UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

ANDREA ROSSI, et al.,	)	
	)	
Plaintiffs,	)	
v.	)	No. 16-cv-21199-CMA (JJO)
	)	
THOMAS DARDEN, et al.,	)	
	)	
Defendants.	)	
	)	

DEFENDANTS' REPLY MEMORANDUM OF LAW REGARDING COMMUNICATIONS WITH DEEP RIVER VENTURES THAT ARE PROTECTED BY THE ATTORNEY-CLIENT PRIVILEGE AND WORK PRODUCT DOCTRINE

Defendants submit this brief in reply to Plaintiffs' opposition to Defendants' memorandum of law asserting that email communications involving Deep River Ventures, LLC ("DRV"), an independent contractor engaged by Industrial Heat, are protected by the attorney-client privilege and the work product doctrine. As with the last round of briefing on privilege, Plaintiffs fail to lodge any serious challenge to Defendants' privilege and work product claims.

Plaintiffs leave much of Defendants' brief unrefuted. Most notably, Plaintiffs do not dispute that Industrial Heat and DRV were joint clients of the law firm of Myers Bigel. Accordingly, the Court should treat as undisputed Defendants' claims of privilege with respect to any attorney-client communications involving DRV and Myers Bigel.[1]

[1] Plaintiffs claim that "nearly 600 communications" are at issue here. Plfs' Opp. at 1. Undersigned counsel reviewed the communications and concluded that the number is approximately 545. Of these, approximately 150 involve Myers Bigel, so the number of communications that remain in dispute is about 395.

Plaintiffs continue to dispute emails that either (a) involve the law firm of NK Patent Law or (b) do not explicitly copy an attorney. As to these, Plaintiffs—by their silence—make the following concessions:

- Plaintiffs do not dispute that the attorney retention letter attached to Defendants' memorandum of law identifies Industrial Heat and DRV as joint clients of the law firm of NK Patent Law.
- Regardless, Plaintiffs do not dispute that courts in this Circuit have repeatedly extended attorney-client privilege protection to independent contractors, and Plaintiffs do not distinguish those cases.
- Plaintiffs concede that DRV's contract with Industrial Heat included assistance with patent-related tasks and legal proceedings.
- Plaintiffs do not dispute that the illustrative email which the Court identified as business-related (Bates No. IH-0004639) is privileged.

Under governing law, the withheld DRV materials are protected by the attorney-client privilege and/or the work product doctrine.

DISCUSSION

I. DRV and Industrial Heat Were Joint Clients, So Their Attorney-Client Communications Are Privileged.

As for the second law firm, NK Patent Law, Plaintiffs suggest that the absence of one signature on the "Agreement to Dual Representation" attached to Defendants' brief destroys Defendants' privilege claim. Plfs' Opp. at 3-4. Governing law says otherwise.

"Under Florida law, information is protected from disclosure by the attorney-client privilege when it is a communication between a lawyer and client not intended to be disclosed to third persons other than those to whom disclosure is in furtherance of legal services, or those reasonably necessary for the transmission of the communication." *Tyne v. Time Warner Ent'mt, Co.*, 212 F.R.D. 596, 598 (M.D. Fla. 2002) (citing Fla. Stat. § 90.502(1)(c)). Plaintiffs appear take the position that, although DRV was indisputably a client of Myers Bigel, it was not

technically a "client" of NK Patent Law absent production of a fully executed retainer agreement.

Plaintiffs' argument is wrong. Florida law defines "client" as "any person . . . organization or entity, either public or private, who consults a lawyer with the purpose of obtaining legal services or who is rendered legal services by a lawyer." *Id.* (citing Fla. Stat. § 90.502(1)(a)-(b)). This definition does not require a fully executed retainer agreement as a condition precedent to the creation of an attorney-client relationship. Indeed, such a technical mandate would frustrate the purpose of the attorney-client privilege, which "is to encourage clients to communicate freely and open[ly] with their attorneys by removing the fear that their discussions will be subject to disclosure." *Automed Techs., Inc. v. Knapp Logistics & Automation, Inc.*, 382 F. Supp. 2d 1372, 1374 (N.D. Ga. 2005) (citing *United States v. Suarez*, 820 F.2d 1158 (11th Cir. 1987)).

Accordingly, it is firmly established that under Florida law, "'the existence of a formal retainer agreement is not essential' to finding an attorney-client relationship." *Jackson v. BellSouth Telecomms.*, 372 F.3d 1250, 1281 (11th Cir. 2004) (quoting *Eggers v. Eggers*, 776 So.2d 1096, 1099 (Fla. Dist. Ct. App. 2001)). Rather, "[t]he test Florida courts have used to determine whether a lawyer-client relationship exists in the absence of a formal retainer 'is a subjective one and hinges upon the client's belief that he is *consulting* a lawyer in that capacity and his *manifested intention* is to seek professional legal advice.'" *Id.* (quoting *Bartholomew v. Bartholomew*, 611 So. 2d 85, 86 (Fla. Dist. Ct. App. 1992) (emphasis in original)). A client's "'subjective but reasonable belief'" as to the existence of an attorney-client relationship begins "after a putative client has consulted with an attorney." *Id.* at 1281-82.

This test was met here. As reflected in the Declaration of Dewey Weaver, attached hereto as Exhibit A, DRV engaged NK Patent Law to provide legal services. Additionally, NK Patent Law's letter enclosing the Agreement to Dual Representation specifies that the attorney-client privilege applies to the firm's "dual representation of [DRV] and Industrial Heat." Defs' Mem. Exh. A. There can be no question that the parties intended a joint representation, and that if a joint representation existed, the attorney-client privilege applies. Plaintiffs make no attempt to argue to the contrary. Hence, inasmuch as Plaintiffs concede that the privilege protects DRV's communications with Myers Bigel, their objection to Defendants' claim of privilege as to NK Patent Law and DRV must fail. The case that Plaintiffs cite as their primary authority is in accord. *Sun Capital Partners, Inc. v. Twin City Fire Ins. Co.*, No. 12-81397, 2015 WL 1860826, at *5 (April 22, 2015) ("[U]nder the 'joint client' doctrine, clients of the same attorney may share privileged communications with a co-client without waiving attorney-client privilege.").

II. While Plaintiffs Distort the Law Regarding Exceptions to Third-Party Waiver of the Attorney-Client Privilege, Their Cases Actually *Support* Extension of the Privilege to DRV.

The existence of an attorney-client relationship between DRV and counsel is dispositive of the instant dispute. To the extent that Plaintiffs nonetheless wish to challenge a *particular* communication, the proper procedure is to identify such communication(s) on the privilege log and then move to compel production of those specific communications or seek limited *in camera* review, as appropriate. For Plaintiffs to challenge Defendants' privilege claims *en masse* is inappropriate. *See In re Denture Prods. Liab. Litig.*, No. 09-2051-MD, 2012 WL 5057844, at *13 (S.D. Fla. Oct. 18, 2012) (rejecting "Plaintiffs' wholesale approach to concluding that certain documents withheld . . . are not privileged").

Even if DRV were not a client of NK Patent Law, Industrial Heat's privilege protection would extend to attorney-client communications involving DRV. The privilege protects communications to third parties "to whom disclosure is in furtherance of the rendition of legal services, or those reasonably necessary for the transmission of the communication." *Tyne*, 212 F.R.D. at 598-99 (citing Fla. Stat. § 90.502(1)(c)). This exception to third-party waiver has been applied to communications between law firms and independent contractors. *See Royal Bahamian Assoc., Inc. v. QBE, Ins. Co.*, No. 10-21511-CIV, 2010 WL 3637958, at *3 (S.D. Fla. Sept. 20, 2010) (extending privilege to a "contractor retained by a partnership to help it develop real estate").

Plaintiffs attempt to evade this straightforward rule by morphing *dicta* from two cases into what amounts to a "uselessness/handcuffed-ness" hurdle. Plaintiffs' test is a fiction, and the cases from which it is derived in fact *support* application of the privilege in this case. In *Tyne*, for example, the court extended privilege protection to two film production studios that worked with Warner Brothers on the movie, *A Perfect Storm*. Rejecting the plaintiffs' waiver argument, the court reasoned that "[t]he advice of the Warner Bros. legal department would be useless to Warner Bros. if the advice could not be disseminated to the few key individuals who were intimately involved in the joint production of *The Perfect Storm*." 212 F.R.D. at 600. This statement hardly established a "uselessness" test. But more to the point, the court's holding supports Defendants' invocation of the privilege with respect to attorney communications with DRV; per the terms of the Consulting Agreement and the retainer letters, the sharing of such communications with DRV and Industrial Heat was done "in furtherance of the rendition of legal

services, or . . . [wa]s reasonably necessary for transmission of the communication." *Id.* at 598-99 (citing Fla. Stat. § 90.502(1)(c)).[2]

For its part, the court in *Royal Bahamian Ass'n* applied "[t]he analysis used by the *Tyne* Court . . . with equal vigor." 2010 WL 3637958, at *4. *Royal Bahamian Ass'n* involved a property insurance claim relating to damage allegedly caused by Hurricane Wilma in 2005. The defendant property insurer retained a third-party independent contractor "to serve as its independent adjustor" for the claim, and involved him "in communications with counsel in order to assist it in protecting its legal rights." *Id.* at *3. The court rejected the plaintiff's waiver claim, as in *Tyne*, on the rationale that the insurer "would be handcuffed in its ability to evaluate the claim if its field adjuster could not communicate with [the insurer]'s outside counsel without waiving the attorney-client privilege." *Id.* (citing *In re Copper Market Antitrust Litig.*, 200 F.R.D. 213, 219-20 (S.D.N.Y. 2001), as holding that "[the] privilege extends to a *public relations firm* which consulted with the client's attorneys on how to handle issues involving litigation matters") (emphasis in original). Again, rather than creating a novel "handcuffed-ness" test and applying it as a gloss on the Florida statute, the court gave a common-sense explanation of its decision to extend the third-party waiver exception to independent contractors. Thus, like *Tyne*, *Royal Bahamian Ass'n* supports Defendants' privilege claims here. Plaintiffs do not distinguish either case.[3]

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[2] Plaintiffs imply that the statutory exception to third-party waiver applies only to those *"'working under the direct supervision and control of the attorney.'"* Plfs' Opp. at 2 (quoting *Royal Bahamian Ass'n, Inc.*, 2010 WL 3637958, at *3) (emphasis in Plfs' Opp.). The statute itself contains no such limitation. *See* Fla. Stat. § 90.502(1)(c). Nor is it borne out by the facts and holding in *Tyne.*

[3] Plaintiffs also leave unanswered Defendants' discussion of *Farmaceutisk Laboratorium Ferring A/S v. Reid Rowell, Inc.*, 854 F. Supp. 1273, 1274 (N.D. Ga. 1994), and the opinion on which it heavily relied, *In re Beiter Co.*, 16 F.3d 929 (8th Cir. 1994). *See* Defs' Mem. at 8-9. In

III. Plaintiffs Fail to Distinguish the Case Law Extending Privilege Protection to Patent-Related Attorney Communications with Independent Contractors.

Plaintiffs urge another tortured interpretation of attorney-client privilege law in suggesting that Defendants must show on the privilege log that "the confidential communication was sent for a business purpose or a legal purpose." Plfs' Opp. at 7. They add that, "[g]iven that Plaintiff Rossi is the inventor of the intellectual property, and Plaintiff Leonardo Corp. is the owner of the intellectual property, while Defendant IPH is a mere licensee, . . . Plaintiffs are entitled to more" information than the routine litigant. *Id.* at 4-5.

To begin with, Plaintiffs offer no authority for the bizarre proposition that, as intellectual property inventors/owners, they are owed an especially detailed privilege log. The Local Rules of this Court set forth what information is required in a privilege log,[4] and Defendants' log conforms. To the extent that Plaintiffs take issue with the sufficiency of particular entries in the log, they should seek further clarification through counsel before imposing on the Court.

Second, Plaintiffs err in suggesting that the Court must conduct an "either/or" inquiry to determine whether the communications were made for legal versus business advice. The law in this Circuit is clear that the existence of business advice in an attorney communication does not defeat the privilege so long as "the primary purpose of the communication in question was for the purpose of obtaining legal advice." *Preferred Care Partners Holding Corp. v. Humana, Inc.*,

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both cases, communications with an independent third-party contractor were held to be encompassed by the attorney-client privilege.

[4] They include: (1) the type of document; (2) general subject matter of the document; (3) the date of the document; and (4) "such other information as is sufficient to identify the document . . . including, where appropriate, the author, addressee, and any other recipient of the document . . . and, where not apparent, the relationship of the author, addressee, and any other recipient to each other." S.D. Fla. L. R. 26.1(e)(2)(B)(ii) (as amended); *see also Pension Comm. of the Univ. of Montreal Pension Plan v. Banc of Am. Secs.*, No. 08-22398-MC, 2008 WL 4906290, at *2 (Nov. 17, 2008) (invoking same).

258 F.R.D. 684, 689 (S.D. Fla. 2009). Here, Plaintiffs concede that the Consulting Agreement between Industrial Heat and DRV "provid[es] that DRV would assist IH with certain patent-related tasks or assist with legal proceedings." Plfs' Opp. at 6. This is a narrow view of the broad Consulting Agreement. But in any event, there is no dispute that DRV was involved in obtaining patent-related legal advice for and with Industrial Heat.[5]

Unable to escape the language of the Consulting Agreement that placed DRV squarely within the scope of Industrial Heat's attorney-client communications, Plaintiffs pivot to three additional arguments: First, that the attorney-client standard is not altered for patent cases (at 6-7); second, that the Court should conduct *in camera* review of the emails to determine whether each communication was primarily legal in nature (at 8); and third, that communications exclusively between DRV representatives are not privileged unless "counsel was involved in the communication" (at 9). The first two arguments evade the core legal framework governing Defendants' privilege claims. The third lacks legal support. Accordingly, Defendants' privilege claims must stand.

As to their first argument, what is noteworthy—once again—is what Plaintiffs fail to do. Defendants discussed at some length the decision in *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800, 805 (Fed. Cir. 2000), which was cited with approval by a court in this Circuit. *See Automated Techs., Inc.*, 382 F. Supp. 2d at 1374. In *In re Spalding Sports Worldwide, Inc.*, the court rejected the very argument advanced by Plaintiffs here—that "there was no evidence that [counsel] 'acted as a lawyer' by rendering *legal* advice, as opposed to making *business* decisions." 203 F.3d at 805 (emphasis in original). The court also rebuffed a request for a

[5] Although Plaintiffs repeatedly state that the burden of proof rests on the party asserting privilege, this rhetoric is beside the point, as the burden is met here and nothing in Plaintiffs' brief indicates otherwise.

redacted document, reasoning that "[i]t is enough that the overall tenor of the document indicates that it is a request for legal advice or services." *Id.* at 806. Although Plaintiffs attempt to distinguish *In re Spalding Sports Worldwide, Inc.* on the grounds that it involved "an *inventor*" (at 7-8), this detail is irrelevant to the court's conclusion that attorney advice is covered by the privilege even if it contains technical, business-related data. Perhaps even more importantly, Plaintiffs do not refute that, per the reasoning of *In re Spalding Sports Worldwide, Inc.*, the illustrative email identified by this Court as seemingly business-related is actually *protected* by the privilege. *See* Defs' Mem. at 7. This concession-by-silence speaks volumes about the legitimacy of Plaintiffs' attacks on Defendants' privilege claims, and should put them to rest.

As for Plaintiffs' request for *in camera* review, Plaintiffs brief contains nothing that would lead the Court to question the validity of Defendants' privilege claims. The Court already made clear that "I take lawyers at their word until you come in here and are able to show me something different." Feb. 7, 2017 Hearing Trans. at 17. Plaintiffs' proffer does not justify a departure from this baseline assumption.

Lastly, Plaintiffs make the spurious suggestion that discussions of privileged information are not privileged unless each communication is inoculated by inclusion of an attorney. This cavalier argument is belied by the case law. Numerous courts have held that documents containing information "collected [and communicated] for the dominant purpose of facilitating the attorney's efforts to provide services to the client" are privileged even if the attorney is not included in the follow-up communications. *Eutectic Corp. v. Metco, Inc.*, 61 F.R.D. 35, 40 (E.D.N.Y. 1973); *see also, e.g., United States v. Kovel*, 296 F.2d 918, 922 (2d Cir. 1961) (explaining that "communications by the client reasonably related to [legal advice] ought fall within the privilege"); *Williams v. Spring/United Mgmt. Co.*, 238 F.R.D. 633, 639 (D. Kan.

2006) ("Suffice it to say, the court is convinced that the mere fact that certain . . . documents were shared only among HR personnel is not necessarily fatal to defendant's claim of privilege."). Here, undersigned counsel has gone through the approximately 50 communications that Plaintiffs identify as "exclusively between Paul Morris and Dewey Weaver." Plfs' Opp. at 9. All of the emails contain discussions regarding attorney advice, and are accordingly privileged.

IV. Plaintiffs Have Apparently Abandoned Any Attempt to Obtain Attorney Work Product.

As an afterthought, Plaintiffs assert that "[t]o the extent that Defendants have summarily withheld information communications under the guise of the . . . work product doctrine, Plaintiffs' [sic] are entitled to discovery of such information." Plfs' Opp. at 10. This generic statement that the work product doctrine should be invoked properly is meaningless, and should be ignored. Plaintiffs do not attempt to demonstrate substantial need and undue hardship under Fed. R. Civ. P. 26(b)(3). Nor do they dispute that they cannot obtain discovery of "mental impressions, conclusions, opinions, or legal theories of a party's attorney or other representative concerning the litigation." *Id.* That should be the end of the matter.

CONCLUSION

For the foregoing reasons, Defendants respectfully request that the Court find that the DRV-related emails are protected by the attorney-client privilege and the work product doctrine.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 2, 2017, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a notice of electronic filing to all counsel or parties of record.

/s/ *Erika S. Handelson*
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