document P115 as an April 28, 1997 report authored by Bouti. The content of the report reveals that the information contained in the report is not protected under the attorney-client privilege or work-product doctrine; the report merely contains information relating to the design of a potential product. Therefore, the report must be disclosed.

**P116**

Husky described document P116 as an e-mail dated August 6, 1997, from Olaru to Martin Osterode and four other Husky employees. The content of the e-mail reveals that the redacted information contained in the e-mail is not protected under the attorney-client privilege or work-product doctrine; the information deals with a possible business arrangement between Kona and Husky. Therefore, the [\*29] e-mail must be disclosed.

**P119**

Husky described document P119 as a letter with attachment dated July 8, 1997, from Olaru to Whiffen, Bouti, and Hall. This Court cannot tell from the content of the letter or from Husky's description of the letter whether the redacted portion of the letter contains information protected under the attorney-client privilege or work-product doctrine. P119 is identical to P112.

**P121**

Husky described document P121 as a March 21, 1997 report with attachment authored by Bouti. Included with the report are two attached documents that are not described at all on Husky's privilege log. For that reason, the attached documents must be disclosed. The content of the report itself reveals that the information contained in the report is not protected against disclosure under the

attorney-client privilege or work-product doctrine; the report contains business information regarding the design of a potential product. Therefore, the report must be disclosed.

**P125**

Husky described document P125 as a letter dated February 24, 1997, from Olaru to Whiffen and Rajan Puri, a Husky employee. The redacted information contained in the [\*30] paragraph beginning with "The preliminary" relays legal advice unrelated to the validity of the 928 patent so the information need not be disclosed. This Court cannot tell from the content of the letter or from Husky's description of the letter whether the redacted information contained in the remaining paragraphs is protected under the attorney-client privilege. The content of the letter reveals that the redacted information contained in the remaining paragraphs was prepared in the ordinary course of business and not in anticipation of litigation; the information pertains to the design of a potential product.

**P129**

Husky described document P129 as a facsimile with attachment dated October 16, 1998, from Arnott to Whiffen. The attachments are not described at all on Husky's privilege log. For that reason, the attachments must be disclosed. The facsimile cover sheet has already been disclosed so no additional rulings are necessary.

**P130**

Husky described document P130 as a May 12, 1997 report authored by Harold Godwin, a Husky employee. The content of the report reveals that the information contained in the report is not protected against disclosure under [\*31] the attorney-client privilege or work-product doctrine; the information pertains to the design of a potential product. Therefore, the report must be disclosed.

**P133**

Husky described document P133 as a facsimile dated November 22, 1999, from Arnott to Bachman. The content of the facsimile reveals that the redacted information contains a confidential communication that was made for the purpose of obtaining legal advice, but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent.

**P136**

Husky described document P136 as an e-mail dated November 16, 1999, from Arnott to Ralph Gauss and

five other Husky employees. Included with the e-mail are attached messages that are not described at all on Husky's privilege log. For that reason, the attached messages must be disclosed. The content of the e-mail itself does not reveal any confidential communication that was made for the purpose of obtaining legal advice. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the redacted information contained in the e-mail is protected under the work-product [\*32] doctrine. Therefore, the e-mail must be disclosed.

#### **P140**

Husky described document P140 as an undated e-mail from Arnott to Gauss and three other Husky employees. Included with the e-mail are attached messages that are not described at all on Husky's privilege log. For that reason, the attached messages must be disclosed. The content of the e-mail itself does not reveal any confidential communication that was made for the purpose of obtaining legal advice. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the redacted information contained in the e-mail is protected under the work-product doctrine. Therefore, the e-mail must be disclosed.

#### **P142**

Husky described document P142 as a letter dated October 22, 1999, from Bachman to Arnott. Included with the letter are attachments that are not described at all on Husky's privilege log. For that reason, the attachments must be disclosed. The content of the letter is not protected against disclosure under the attorney-client privilege because the information contained in the letter does not reveal a confidential communication that was made for the purpose of obtaining [\*33] legal advice. The content of the letter is protected against disclosure under the work-product doctrine because the information was prepared in anticipation of litigation, but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent.

#### **P144**

Husky described document P144 as a letter dated October 18, 1999, from Arnott to Gauss and two other Husky employees. Included with the letter are attachments that are not described at all on Husky's privilege log. For that reason, the attachments must be disclosed. The redacted information contained in the paragraphs beginning with "I have" and "If you" is not protected under the attorney-client privilege because the information does not reveal a confidential

communication that was made for the purpose of obtaining legal advice. This Court cannot tell from the content of the letter or from Husky's description of the letter whether the redacted information contained in the paragraph beginning with "Our strategy" is protected under the attorney-client privilege. The content of the letter reveals that the redacted information contained in the paragraph beginning [\*34] with "Our strategy" was prepared in anticipation of litigation, but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The content of the letter also reveals that the redacted information contained in the paragraphs beginning with "I have" and "If you plan" was prepared in the ordinary course of business and not in anticipation of litigation; the information pertains to the design and sale of a potential product.

#### **P146**

Husky described document P146 as an e-mail dated January 19, 1999, from Arnott to Bouti, Von Buren, Jenko, and Olaru. The redacted information contained in the paragraphs beginning with "The situation" and "If Mold-Masters" relays legal advice, but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The redacted information contained in the paragraph beginning with "Based" is not protected under the attorney-client privilege because of waiver; the information relays legal advice contained in the e-mail that has already been disclosed. The redacted information contained in the paragraph beginning [\*35] with "Based" is not protected against disclosure under the work-product doctrine because the information was prepared in the ordinary course of business and not in anticipation of litigation; the information pertains to the design of a potential product. Incidentally, P146 is identical to P81.

#### **P147**

Husky described document P147 as an e-mail dated January 18, 1999, from Bouti to Arnott, Jenko, Von Buren, and Alex Teng, all Husky employees. The content of the redacted portion of the e-mail does not contain a confidential communication that was made for the purpose of obtaining legal advice. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the redacted information contained in the e-mail is protected under the work-product doctrine. Therefore, the e-mail must be disclosed.

#### **P148**

Husky described document P148 as an e-mail dated November 11, 1998, from Jenko to Arnott. Included with the e-mail is an attached message that is not described at all on Husky's privilege log. For that reason, the attached message must be disclosed. The content of the e-mail does not contain a confidential communication that [\*36] was made for the purpose of obtaining legal advice. The content of the e-mail reveals that the e-mail was prepared in the ordinary course of business and not in anticipation of litigation; the e-mail pertains to the design of a potential product. Therefore, the e-mail must be disclosed.

**P152**

Husky described document P152 as an e-mail dated May 22, 1997, from Whiffen to Bouti and Olaru. Included with the e-mail is an attached message that is not described at all on Husky's privilege log. For that reason, the attached message must be disclosed. The information contained in the e-mail has already been disclosed so no additional rulings are necessary.

**P154**

Husky described document P154 as an e-mail with attachment dated October 1, 1998, from Arnott to Whiffen, Olaru, Jenko, and Von Buren. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the redacted portion of the e-mail is protected under the attorney-client privilege. The content of the redacted information contained in the sentence beginning with "What" reveals that the information was prepared in anticipation of litigation, but the information must [\*37] be disclosed pursuant to the September 7 order because the information relates to the validity of the 928 patent. The content of the redacted information contained in the sentence beginning with "Please" reveals that the information was prepared in the ordinary course of business and not in anticipation of litigation; the information pertains to the design of a potential product. If this ruling sounds similar to P109, that is because P154 is identical to P109.

**P156**

Husky described document P156 as an e-mail dated January 19, 1999, from Arnott to Jenko, Von Buren, Bouti, and Olaru. Included with the e-mail is an attached message that is not described at all on Husky's privilege log. For that reason, the attached message must be disclosed. The redacted information contained in the paragraphs of the e-mail beginning with "The situation" and "If Mold-Masters" relays legal advice, but the information must be disclosed pursuant to the September 7 order because the information relates to the validity of

the 928 patent. The redacted information contained in the paragraph beginning with "Based" is not protected under the attorney-client privilege because of waiver; the information [\*38] relays legal advice contained in the e-mail that has already been disclosed. The redacted information contained in the paragraph beginning with "Based" is not protected against disclosure under the work-product doctrine because the information was prepared in the ordinary course of business and not in anticipation of litigation; the information pertains to the design of a potential product. Incidentally, P156 is identical to P81.

**P157**

Husky described document P157 as an e-mail with attachment dated November 27, 1998, from Arnott to Jenko and Von Buren. This Court cannot tell from the content of the e-mail or from Husky's description of the e-mail whether the redacted portion of the e-mail is protected under the attorney-client privilege. The content of the e-mail reveals that the redacted information was prepared in the ordinary course of business and not in anticipation of litigation; the information pertains to the design of a potential product. P157 is identical to P107.

**P159**

Husky described document P159 as a February 11, 1997 report authored by Olaru. This Court cannot tell from the content of the report or from Husky's description of the report [\*39] whether the report is protected under the attorney-client privilege or work-product doctrine. Therefore, the report must be disclosed.

**P161**

Husky described document P161 as a January 7, 1999 report authored by Olaru. The report contains handwritten notes that are not described at all on Husky's privilege log. For that reason, the handwritten notes must be disclosed. The content of the report itself reveals that the information contained in the report is not protected against disclosure under the attorney-client privilege or work-product doctrine; the report merely provides an update on issues relating to Husky's products or potential products. Therefore, the report must be disclosed.

**P170**

Husky described document P170 as a facsimile from Arnott to Whiffen. Included with the facsimile cover sheet are attached documents that are not described at all on Husky's privilege log. For that reason, the attached documents must be disclosed. The information contained in the facsimile has already been disclosed so no additional rulings are necessary.

**P216**

Husky described document P216 as a design drawing and patent with handwritten notes dated July 16, 1996, from [\*40] the file of Jenko. No information pertaining to the handwritten notes (e.g., who wrote the notes) is included on Husky's privilege log. For that reason, the handwritten notes must be disclosed. This Court cannot tell from the content of the drawing or patent or from Husky's description of the drawing or patent whether any part of the drawing or patent is protected under the attorney-client privilege or work-product doctrine. Therefore, the drawing and patent must be disclosed.

**P218**

Husky described document P218 as a February 28, 2001 report with handwritten notes authored by Baumann. This Court cannot tell from the content of the report or handwritten notes or from Husky's description of the report or handwritten notes whether any part of the report or handwritten notes is protected under the attorney-client privilege or work-product doctrine. Therefore, the report and handwritten notes must be disclosed.

**P219**

Husky described document P219 as a February 28, 2001 report authored by Baumann. This Court cannot tell from the content of the report or from Husky's description of the report whether any part of the report is protected under the attorney-client [\*41] privilege or work-product doctrine. Therefore, the report must be disclosed.

**P220**

Husky described document P220 as undated drawings with handwritten notes from the file of Arnott. This Court cannot tell from the content of the drawings or handwritten notes or from Husky's description of the drawings or handwritten notes whether any part of the drawings or handwritten notes is protected under the attorney-client privilege or work-product doctrine. Therefore, the drawings and handwritten notes must be disclosed.

**P223**

Husky described document P223 as an undated report authored by Arnott. The report consists solely of approximately twenty-seven separate documents that are not described at all on Husky's privilege log. For that reason, the entire document must be disclosed.

**P224**

Husky described document P224 as a June 3, 1997 report with handwritten notes from the file of Olaru. This Court cannot tell from the content of the report or handwritten notes or from Husky's description of the report or handwritten notes whether any part of the report or handwritten notes is protected under the attorney-client privilege or work-product doctrine. [\*42] Therefore, the report and handwritten notes must be disclosed.

**P225**

Husky described document P225 as a June 3, 1997 report with handwritten notes from the file of Olaru. This Court cannot tell from the content of the report or handwritten notes or from Husky's description of the report or handwritten notes whether any part of the report or handwritten notes is protected under the attorney-client privilege or work-product doctrine. Therefore, the report and handwritten notes must be disclosed.

**P226**

Husky described document P226 as a June 3, 1997 report with handwritten notes from the file of Olaru. This Court cannot tell from the content of the report or handwritten notes or from Husky's description of the report or handwritten notes whether any part of the report or handwritten notes is protected under the attorney-client privilege or work-product doctrine. Therefore, the report and handwritten notes must be disclosed.

**P228**

Husky described document P228 as undated handwritten notes from the file of Arnott. This Court cannot tell from the content of the handwritten notes or from Husky's description of the handwritten notes whether any [\*43] part of the notes is protected under the attorney-client privilege. The content of the handwritten notes reveals that the information contained in the notes was prepared in anticipation of litigation; the information relates to the instant suit, but not to the validity of the 928 patent.

**P229**

Husky described document P229 as handwritten notes dated February 28, 2001, from the file of Arnott. This Court cannot tell from the content of the handwritten notes or from Husky's description of the handwritten notes whether any part of the notes is protected under the attorney-client privilege. The content of the handwritten notes reveals that the information contained in the notes was prepared in anticipation of

litigation; the information relates to the instant suit, but not to the validity of the 928 patent.

**P230**

Husky described document P230 as a March 5, 2001 document authored by Arnott. This Court cannot tell from the content of the document or from Husky's description of the document whether any part of the document is protected under the attorney-client privilege. The content of the document reveals that the information contained in the document was prepared [\*44] in anticipation of litigation; the information relates to the instant suit, but not to the validity of the 928 patent.

**P234**

Husky described document P234 as handwritten notes dated May 17, 1997, authored by Godwin and Bouti. The content of the notes does not reveal a confidential communication that was made for the purpose of obtaining legal advice. The content of the notes also reveals that the information contained in the notes was prepared in the ordinary course of business and not in anticipation of litigation; the information

pertains to the design of a potential product. Therefore, the notes must be disclosed.

**P236**

Husky described document P236 as an undated draft application from the file of Bouti. This Court cannot tell from the content of the application or from Husky's description of the application whether any part of the application is protected under the attorney-client privilege. Therefore, the draft application must be disclosed.

**IV.**

For the reasons stated, this Court grants Mold-Masters's motion in part and denies it in part. Husky must produce documents to Mold-Masters as stated above.

**ENTER ORDER:**

**MARTIN C. ASHMAN** [\*45]

United States Magistrate Judge

**Dated:** December 5, 2001.



**Tab 8**

LEXSEE 1996 U.S. DIST. LEXIS 8554

**HARRY D. WEEKS, Plaintiff, v. SAMSUNG HEAVY INDUSTRIES CO., LTD.,  
SAMSUNG AMERICA, INC., an Illinois corporation, SAMSUNG SHIPBUILDING  
& HEAVY INDUSTRIES CO., LTD., and SAMSUNG CONSTRUCTION  
EQUIPMENT CO., an Illinois corporation, Defendants.**

**No. 93 C 4899**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF  
ILLINOIS, EASTERN DIVISION**

*1996 U.S. Dist. LEXIS 8554*

**June 19, 1996, Decided  
June 20, 1996, DOCKETED**

**DISPOSITION:** [\*1] Plaintiff's motion denied.

**LexisNexis(R) Headnotes**

**COUNSEL:** For HARRY D WEEKS, plaintiff: Torquil Roger Olson, Torquil R. Olson, P.C., Hinsdale, IL. Michael L. Flynn, Business Legal Service, Ltd., Downers Grove, IL.

For SAMSUNG HEAVY INDUSTRIES CO., LTD., SAMSUNG CONSTRUCTION EQUIPMENT CO., an Illinois corporation, defendants: Peter J. Mone, Andrew John Boling, Nam H. Paik, William Lynch Schaller, Baker & McKenzie, Chicago, IL.

For SAMSUNG AMERICA, INC., an Illinois corporation, SAMSUNG SHIPBUILDING & HEAVY INDUSTRIES CO., LTD., defendants: Andrew John Boling, Nam H. Paik, William Lynch Schaller, Baker & McKenzie, Chicago, IL.

**JUDGES:** Ronald A. Guzman, United States Magistrate Judge. Hon. Elaine E. Bucklo

**OPINIONBY:** Ronald A. Guzman

**OPINION:**

**MEMORANDUM OPINION AND ORDER**

Pending is plaintiff's, Harry D. Weeks, Motion To Compel Production Of Documents Claimed As

Privileged With Regard To The Conveyance Of Legal Advice And Opinion. For the reasons stated below, the motion is hereby denied.

**BACKGROUND FACTS**

On June 10, 1994, the defendants issued a Privilege Log to plaintiff identifying the documents they withheld from production. Plaintiff later moved for Sanctions pursuant to *FRCP* 37, claiming [\*2] that defendants had violated the rules of discovery. On January 19, 1996, this Court issued an order in response to plaintiff's motion. The order required defendants to provide plaintiff with an Amended Privileged Log on or before January 30, 1996. The order further required the Amended Privilege Log to be in compliance with *FRCP* 26(b)(5). Defendants provided plaintiff with their Amended Privilege Log on January 30, 1996.

On February 7, 1996, the parties held a Rule 12(k) conference. This conference was pursuant to this Court's order of January 19, 1996. During the conference, the parties could not agree whether the documents withheld from production by defendants were privileged. In particular, the parties could not agree whether Document 2 of defendants' Amended Privilege Log falls within the scope of the attorney-client privilege. Accordingly, under several motions, plaintiff moved this Court to compel the production of those documents withheld by defendant. One of these motions is now before the Court. In this motion, plaintiff contends, among other things, that the documents withheld from production by defendants do not convey legal advice or opinion.

In particular, plaintiff [\*3] contends that Document 2 of defendants' Amended Privilege Log falls outside the scope of the attorney-client privilege. Document 2, along with others, was inadvertently produced by defendants to plaintiff as Bates Stamp Numbered Documents 1225-1227. Plaintiff was subsequently ordered to return to defendants all copies of inadvertently produced documents he possessed.

### DISCUSSION

First, plaintiff contends that defendants' Amended Privilege Log does not comply with *FRCP 26(b)(5)*. *Federal Rule of Civil Procedure 26(b)(5)* states:

When a party withholds information otherwise discoverable under these rules by claiming that it is privileged or subject to protection as trial preparation material, the party shall make the claim expressly and shall describe the nature of the documents, communications, or other things not produced or disclosed in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the applicability of the privilege or protection.

*F.R.Civ.Proc. 26(b)(5)*

Plaintiff particularly alleges that Document 2 of defendants' Amended Privilege Log does not enable him to assess the applicability of defendants' [\*4] claimed privilege. Plaintiff argues that defendants' description of Document 2 in their Amended Privilege Log provides no more information regarding the applicability of the attorney-client privilege than does defendants' description of Document 2 in their original Privilege Log.

This Court finds that defendants' description of Document 2 in their Amended Privilege Log is in compliance with *FRCP 26(b)(5)*. In their Amended Privilege Log, defendants describe the nature of Document 2 in a way which enables plaintiff to assess the applicability of defendants' attorney-client privilege. Defendants describe both the persons involved in the relevant communication and the subject matter regarding that communication. Specifically, the defendants note that the document was sent from Chang Il Kim to Byung Tak Kim, both employees of defendants during the relevant times. Furthermore, defendants state that Document 2 is Chang Il Kim's summary of legal advice received from Baker & McKenzie, counsel for defendants. Thus, defendants' description of Document 2 in their Amended Privilege Log is sufficient to satisfy the requirements of *FRCP 26(b)(5)*.

The Court notes however, that plaintiff's argument [\*5] comparing defendants' Amended Privilege Log with their original Privilege Log is irrelevant. The relevant issue is whether defendants' description of Document 2 in their Amended Privilege Log is in compliance with *FRCP 26(b)(5)*. Based on the foregoing analysis, this Court finds that the description of Document 2 in defendants' Amended Privilege Log is in compliance with Rule 26(b)(5).

Likewise, the Court finds that the other documents and communications listed in defendants' Amended Privilege Log are in compliance with *FRCP 26(b)(5)*. Each listing describes the documents withheld from production in a manner which enables plaintiff to assess the applicability of defendants' claimed privilege.

Plaintiff next argues that defendants' Amended Privilege Log fails to comply with this Court's order of January 19, 1996. This order, of January 19, 1996, succinctly outlined defendants' obligations under *FRCP 26(b)(5)*. Thus, by being in compliance with *FRCP 26(b)(5)* (see the analysis set forth above) defendants' Amended Privilege Log is also in compliance with the order of January 19, 1996.

Plaintiff next contends that the communications identified within Document 2 do not fall within the scope [\*6] of the attorney-client privilege. Specifically, plaintiff argues that those communications do not represent the conveyance of legal advice or opinion. Plaintiff attached Document 2, which was inadvertently produced by defendants, and an English translation thereof as exhibits to his memorandum in support of this motion. For purposes of this motion, defendants stipulate that the English translation is an accurate rendition of Document 2.

After reviewing the English translation of Document 2, this Court finds that the communications identified in that document fall within the scope of the attorney-client privilege. The English translation of Document 2 is clearly directed to legal advice given to Chang Il Kim, an employee of defendant Samsung Heavy Industries' Chicago office, by Baker & McKenzie, counsel for defendants. Document 2 is specifically directed to legal advice about defendants' legal obligations and potential litigation risks with respect to plaintiff.

This Court notes, however, that Document 2 includes certain business and economic data in addition to the legal advice rendered by counsel for the defendants. Plaintiff correctly points out that a communication concerning [\*7] business strategy or advice, as opposed to legal advice, does not fall within the scope of the attorney-client privilege. *In re Brand Name Prescription Drugs Antitrust Litigation*, 1995 U.S. Dist. LEXIS 13626, 1995 WL 557412 at \*2 (N.D. Ill.

Sept. 19, 1995). Nevertheless, documents setting forth business and economic data fall within the scope of the privilege if such data is included merely for the purpose of giving or receiving legal advice. *Id.*

Here, the business data found in Document 2 is for that limited purpose. Document 2 describes plaintiff's compensation. Obviously, this information is in Document 2 to facilitate the analysis of defendants' potential litigation risks and legal obligations with respect to plaintiff. Accordingly, this Court finds that the communications outlined in Document 2 from Baker & McKenzie, counsel for defendant, to Chang Il Kim, manager of defendant Samsung Heavy Industries' Chicago-based office, are within the scope of the attorney-client privilege.

To support his contention that those communications are outside the scope of the attorney-client privilege, plaintiff argues that the legal advice rendered was not in anticipation of litigation. Plaintiff points out that, [\*8] at the time of those communications, he was unaware of any facts which might give rise to his claim. Therefore, plaintiff argues, the communications outlined in Document 2 could not have been in anticipation of litigation and are outside the scope of the privilege.

Under this argument, plaintiff apparently confuses the attorney-client privilege with the work product doctrine. Under the work product doctrine, a qualified immunity attaches to any document prepared in anticipation of litigation by or for a party. *Fed. R. Civ. P. 26(b)(3)*. The work product doctrine protects the documents from discovery, but does not protect the information contained therein. The information is freely discoverable by an opposing party.

On the other hand, the attorney-client privilege protects certain communications between a legal advisor and his/her client. Communications falling within the scope of the privilege are not discoverable unless the privilege is waived by its holder. Most importantly, communications may fall within the scope of the privilege whether or not they are made in anticipation of litigation. Therefore, plaintiff's argument is without merit.

Plaintiff next points out that defendants [\*9] apparently did not label Document 2 as a privileged communication. Plaintiff argues that defendants therefore did not expressly state that it contains legal advice or opinion. This Court finds that plaintiff's argument is without merit. Document 2 contains legal advice and/or opinion, whether or not defendants marked that document as privileged.

The next argument asserted by plaintiff concerns a declaration by Chang Il Kim. Defendants attached the

declaration as an exhibit for their response to the present motion. In the declaration, Chang Il Kim states, among other things, that he received advice from counsel regarding the legal obligations of defendants with respect to plaintiff. He further states that he summarized that advice and relayed it to his superiors, namely Byung Tak Kim.

Plaintiff challenges the declaration on a variety of formal grounds, including (1) that it was not made under oath, (2) that it does not state that Chang Il Kim can or will competently testify to the matters contained therein and (3) that it is not notarized.

At the outset, this Court notes that it did not rely on the declaration of Chang Il Kim to find that Document 2 is a summary of legal advice given [\*10] to him. Further, 28 U.S.C. § 1746 sets forth the formal requirements of unsworn declarations under penalty of perjury. That section is applicable here. If the declarant meets the section's requirements, the declaration has the same force and effect as a sworn affidavit for the purposes of any requirement imposed by a federal rule or regulation. *Davis v. Frapolly*, 756 F. Supp. 1065 (N.D. Ill. 1991). The section states, in substantial part, that, if the declaration is executed in the United States (as was the case here), the declarant must simply declare under penalty of perjury that the contents of the declaration are true and correct. 28 U.S.C. § 1746(2). Furthermore, the declarant must state the execution date and sign the declaration. *Id.*

Although the section explicitly sets forth the language to be used in unsworn declarations, the case law construing that section indicates that the courts should not be unnecessarily hypertechnical in determining whether all non-substantive requirements of execution are satisfied. *Pfeil v. Rogers*, 757 F.2d 850, 859 (7th Cir. 1985).

In the *Davis* case, the declarant, much like Chang Il Kim, failed to notarize the declarations or [\*11] have them sworn before a notary public. 756 F. Supp. at 1067. Nevertheless, the Court found that the declarations could be properly considered as evidence pursuant to 28 U.S.C. § 1746. *Id.* For such reasons this Court finds that Chang Il Kim's declaration could be properly considered as evidence.

Returning to the substantive issues of this motion, this Court has already held that the communications outlined in Document 2 falls within the scope of the attorney-client privilege. An issue remains, however, as to whether the defendants waived their privilege when Chang Il Kim prepared Document 2 and sent it to his superior Byung Tak Kim.

Communications between employees of a corporation may fall within the scope of the attorney-client privilege. *SCM Corp. v. Xerox Corp.*, 70 F.R.D. 508, 514 (D. Conn.), appeal dismissed, 534 F.2d 1031 (2nd Cir. 1976). A privileged communication does not lose its status as such when an executive relays legal advice to another who shares responsibility for the subject matter underlying the consultation. *Id.* Management personnel should be able to discuss the legal advice rendered to them as agents of the corporation. *Id.*

Here, Chang Il [\*12] Kim created Document 2 by summarizing the legal advice given to him by counsel for defendants. He then sent Document 2 to his superior Byung Tak Kim. Both Chang Il Kim and Byung Tak Kim shared responsibility regarding the legal obligation of defendants with respect to Harry Weeks. In other words, they shared responsibility for the subject matter under consultation. *Id.*

Plaintiff argues in his reply to defendants' response that Chang Il Kim did not have decision making responsibility with respect to the retention of Baker & McKenzie as counsel for defendants. Plaintiff's argument, however, is without merit. Whether or not Chang Il Kim was responsible for the retention of counsel for defendants, he shared responsibility (along with his superior Byung Tak Kim) for defendants' legal obligations concerning plaintiff (i.e., the matter under consultation). Accordingly, no waiver of the attorney-

client privilege occurred when Chang Il Kim prepared and sent Document 2 to his superior Byung Tak Kim.

Lastly, plaintiff argues that insofar as Document 2 might convey legal advice or opinion and insofar as I might find that the document falls within the scope of the attorney-client privilege, [\*13] plaintiff was prejudiced from replying to defendants' response. In particular, plaintiff states that he was ordered to return all copies of the document. Therefore, plaintiff argues, he could not adequately prepare his reply.

Clearly, Document 2 contains privileged communications. Plaintiff is not permitted to review this document. This Court having reviewed the document, found that it falls within the scope of the attorney-client privilege. Plaintiff has exhausted all avenues in his attempt to obtain disclosure of this document. Therefore, plaintiff was not prejudiced when defendant provided this Court with a copy of Document 2 for purposes of this motion.

#### **CONCLUSION**

Accordingly, plaintiff's motion is denied.

#### **SO ORDERED**

**ENTER: JUNE 19, 1996**

**Ronald A. Guzman**

**United States Magistrate Judge**

**Tab 9**

LEXSEE 1995 US DIST LEXIS 6942

**JANET ZIEMACK, KENNETH Z. SLATER, and ELLEN Z. SLATER, HERBERT EISENSTADT, JOSEPH MEYER, HARVEY MEYER, and BRENDA DRUCKER, Plaintiffs, v. CENTEL CORPORATION, JOHN P. FRAZEE, JR., and J. STEPHEN VANDERWOUDE, Defendants.**

**No. 92 C 3551**

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION**

*1995 U.S. Dist. LEXIS 6942*

**May 18, 1995, Decided  
May 19, 1995, DOCKETED**

**LexisNexis(R) Headnotes**

**COUNSEL:** [\*1] Michael David Craig, SCHIFFRIN & CRAIG, LTD., Buffalo Grove, IL, Representing Plaintiffs.

Susan Getzendanner, SKADDEN, ARPS, SLATE, MEAGHER & FLOM, Chicago, IL, Representing Defendants.

**JUDGES:** ARLANDER KEYS, United States Magistrate Judge. Judge Brian Barnett Duff

**OPINIONBY:** ARLANDER KEYS

**OPINION:**

**MEMORANDUM OPINION AND ORDER**

This matter comes before the Court on Plaintiffs' Motion to Compel Production of Documents Withheld on Privilege and Work Product Grounds, n1 pursuant to *Federal Rule of Civil Procedure 37(a)*. For the following reasons, this Court orders that Plaintiffs' motion be granted in part and denied in part. n2

n1 This motion concerns documents requested in Plaintiffs' First Request for Production of Documents.

n2 Defendants' Motion to Strike Plaintiffs' Motion to Compel is hereby denied.

**BACKGROUND**

The events upon which Plaintiffs premise this securities fraud class action began at least as early as January 23, 1992. On that date, Centel Corporation ("Centel") announced its [\*2] consideration of alternatives to enhance its shareholders' value. The alternatives that Centel considered included selling the company. These considerations apparently comprised a formal program known as the Strategic Alternatives Process ("SAP"). n3 The SAP culminated in Centel's merger with Sprint Corporation ("Sprint"). That merger was publicly announced on May 27, 1992 and finalized by shareholder vote on March 8, 1993.

n3 Plaintiffs allege that the SAP period began in August of 1991, or earlier, which was well before Centel's January 23, 1992 public announcement. *See infra* at 6-7.

Plaintiffs are individuals who purchased Centel common stock between January 23, 1992 and May 27, 1992. Plaintiffs filed suit on May 29, 1992, after the merger with Sprint was announced. Individual Defendants were the principal senior officers of Centel Corporation when Plaintiffs bought Centel's stock. The common law fraud and federal securities law violations alleged in the Complaint are premised on the theory of "fraud [\*3] on the market" and are based upon statements, by Centel's officers, relating to the decision

to sell the corporation. Plaintiffs maintain that Centel's officers made public statements which misled them into believing that Centel's stock was undervalued. Plaintiffs claim that they relied on the alleged misrepresentations and purchased Centel's stock at prices which they now claim were over-inflated.

The matter immediately before this Court involves the applicability of the attorney-client privilege, the work-product doctrine, and the joint defense doctrine to Defendants' documents relating to the merger and the SAP. On August 12, 1992, Plaintiffs served their First Request for Production of Documents. Defendants initially refused production of 1,017 documents, asserting the attorney-client privilege, as well as the work-product and joint defense doctrines. However, on January 11, 1995, Defendants informed Plaintiffs of their waiver of the attorney-client privilege with respect to the SAP, and their intention to produce those documents for the dates between January 23, 1992 and May 27, 1992 (the class period). During the week of January 17, 1995, Defendants produced more than 24 boxes [\*4] of purportedly privileged documents. Additionally, Defendants produced to Plaintiffs a number of documents dated before and after the class period. Defendants claim that the production of these documents was inadvertent.

Plaintiffs' motion now seeks to compel production of the following remaining documents: n4 8, 17, 18, 52, 53, 66, 68, 101, 102, 103, 105, 107, 133, 136, 141, 146, 156, 157, 158, 161, 162, 166, 171, 177, 178, 179, 180, 192, 193, 195, 197, 200, 254, 256, 257, 263, 267, 296, 297, 300, 321, 328, 346, 348, 390, 427, 428, 432, 442, 455, 506, 570, 585, 589, 591, 592, 599, 677, 679, 685, 686, 702, 703, 705, 711, 712, 763, 779, 780, 803, 804, 805, 807, 812, 816, 822, 825, 827, 833, 834, 872, 873, 875, 876, 879, 881, 882, 886, 892, 894, 901, 904, 905, 906, 907, 920, 932, 933, 955, 956, 984, and 991. n5

n4 The documents, identified by their corresponding privilege-log numbers, are described in Plaintiffs' summaries of Defendants' privilege-log. (Reply Memorandum of Law in Support of Plaintiffs' Motion to Compel Production of Documents Withheld on Privilege and Work Product Grounds, attachments A-G [hereinafter Plaintiffs' Reply].) [\*5]

n5 Plaintiffs additionally seek to discover a document which they admit is unrelated to the merger or the SAP. Document 359, according to Plaintiffs, is a single page memorandum dated

July 10, 1992. (Memorandum of Law in Support of Plaintiffs' Motion to Compel Production of Documents Withheld on Privilege and Work Product Grounds at 6, n.7 [hereinafter Plaintiffs' Mem. Supp.]) The memorandum was sent by Centel's general counsel, Karl Berolzheimer, to Centel's officers and directors, representatives of Goldman Sachs & Co. (investment bankers), representatives of Morgan Stanley & Co. (investment bankers), and Skadden Arps Slate Meagher & Flom (Centel's attorneys). (Id.) The memorandum concerns Centel's document retention policy. (Id.)

Plaintiffs cite *In re Air Crash Disaster at Sioux City, Iowa*, 133 F.R.D. 515, 521 (N.D. Ill. 1990) in support of their position that document 359 is "clearly discoverable." In *Sioux City*, a party's in-house memorandum regarding the destruction of documents was ordered to be produced. *Id.* at 521. The memorandum in *Sioux City* had been sent to 500 employees, thus the court reasoned that there could be no expectation of confidentiality. *Id.*

It is unclear, from the description provided by Plaintiffs, exactly how many people received document 359. Thus to the extent that Plaintiffs rely on the plethora of recipients in *Sioux City*, that reliance is misplaced.

Neither party, in briefing this motion, has informed the court as to the basis of the privilege asserted by Defendants for document 359. However, it is clear that the attorney-client privilege does not apply to this document because it was sent to third persons. *Sioux City*, 133 F.R.D. at 518. Therefore, this Court will grant Plaintiffs' motion as to document 359 only if Defendants claimed protection under the attorney-client privilege. Otherwise, if Defendants claimed protection under the work-product doctrine, this Court will deny Plaintiffs' motion as to document 359.

[\*6]

## DISCUSSION

The scope of discovery should be broad in order to aid the search for the truth. *United States v. White*, 950 F.2d 426, (7th Cir. 1991); *Radiant Burners, Inc. v. American Gas Ass'n*, 320 F.2d 314, (7th Cir. 1963), cert. denied, 375 U.S. 929, 11 L. Ed. 2d 262, 84 S. Ct. 330 (1963); *Allendale Mut. Ins. Co. v. Bull Data Sys. Inc.*, 152 F.R.D. 132, 135 (N.D. Ill. 1993). Therefore, courts commonly look unfavorably upon anything that significantly restricts this scope. *Allendale*, 152 F.R.D.



at 135. Because the attorney-client privilege and work-product doctrine obscure the search for the truth, both should be confined to their narrowest possible limits to minimize the impact upon the discovery process. *White*, 950 F.2d at 430; *Radiant Burners*, 320 F.2d at 319, 323; *Allendale*, 152 F.R.D. at 135.

#### A. Attorney-Client Privilege

There are two reasons that Defendants should produce certain of the documents they withheld on the basis of the attorney-client privilege. First, Defendants waived the attorney-client privilege as to all SAP related documents by voluntarily disclosing some of those documents. Second, many of the documents [\*7] are not within the scope of the attorney-client privilege.

##### 1. Voluntary waiver of the attorney-client privilege

Generally, the "disclosure of a document or an otherwise confidential communication to third persons waives the privilege." *In re Air Crash Disaster at Sioux City, Iowa*, 133 F.R.D. 515, 518 (N.D. Ill. 1990). Moreover, "production of some privileged documents waives the privilege as to all documents of the same subject matter." *Nye v. Sage Products, Inc.*, 98 F.R.D. 452 (N.D. Ill. 1982). n6 Plaintiffs persuasively argue that Defendants voluntarily waived n7 the attorney-client privilege, with respect to all communications on the subject of the SAP, when they provided Plaintiffs with selected, previously withheld, "attorney-client privileged" documents about the SAP. n8 Defendants attempt to both limit the scope of their voluntary waiver and comply with *Nye* by arguing that they previously provided Plaintiffs with all documents "of the same subject matter" (the SAP). Defendants insist that there are no documents concerning the SAP prior to January 23, 1992 (when the SAP was announced) or after May 27, 1992 (when the proposed merger was announced).

n6 The attorney-client privilege is sometimes deemed waived up until the date of the waiver. *Nye*, 98 F.R.D. at 454. Moreover, the attorney-client privilege can be deemed prospectively waived, beyond the date of the waiver. *Id.* However this court declines to find either such extensive waiver applicable here. [\*8]

n7 Defendants acknowledged the extension of the waiver to communications between all counsel and Centel regarding the SAP. (Defendants' Memorandum in Opposition to Plaintiffs' Motion to Compel Production of Documents at 6, n.4.)

n8 Plaintiffs additionally argue that Defendants voluntarily waived the attorney-client privilege for all pre- and post-class period SAP documents, because Defendants "inadvertently" produced a variety of these documents. Plaintiffs maintain that this production, even if inadvertent, vitiates the privilege.

This court finds Plaintiffs' claim of inadvertent waiver to be without merit under either the subjective approach or the balancing test. *Central Die Casting and Mfg. Co., Inc., v. Tokheim Corp.*, No. 93 C 7692, 1994 U.S. Dist. LEXIS 11411, at \*12 (N.D. Ill. Aug. 12, 1994) (citing *Mendenhall v. Barber-Greene Co.*, 531 F. Supp. 951, 954 (N.D. Ill. 1988)). Under *Mendenhall's* subjective approach, inadvertent disclosure never results in a waiver; waiver is an intentional relinquishment, and, thus, an inadvertent act lacks the requisite intent. *Id.* Under *Central Die's* balancing test, the court weighs the reasonableness of precautions taken to prevent disclosure, time taken to rectify error, scope of discovery, extent of disclosure, and overriding fairness. *Id.* In applying the *Central Die* test, especially in light of the number of documents involved in the production, this court finds that the inadvertent production of privileged documents did not result in waiver.

[\*9]

Defendants' unduly limited definition of, and time frame for, the SAP are untenable. The class period dates dictate neither the duration of the SAP nor the permissible dates of discovery. It seems extremely unlikely that there was absolutely no discussion of the SAP before or after the class period. Defendants would apparently have this Court believe that Centel announced its intention to explore strategic alternatives which would maximize shareholder value, including the possible sale of the company, without previously analyzing or discussing the consequences of that announcement. To accept such an assertion would strain credulity. In fact, Plaintiffs refer to several documents, including documents from August 1991, which illustrate that the SAP occurred much earlier than the beginning of the class period. (Plaintiffs' Reply at 5-8.) Moreover, the merger was not "finalized" by shareholder vote and "closed" under the merger agreement until March 8, 1993. Although it seems unlikely that copious discussion about alternatives ensued once the merger was announced, there may have been discussions concerning contingency plans, in the event that the merger failed.

Defendants observe that [\*10] "[a] clear cut-off date for [Defendants'] waiver is desirable." *Nye*, 98 F.R.D. at

454. This court agrees and finds that the end of the (SAP related) waiver is the finalization date of the merger, March 8, 1993. Thus, the attorney-client privilege is waived for the following documents relating to the SAP: 17, 52, 53, 103, 105, 180, 195, 197, 200, 442, 455, 591, 679, 702, 703, 712, 763, 804, 822, and 825. The attorney-client privilege is also waived for the following documents dated after announcement of the merger (May 27, 1992), but prior to the finalization by shareholder vote (March 8, 1993): 18, 141, 156, 267, 300, 346, 428, 599, 905, and 906. Although, it is unlikely that there are many documents after May 27, 1992 which qualify for the SAP waiver, there may be some. Post-announcement documents (dated after May 27, 1992) relating only to the merger, however, are not considered SAP documents. The parties should be able to determine, based on these instructions, which post-announcement documents are to be produced. This task is left to the parties, since the Court cannot discern the documents' contents from the privilege-log descriptions.

## 2. Other documents for which Defendants [\*11] claim attorney-client privilege

Defendants claim the attorney-client privilege for a number of documents which do not concern the SAP. Although these documents fall outside the scope of the waiver, many are unprotected by the privilege.

The attorney-client privilege is designed to protect, from discovery, documents which reflect communications made in confidence by the client. *United States v. Lawless*, 709 F.2d 485, (7th Cir. 1983); *United States v. Weger*, 709 F.2d 1151, 1153 (7th Cir. 1983). The attorney-client privilege "... ought to be strictly confined within the narrowest possible limits consistent with the logic of its principle." *Radiant Burners*, 320 F.2d at 323; see also *White*, 950 F.2d at 430 (stating that the scope of the privilege is narrow, because it is in 'derogation of the search for truth').

The Seventh Circuit has adopted Professor Wigmore's formulation of the essential elements of the attorney-client privilege:

- (1) Where legal advice of any kind is sought
  - (2) from a professional legal adviser in his capacity as such,
  - (3) the communications relating to that purpose,
  - (4) made in confidence
  - (5) by the client,
  - (6) are at his instance permanently [\*12] protected
  - (7) from disclosure by himself or by the legal adviser,
  - (8) except the protection be waived.
- 8 WIGMORE § 2292.

*White*, 950 F.2d at 430; *Lawless*, 709 F.2d at 487; *Radiant Burners*, 320 F.2d at 319. The party seeking to invoke the attorney-client privilege bears the burden of establishing all of the privilege's elements. *White*, 950 F.2d at 430. Additionally, the claim of privilege cannot be a blanket claim; it must be established on a document-by-document basis. *Id.*

Not every disclosure from client to attorney is entitled to protection from discovery. *Sioux City*, 133 F.R.D. at 518. The attorney-client privilege "... protects only those disclosures - necessary to obtain informed legal advice - which might not have been made absent the privilege." *Fisher v. United States*, 425 U.S. 391, 403, 48 L. Ed. 2d 39, 96 S. Ct. 1569 (1976).

Furthermore, communications from attorney to client fall under the privilege only to the extent that they reveal confidential information provided by the client. *Sioux City*, 133 F.R.D. at 518. "A rule conferring privileged status upon a broad[er] range of communications from the attorney to the client would [\*13] ignore *Radiant Burners*' caveat." *Ohio Sealy Mattress Mfg. Co. v. Kaplan*, 90 F.R.D. 21, 28 (N.D. Ill. 1980). Thus, communications from the attorney to the client should be privileged only if the statements do in fact reveal, directly or indirectly, the substance of a confidential communication by the client. *Id.* Legal advice or communications, standing alone, should not automatically receive protection. Instead, the party asserting the privilege must show that such advice relates to prior confidential client communications. n9

n9 This view is consistent with the Seventh Circuit's admonition to protect attorney-client communications as narrowly as possible, yet offer protection that is consistent with the privilege's purpose. *Radiant Burners*, 320 F.2d at 323.

Documents 321, 328, 506, 711, 894, and 920 are protected under the attorney-client privilege. Additionally, the following documents, which are drafts of the joint-proxy statement, for which the attorney-client privilege is claimed, are protected: [\*14] n10 8, 68, 107, 133, 177, 179, 296, 348, 390, 427, 432, 589, 780, 805, 827, 833, 834, 875, 876, 881, and 882. However, documents 66, 101, 102, 136, 146, 157, 158, 161, 162, 166, 171, 178, 192, 193, 254, 256, 257, 263, 297, 570, 585, 592, 677, 685, 686, 705, 779, 803, 807, 812, 816, 872, 873, 879, 886, 892, 901, 904, 907, 932, 933, 955, 956, 984, and 991, do not fall under the protective cloak of the attorney-client privilege. As to these documents, Defendants have not sustained their

burden to show that the privilege applies, and the documents fail to qualify for protection under the attorney-client privilege, either because: (a) the privilege-log descriptions clearly show that the documents are not privileged; (b) the privilege-log descriptions show that the documents are not privileged because they do not contain confidential client communications; or (c) the privilege-log descriptions are insufficient to show that the documents are privileged.

n10 This Court assumes that all the recipients and senders were either attorneys for, or employees of, Centel. Although the privilege-log does not make clear whether the original draft joint-proxy statement was sent from client to attorney, this Court makes that assumption. If the Court's assumption is incorrect, then Defendants are obligated to produce these documents. Otherwise, all drafts which were exchanged back and forth, between client and attorney, are privileged.

[\*15]

(a) Privilege-log descriptions clearly show documents are not privileged

The privilege-log descriptions of documents 166, 171, 570, 592, 816, 872, 879, 886, and 907 show that they primarily concern business advice, or do not contain confidential client information.

The attorney-client privilege does not protect communications primarily regarding business advice. n11 It is well settled that the "... requisite professional relationship is not established when the client seeks business ... advice, as opposed to legal assistance." *Radiant Burners*, 320 F.2d at 324. Documents or conversations created pursuant to business matters must be disclosed. *Allendale*, 152 F.R.D. at 137. Thus, for the privilege to apply, counsel must be involved in a legal, not business, capacity, and the confidential communications must be primarily legal in nature. *Sneider v. Kimberly-Clark Corp.*, 91 F.R.D. 1, 4 (N.D. Ill. 1980). Further, as previously discussed, the privilege does not attach to purely legal advice unless the advice relates to a prior confidential communication from the client to the attorney.

n11 WIGMORE'S formulation of the attorney-client privilege prescribes the presence of eight elements, the first of which requires that the communication seek legal advice. *See supra* at 8-9.

[\*16]

(b) Privilege-log descriptions show documents are not privileged because they do not contain confidential client communications

The following documents are not privileged: 66, 101, 102, 162, 192, 193, 254, 256, 257, 263, 585, 677, 779, 803, 807, 812, and 984. The attorney-client privilege applies only to documents which contain confidential information from the client. Although these documents are alleged to contain legal advice, there is no indication in the privilege-log that this advice relates to any confidential client communication. Documents in this category include attorneys' notes, which are discoverable unless they pertain to confidential client communication (or have work-product immunity).

Additionally, numerous documents as to which Defendants have claimed the attorney-client privilege appear to be, at best, purely legal documents containing advice unrelated to any client communication. These documents concern Centel's Board of Directors' meetings and are discoverable: 146, 157, 161, 178, 932, 933, 955, 956, and 991. Defendants did not meet their burden of proving that these documents primarily contain legal advice concerning confidential communications, which would [\*17] be protected by the attorney-client privilege. The mere fact that an attorney was present, or even participated in the meeting, does not make the meeting's minutes privileged.

Notwithstanding the above discussion, Defendants may redact any confidential client communications which were made for the purpose of receiving legal advice (and the legal advice given, if any) for the documents in this subsection.

(c) Privilege-log descriptions are insufficient to show documents are privileged

The following documents are not privileged because the privilege-log descriptions lack the sufficient detail which is necessary to show that the documents involved primarily legal advice which contained confidential client information: 136, 158, 297, 685, 686, 705, 873, 892, 901, 904.

#### 4. Findings

In sum, this Court finds that Defendants waived the attorney-client privilege with respect to documents 17, 52, 53, 103, 105, 180, 195, 197, 200, 442, 455, 591, 679, 702, 703, 712, 763, 804, 822, and 825. Additionally, the Court finds that the attorney-client privilege is waived for documents 18, 141, 156, 267, 300, 346, 428, 599, 905, and 906.

Similarly, the Court finds that the attorney-client privilege [\*18] does not apply to documents 66, 101,

102, 136, 146, 157, 158, 161, 162, 166, 171, 178, 192, 193, 254, 256, 257, 263, 297, 570, 585, 592, 677, 685, 686, 705, 779, 803, 807, 812, 816, 872, 873, 879, 886, 892, 901, 904, 907, 932, 933, 955, 956, 984, and 991.

This Court finds that attorney-client privilege attaches to documents, 321, 328, 506, 711, 894, and 920, as well as to drafts of the joint-proxy statement 8, 68, 107, 133, 177, 179, 296, 348, 390, 427, 432, 589, 780, 805, 827, 833, 834, 875, 876, 881, and 882.

## B. Work-Product Doctrine

### 1. The standard

The work-product doctrine is "distinct from and broader than the attorney-client privilege." *United States v. Nobles*, 422 U.S. 225, 238, n.11, 45 L. Ed. 2d 141, 95 S. Ct. 2160 (1975) (citing *Hickman v. Taylor*, 329 U.S. 495, 91 L. Ed. 451, 67 S. Ct. 385 (1947)); see also *Radiant Burners*, 320 F.2d at 323. Although different from the attorney-client privilege, the work-product doctrine is another significant limitation on the scope of discovery. The work-product doctrine prevents either party from gaining an unfair advantage by learning the other party's, or their counsel's, legal strategies and theories. [\*19] *Allendale*, 152 F.R.D. at 135; see also *Binks Mfg. Co. v. National Presto Indus. Inc.*, 709 F.2d 1109, 1118-19 (7th Cir. 1983) (work-product doctrine applies to documents prepared by client as well as attorney).

Unlike the attorney-client privilege, a party may obtain discovery of documents protected by the work-product privilege upon a showing of substantial need. Under the work-product doctrine a party may

... obtain discovery of documents ...  
 . prepared in anticipation of litigation or  
 for trial ... only upon a showing that the  
 party seeking discovery has a substantial  
 need of the materials in the preparation of  
 the party's case and that the party is  
 unable without undue hardship to obtain  
 the substantial equivalent of the materials  
 by other means. In ordering discovery of  
 such materials when the required showing  
 has been made, the court shall protect  
 against disclosure of the mental  
 impressions, conclusions, opinions, or  
 legal theories of an attorney or other  
 representative of a party concerning the  
 litigation.

*FED R. CIV. P. 26(b)(3).*

Although Rule 26 makes "ordinary" work-product accessible where there is a substantial need, the Rule specifically protects [\*20] "opinion" work-product from

disclosure, even in the face of undue hardship. *Nye*, 98 F.R.D. at 454 (courts must take precautions to prevent disclosure of "opinion" work-product when ordering production of "ordinary" work-product). "Opinion" work-product includes documents revealing mental impressions, conclusions, opinions, or legal theories. *FED R. CIV. P. 26(b)(3)*; *Sioux City*, 133 F.R.D. at 519, citing *MOORE'S FEDERAL PRACTICE*, para. 26, 64[1] at 26-349-3350 (1989) (opinion work-product involves preparation, strategy, and appraisal of strengths and weaknesses of an action, or activities of the attorneys involved, rather than the underlying evidence); see generally *Hickman*, 329 U.S. at 511.

Initially, the Court must determine whether the documents were in fact prepared in anticipation of litigation; the mere fact that litigation eventually ensues does not, alone, protect all documents related to the subject matter of the litigation. *Binks*, 709 F.2d at 1118-19. The "test" for work-product protection is ". . . whether, in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained [\*21] because of the prospect of litigation." *Id.* at 1119. Additionally, a document is only considered work-product if it is primarily concerned with legal assistance. *Loctite Corp. v. Fel-Pro, Inc.*, 667 F.2d 577, 582 (7th Cir. 1981). The burden is on the party opposing discovery, to show that the work-product doctrine applies. *Allendale*, 152 F.R.D. at 137.

### 2. Application of the work-product doctrine

This case presents special difficulties in applying the work-product doctrine. Plaintiffs filed their suit shortly after Defendants' merger announcement. Thus, throughout the merger process and finalization, this litigation was pending. The mere fact that litigation was already in progress does not provide work-product immunity for documents which were prepared in the regular course of business rather than for purposes of litigation. CHARLES A. WRIGHT, ARTHUR R. MILLER, & RICHARD L. MARCUS, *FEDERAL PRACTICE AND PROCEDURE: CIVIL* 2d § 2024 (1983) at 346. However, documents which serve dual purposes may still be protected. *In re Special September 1978 Grand Jury (II)*, 640 F.2d 49, 61 (7th Cir. 1980) (protecting materials prepared in anticipation of litigation as well [\*22] as for state required report). Thus, the work-product doctrine protects drafts of the joint-proxy statement. n12 The following documents are protected work-product: 68, 146, 158, 177, 296, 427, 432, 442, 589, 677, 679, 711, 780, 805, 812, 827, 833, 834, 873, 875, 876, 881, 882, 886, and 905. n13 The work-product doctrine, however, does not apply to 455, 763, 804, and 907 because they were not created in anticipation of litigation or trial. Additionally, the work-product

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doctrine does not apply to 506 because the privilege-log contains insufficient information to satisfy Defendants' burden of establishing work-product protection.

n12 Although the final, publicly presented joint-proxy statement was not created primarily in anticipation of litigation or trial, the drafts and revisions were so created. This action had already been filed when the drafts were created. A public proxy statement contains representations of the corporation and is, therefore, a likely target for scrutiny in a securities fraud lawsuit. Therefore, modifications to the drafts were influenced substantially by the fact that this litigation was pending. [\*23]

n13 The majority of these documents are, or concern, drafts of the joint-proxy statement.

### 3. Findings

In sum, this Court finds that documents 68, 146, 158, 177, 296, 427, 432, 442, 589, 677, 679, 711, 780, 805, 812, 827, 833, 834, 873, 875, 876, 881, 882, 886, and 905 are protected by work-product doctrine. However, this Court finds that 455, 506, 763, 804, and 907, are not protected.

## C. The Joint Defense Doctrine

### 1. The standard

Material which would otherwise be privileged is customarily discoverable if it has been disclosed to a third-party. *Lawless*, 709 F.2d at 487; *Allendale*, 152 F.R.D. at 139; *Sioux City*, 133 F.R.D. at 518. However, where the third-party shares a common interest with the disclosing party, and such interest is adverse to that of the party seeking discovery, then any existing n14 privilege is not waived. *United States v. McPartlin*, 595 F.2d 1321, 1336-37 (7th Cir. 1979); see also *Allendale*, 152 F.R.D. at 140. This exception is known as the joint defense doctrine.

n14 The joint defense doctrine can only apply where the document is already protected by a privilege. *Allendale*, 152 F.R.D. at 140.

[\*24]

### 2. Findings

This Court finds that the joint defense doctrine is applicable to documents 177, 179, 427 and 589 because each of these documents is already protected by both the attorney-client privilege and the work-product doctrine. Therefore, each of these documents has the requisite privilege(s) upon which to premise the joint defense doctrine.

## SUMMARY OF FINDINGS

Various documents as to which the attorney-client privilege is inapplicable are nonetheless protected by the work-product doctrine; the converse is true as well. Thus, the following documents are not protected, by either the attorney-client privilege or the work-product doctrine, and must be produced to Plaintiffs: 17, 52, 53, 66, 101, 102, 103, 105, 136, 157, 161, 162, 166, 171, 178, 180, 192, 193, 195, 197, 200, 254, 256, 257, 263, 297, 455, 570, 585, 591, 592, 685, 686, 702, 703, 705, 712, 763, 779, 803, 804, 807, 816, 822, 825, 872, 879, 892, 901, 904, 907, 932, 933, 955, 956, 984, and 991.

Documents 18, 141, 156, 267, 300, 346, 428, 599, and 906 must be produced to Plaintiffs if they contain any SAP discussion, including discussion of contingency plans. Additionally, document 359 must be produced if Defendants [\*25] claimed attorney-client privilege protection for this document.

The following documents are protected by one or both privileges and need not be produced by Defendants: 8, 68, 107, 133, 146, 158, 177, 179, 296, 321, 328, 348, 390, 427, 432, 442, 506, 589, 677, 679, 711, 780, 805, 812, 827, 833, 834, 873, 875, 876, 881, 882, 886, 894, 905, and 920.

## CONCLUSION

Based upon the above findings;

IT IS HEREBY ORDERED that Plaintiffs' Motion to Compel Production of Documents Withheld on Privilege and Work-product Grounds be granted in part and denied in part consistent with this Opinion.

Dated: May 18, 1995

ENTER:

ARLANDER KEYS

United States Magistrate Judge

DECLARATION OF SERVICE BY UPS OVERNIGHT DELIVERY

I, the undersigned, declare:

1. That declarant is and was, at all times herein mentioned, a citizen of the United States and employed in the City and County of San Francisco, over the age of 18 years, and not a party to or interested party in the within action; that declarant's business address is 100 Pine Street, Suite 2600, San Francisco, California 94111.

2. That on July 21, 2005, declarant served by UPS, next day delivery, the **APPENDIX OF ELECTRONIC CASES IN SUPPORT OF LEAD PLAINTIFFS' REPLY IN SUPPORT OF MOTION TO COMPEL THE HOUSEHOLD DEFENDANTS TO PRODUCE DOCUMENTS IMPROPERLY WITHHELD ON THE BASIS OF PRIVILEGE** to the parties listed on the attached Service List.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 21st day of July, 2005, at San Francisco, California.

/s/

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MARCY MEDEIROS

HOUSEHOLD INTERNATIONAL (LEAD)

Service List - 7/21/2005 (02-0377)

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