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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91184978
Party	Defendant Walgreen Co.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

McNEIL-PPC, Inc. Opposer, v. WALGREEN COMPANY, Applicant.	)))))))))	In re Trademark Application Serial No. 76/682,070 Opposition No. 91184978 Trademark: WAL-ZYR

APPLICANT'S REPLY IN SUPPORT OF ITS MOTION TO COMPEL PRODUCTION OF DOCUMENTS

Walgreens Company ("Walgreens") hereby submits this Reply in support of its Motion to Compel Production of Documents ("Motion to Compel").

A. McNeil has not demonstrated the Attorney-Client Privilege Shields the Requested Communications from Production

1. McNeil has the burden of proving that the requested communications are protected by the common interest exception to the attorney-client privilege. *See Ken's* Fo*ods, Inc. v. Ken's Steak House, Inc.*, 213 F.R.D. 89, 93 (D. Mass. 2002) (party asserting common interest exception to attorney-client privilege has burden of proof). McNeil has failed to do so.

2. Under the common interest exception, parties with a common legal interest may share otherwise privileged communications without waiving the privilege, provided the parties take <u>*affirmative steps*</u> <u>*prior to the disclosure*</u> acknowledging an agreement among the parties to maintain the confidentiality of the communications. *See, e.g., Ken's Foods*, 213 F.R.D. at 93-94 (holding that, in order to rely on common interest doctrine, parties must have a common legal interest *and* have taken affirmative steps to acknowledge that parties agreed to maintain confidentiality of communications).

3. While the attorney-client privilege may have initially attached to communications prepared for UCB by UCB's counsel, any such privilege was waived when UCB's counsel (deliberately and with UCB's consent) disclosed the communications to J&J's counsel without

taking *any affirmative step* to acknowledge an agreement regarding confidentiality of these communications in particular *prior* to the disclosure of the communications. The same is true of communications prepared by J&J's counsel for J&J and sent to UCB's counsel.

4. Contrary to McNeil's assertions, the common interest exception does not overcome the fact that the parties waived the attorney-client privilege when they disclosed the communications. To rely on the common interest exception, McNeil must show UCB and J&J took a clear, affirmative step to acknowledge an agreement among the parties to keep the communications confidential. *See United States v. Sawyer*, 878 F.Supp. 295, 297 (D. Mass. 1995) (prohibiting reliance on common interest exception where party could not establish any acts creating an agreement among the parties); *Libbey Glass, Inc. v. Oneida, Ltd.*, 197 F.R.D. 342, 349 (N.D. Oh. 1999) (prohibiting reliance on common interest exception where party could not establish any affirmative steps taken to ensure that all participants were aware of the need to maintain confidentiality); *Dura Global Tech. v. Magna Donnelly Corp.*, 2008 WL 2217682, *3 (E.D. Mich. 2008) (holding attorney-client privilege was preserved under the common interest exception, even though documents were disclosed, because parties took affirmative steps to acknowledge parties' intention to maintain the confidentiality of the documents) (Exhibit A).

5. McNeil has not presented any evidence that that UCB and J&J (or their counsel) took any affirmative steps to acknowledge an agreement among the parties regarding confidentiality, or that such steps were taken prior to the disclosure, or that such steps specifically addressed the confidentiality of the communications in this Opposition. Accordingly, McNeil has failed to show that it can rely on the common interest exception in this case.

6. McNeil argues that the parties had an "understanding" that they would keep the communications confidential. However, an unspoken, unwritten "understanding" does not satisfy the requirements of the common interest exception. *See, e.g., McCaugherty v. Siffermann*, 132 F.R.D. 234, 242-43 (N.D. Cal. 1990) (declarations that the parties had an

"understanding" regarding confidentiality did not demonstrate the required "clear, affirmative steps" taken to preserve confidentiality and necessary to invoke the common interest exception). If the Board were to permit parties to assert unspoken, unwritten "understandings" as the evidence of an agreement, they would establish a precedent that allows parties to claim – after the fact of disclosure – that they had an agreement, even though there is no meaningful or reliable way for the opposing party to investigate and verify such an agreement. Such an expansive holding would extend the purview of the attorney-client privilege far beyond its intended narrow limits. Furthermore, courts have recognized that parties can easily avoid the situation wherein an agreement is unverifiable by having a conversation or sending a letter acknowledging an agreement. *See Libbey*, 197 F.R.D. at 349 ("By refusing to extend the common interest privilege to situations where no efforts were taken to acknowledge and protect the privileged status of the shared communications, courts make privilege law more predictable. In an area as presently uncertain as this, disputes of the sort now before me would not arise if all parties were required either to involve their own lawyers, or to take some other deliberate and meaningful steps to protect the confidential nature of the communications.") McNeil did neither of these things in this case, so it should not be able to rely on the attorney-client privilege or common interest exception.

7. McNeil relies heavily on the case of *In re Regents of the Univ. of Calif.*, 101 F.3d 1386 (Fed. 1996). The *Regents* case is relevant to this Opposition in that it holds parties must share a common legal interest to invoke the common interest exception (*Id*. at 1389; Applicant's Motion to Compel, Para. 5), but the *Regents* case is distinguishable from this Opposition, too. In *Regents*, the Court said it was reasonable to infer that the parties had reached an agreement as to the confidentiality of shared documents, *because the two parties had jointly retained legal counsel*. In this Opposition, however, such an inference is inappropriate, because UCB and J&J have not jointly retained legal counsel.

B. McNeil Has Not Demonstrated the Work Product Doctrine Shields the Requested Communications from Production

1. McNeil has the burden of proving the applicability of the work product doctrine. *See, e.g., Logan v.* Commercial *Union Inc. Co*., 96 F.3d 971, 976 (7th Cir. 1996). McNeil has failed to do so.

2. The work product doctrine does not apply to documents prepared for a nonparty to the Opposition, even if the nonparty is closely related to the Opposition. 6 James Wm. Moore et al., *Moore's Federal Practice* ¶26.70[4] (3d. ed. 2009); *see, e.g., In re California Pub. Util. Comm'n*, 892 F.2d 778, 781 (9th Cir. 1989) (holding plaintiff could not assert work product protection in documents prepared for a third party, because third party was not a party to the litigation; stating the work product doctrine "limits its protection to one who is a party (or a party's representative) to the litigation in which discovery is sought.") (see cases cited therein); *Doubleday v. Ruh*, 149 F.R.D. 601, 605-606 (E.D. Cal. 1993) (holding defendant could not assert work product protection in documents prepared by attorneys employed by defendant, because the documents were not prepared for defendant itself and attorneys were not party to litigation). UCB is not a party to this Opposition, so communications prepared by UCB's counsel are not protected by the work product doctrine, and they must be produced.

3. Furthermore, to the extent any of the requested communications had work product protection, any such protection was waived when the communications were shared among unrelated parties without any express request whatsoever that the parties agree to keep the communications confidential or prevent the communications from being shared with any party, including Walgreens.

4. Finally, Walgreens has a substantial need for the materials because they may include information regarding the likelihood of confusion from the perspective of UCB, the trademark owner, and Walgreens would incur an undue hardship if it had to obtain the materials in any other way, if even possible. Thus, Walgreens is entitled to production of the communications

C. McNeil has not Demonstrated its Objections Shield the Requested Communications from Production

1. McNeil argues that the requested communications are irrelevant to this proceeding. The proper question, however, is whether the communications are likely to lead to discovery of relevant information. For instance, as just one of many possibilities, the communications could indicate that UCB, as owner of the WAL-ZYR mark, commissioned a survey to try to determine the likelihood of confusion between the WAL-ZYR and ZYRTEC marks. As another example, the communications may include UCB's, the owner of the mark, opinion regarding likelihood of confusion. Certainly, if UCB does not believe the WAL-ZYR and ZYRTEC marks are confusingly similar, the Board may find that relevant. Thus, at a minimum, the communications could may lead to the discovery of relevant information.

2. McNeil argues that Walgreens' request is overbroad. Walgreens' request is narrowly tailored to communications concerning the WAL-ZYR mark and this Opposition, all of which would be relevant to this Opposition. McNeil has failed to demonstrate that the request is overbroad.

3. McNeil also argues that it is not required to produce the communications because they would be inadmissible at trial, given that the communications are not relevant. Even if the communications were not admissible at trial, it is a basic tenant of law that relevant information need not be admissible at trial if it is reasonably calculated to lead to the discovery of admissible evidence. Fed. R. Civ. P. 26(b)(1). Inadmissibility does not bar a discovery request. 6 James Wm. Moore et al., *Moore's Federal Practice* ¶26.42 (3d. ed. 2009); *see e.g.*, *In re Potash Antitrust Litig.*, 161 F.R.D. 405, 409 (D. Minn. 1995) (court's analysis at discovery stage is not driven by issues of admissibility but rather by relevancy). Besides, the communications are likely relevant, and they may be admissible, too.

4. McNeil has failed to show why any of its objections should shield the requested communications from production, so McNeil should be required to respond in full to Walgreens' discovery request.

CONCLUSION

In summary, McNeil has failed to show that the communications are protected by the attorney-client privilege or the work product doctrine, and McNeil has not shown that any objections shield the documents from production. Therefore, Walgreens respectfully requests that the Board grant Walgreens' Motion to Compel.

Date: November 10, 2009

Respectfully submitted,

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EXHIBIT A

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Only the Westlaw citation is currently available.

United States District Court,
E.D. Michigan,
Southern Division.
DURA GLOBAL, TECHNOLOGIES, INC., et al., Plaintiffs,
v.
MAGNA DONNELLY CORP., Defendant.
Civil Action No. 07-CV-10945-DT.

May 27, 2008.

Dean B. Watson, Rochester Hills, MI, for Plaintiffs.

Peter D. McDermott, Banner & Witcoff, Boston, MA.

Dean W. Amburn, Jeffrey A. Sadowski, Trent K. English, Howard & Howard, Bloomfield Hills, MI, for Defendant.

OPINION AND ORDER DENYING PLAINTIFFS' MOTION TO COMPEL

MONA K. MAJZOUB, United States Magistrate Judge.

1. Facts, Claims, and Procedural History

***1** This matter comes before the Court on Plaintiffs' Motion to Compel Production of Documents and Things Based on Waiver of Privilege filed on April 21, 2008. (Docket no. 100). The parties have fully briefed the issues in these motions. The district court referred this motion for decision. (Docket no. 101). The Court dispenses with oral argument pursuant to E.D. Mich. LR 7.1(e). This motion is now ready for ruling.

In this action Plaintiffs allege that Defendant infringed their patents and misappropriated trade secrets related to sliding windows installed in vehicles. (Docket no. 7). In the present motion Plaintiffs contend that Defendant waived the attorney-client privilege as to the subject matter of communications between Defendant and Toyota. (Docket no. 100). This waiver allegedly occurred when Defendant's patent counsel disclosed to counsel for Toyota two attorney opinion letters relating to the patents at issue and whether Defendant's window infringed the patents of Plaintiffs. Toyota [FN1] then produced these two letters to counsel for Plaintiffs pursuant to a subpoena served by Plaintiffs' counsel. Plaintiffs have not yet received Defendant's privilege log, however they contend that based on Defendant's discovery responses to date Defendant appears to be withholding documents related to the subject matter of these two letters. Plaintiffs seek to compel the production of these unknown documents by this motion.

FN1. Both Plaintiffs and Defendant are suppliers of Toyota. (Docket no. 114, ex. A).

Defendant contends that no waiver has occurred either by its disclosure of the opinion letters to Toyota or by Toyota's subsequent production to Plaintiffs. (Docket no. 109). It relies upon the exception to waiver provided by the common interest privilege. Plaintiffs argue in their Reply brief that the common interest privilege does not apply. (Docket no. 114).

2. Governing Law

The parties disagree on whether Sixth Circuit law or Federal Circuit law controls. Although this case involves patent law for which the Federal Circuit holds appellate jurisdiction, the Federal Circuit applies regional circuit law to determine "waiver by the disclosure of privileged material." *GFI Inc. v. Franklin Corp.*, 265 F.3d 1268, 1272 (Fed.Cir.2001); *In re Regents of the University of California*, 101 F.3d 1386, 1390 (Fed.Cir.1996). The parties do not cite any controlling Sixth Circuit authority and the Court has found none. Therefore, the Court will decide the issues as it believes the Sixth Circuit would decide them.

The parties agree that the common interest privilege permits the disclosure of privileged communication without waiving the privilege, provided that the parties have " 'an identical legal interest with respect to the subject matter of the communication.' " *MPT, Inc. v. Marathon Labels, Inc.*, 2006 WL 314435 slip copy at *6 (N.D.Ohio Feb. 9, 2006) (quoting ***Libbey Glass, Inc. v. Oneida, Ltd.*, 197 F.R.D. 342, 347 (N.D.Ohio 1999)**).

3. Analysis

It is not disputed that Defendant's patent counsel, Mr. Porat, disclosed the two attorney opinion letters at issue to Mr. Mau, Intellectual Property Counsel for Toyota. The opinion letters are addressed to Mr. Porat and written by a law firm specializing in patent, trademark and copyright cases. (Docket no. 100, exs. C, D). The letters give the opinion of counsel relating to two patents held by Plaintiff and a window of Defendant that is proposed for Toyota. (*Id.*). Plaintiffs concede that Defendant "asked for confidentiality concurrently with the disclosure to Toyota." (Docket no. 114 at 5). Defendant's counsel states in a cover letter which accompanied the disclosure to Toyota that he is "sharing this opinion with [Mr. Mau] strictly on the basis of a joint defense privilege, since an offer of sale will be made to Toyota, and Toyota may purchase the subject power slider windows." (Docket no. 109, ex. A). Defendant's counsel further states in the cover letter that "[i]f the need arises for Toyota to disclose the contents of the opinion to a third party, please contact me. There is a good probability that we would permit such a disclosure, but of course we would need to understand the context in which the opinion is being disclosed." (*Id.*). Both the cover letter and the opinion letters are marked as confidential and privileged documents.

***2** It also is not disputed that less than two months after the disclosure of these opinion letters to Toyota, Defendant agreed to indemnify Toyota for all claims by Plaintiffs related to the infringement of the patents at issue or misappropriation of trade secrets because of Toyota's use of Defendant's window. (Docket no. 109, ex. B). The letter documenting this agreement was written by Mr. Porat and sent to Mr. Mau for Toyota. (*Id.*).

Mr. Mau was also the attorney who responded for Toyota to Plaintiffs' subpoena. He produced the two opinion letters to Plaintiffs. (Docket no. 100, ex. B). There is no allegation that Mr. Mau notified Defendant or received permission from Defendant before he disclosed the letters to Plaintiffs. [FN2]

> FN2. Plaintiffs state that Toyota disclosed the opinion letters "without even notifying Defendant. (Docket no. 114 at 2).

The critical issue is whether the initial release of the opinion letters to Toyota waived any claim of attorney client privilege held by Defendant. If Defendant's privilege survived this initial release, the later unauthorized disclosure by Toyota to Plaintiffs did not waive that privilege. *United States v. BDO Seidman, LLP*, 492 F.3d 806, 817 (7th Cir.2007) ("[P]rivileged status of communications falling within the common interest doctrine cannot be waived without the consent of all of the parties."); *In re Imperial Corp. of America*, 179 F.R.D. 286, 289 (S.D.Cal.1998); *Holland v. Island Creek Corp.*, 885 F.Supp. 4, 7 (D.D.C.1995).

Both parties cite ***Libbey Glass, Inc. v. Oneida, Ltd.*, 197 F.R.D. 342,** in support of their arguments. In that action for trade dress infringement, the court found that the common interest exception did not prevent waiver of the attorney client privilege with respect to the documents at issue. The documents at issue concerned legal advice given to Oneida by its attorneys about the legal consequences of Oneida's purchase of glassware from another company, Pasabahce, whom Libbey claimed manufactured glassware duplicative of seven of Libbey's best-selling patterns. Oneida's employees disclosed to Pasabahce and a consultant the materials and information obtained from Oneida's counsel. Neither Pasabahce employees nor the consultant were represented by counsel at the time. In addition, there is no indication that the employees of Oneida who disclosed the information were attorneys, and there was no evidence that the consultant or the Pasabahce employees understood the significance of the communications' privileged status or the potential consequences to Oneida of disclosure to them or of their disclosure to others. **(*Id.* at 347)**.

In ***Libbey Glass*** the court concluded that because the parties took "no steps to safeguard the privilege," any privilege was waived. (***Id.* at 349**). This failure to take steps to preserve confidentiality and the fact that only one participant in the exchanges, Oneida, used the services of counsel, were the primary considerations cited by the Court in finding that the privilege was waived. (***Id.* at 348-49**). The court found alternatively that even if steps had been taken to avoid further disclosure, the communications were not privileged because they were ancillary to the principal activity the three parties were engaged in, namely the negotiation of an agreement for Pasabahce to make and for Oneida to buy and distribute glassware to compete with Libbey.

3** Plaintiffs argue that as in ***Libbey Glass, Defendant and Toyota were engaged in the principal activity of negotiating a business strategy rather than formulating a common legal strategy, and, therefore, the common interest doctrine does not apply. (Docket no. 114 at 5). This Court is not convinced. First, unlike the parties in ***Libbey Glass***, Defendant took steps to ensure the confidentiality of the opinion letters. The opinions were appropriately marked as being confidential and privileged. The accompanying letter specifically stated that the opinion letters were shared strictly on the basis of a privilege. Defendant's patent counsel requested that he be contacted if the need arose to disclose the contents of the letters to a third party. [FN3] These communications and the actual disclosures were made between intellectual property attorneys rather than non-attorney employees. Defendant's counsel could reasonably expect counsel for Toyota to maintain the confidentiality of the letters.

> FN3. Plaintiffs point out that there was no "common interest agreement" entered into between Toyota and Defendant regarding these opinion letters and that Defendant could have taken more steps to ensure that Toyota maintained the confidentiality of the opinions. Even if Defendant could have taken more steps, those taken were sufficient to prevent waiver of the privilege.

Second, the facts surrounding the disclosure in the present action show that the disclosures were made in connection with a common legal strategy rather than "a joint commercial venture" as found in ***Libbey Glass***. In ***Libbey Glass***, the disclosures were made by and to non-attorney employees who "had concerns" about the legal consequences of similarities in appearance of the glassware. (**197 F.R.D. at 347**). None of these employees understood the significance of guarding against disclosure of the legal opinions. (***Id.* at 348**). In contrast, the communications presented to this Court between counsel for Toyota and Defendant deal exclusively with intellectual property issues rather than general business matters relating to Toyota purchasing these windows. The indemnification agreement revealed in the correspondence between these two attorneys shows that the disclosure of the attorney opinion letters was due to a common legal interest--avoiding any liability for Defendant's window infringing upon either of the patents of Plaintiffs. *See* *Johnson Electric North Am., Inc. v. Mabuchi North Am. Corp.*, 1996 WL 191590 (S.D.N.Y. Apr.19, 1996) (attaching privilege to customer of alleged infringer who was subject of discovery requests relating to shared legal opinion and who held indemnity agreement). The weight of authority holds that litigation need not be actual or imminent for communications to be within the common interest doctrine. *BDO Seidman, LLP*, 492 F.3d at 816 n. 6. Finally, although there is some overlap between the legal issues of possible infringement and the larger business venture of Defendant selling its windows to Toyota, such an overlap does not "negate the effect of the legal interest in establishing a community of interest." *In re Regents*, 101 F.3d at 1390 (quoting *Duplan Corp. v. Deering Milliken, Inc.*, 397 F.Supp. 1146, 1172 (D.S.C.1974)).

IT IS THEREFORE ORDERED that Plaintiffs' Motion to Compel (docket no. 100) is **DENIED.**

NOTICE TO THE PARTIES

***4** Pursuant to Fed.R.Civ.P. 72(a), the parties have a period of ten days from the date of this Order within which to file any written appeal to the District Judge as may be permissible under 28 U.S.C. 636(b)(1).

Not Reported in F.Supp.2d, 2008 WL 2217682 (E.D.Mich.)

END OF DOCUMENT

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above foregoing Applicant's Reply in Support of its Motion to Compel Production of Documents was mailed by First Class Mail, postage prepaid, on this 10th day of November, 2009 to:

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