

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

MEDIGUS LTD.,)
)
)
 Plaintiff/Counterclaim)
 Defendant,)
 v.) Civil Action No. 15-505-LPS-CJB
)
 ENDOCHOICE, INC.,)
)
 Defendant/Counterclaimant.)
)

MEMORANDUM ORDER

Pending before the Court in this patent infringement action is Defendant/Counterclaimant EndoChoice, Inc.'s ("EndoChoice") motion to compel the production of three documents that Plaintiff/Counterclaim Defendant Medigus Ltd. ("Medigus") has clawed back as attorney work product (the "motion to compel"). (D.I. 112) For the reasons discussed below, the Court DENIES EndoChoice's motion.

I. BACKGROUND

On June 16, 2015, Medigus commenced this action against EndoChoice, bringing claims of direct and indirect infringement of United States Patent No. 6,997,871 (the "'871 patent").¹ (D.I. 1) During the course of the litigation, EndoChoice asserted a number of counterclaims against Medigus, including a claim of Bad Faith Assertion of Patent Infringement, pursuant to Georgia state law. (D.I. 40 at ¶¶ 70-103)²

¹ The '871 patent can be found on the docket in multiple places, including as Exhibit A to D.I. 1. Further citation will simply be to the "'871 patent."

² On January 29, 2016, Chief Judge Leonard P. Stark referred the case to the Court to hear and resolve all pretrial matters, up to and including the resolution of case-dispositive motions.

The Protective Order entered by the Court in this case sets out, *inter alia*, a procedure for clawing back inadvertently disclosed documents that are protected by attorney-client privilege or the work product doctrine. (D.I. 42 at ¶¶ 14-15) During discovery in the instant case, Medigus inadvertently produced three December 2014 e-mails/e-mail strings (“the e-mails” or “the disputed e-mails”) that it now claims are protected by the work product doctrine; after it learned of the inadvertent production, Medigus later invoked the provisions of the Protective Order to claw back those e-mails. (D.I. 106; D.I. 115 at 1 n.1; D.I. 116 at 1 n.1)

The e-mails contain, *inter alia*, communications between members of Medigus’ management team regarding the location of a camera on the accused product, EndoChoice’s FUSE® endoscopy system (the “FUSE endoscope”). (D.I. 83, exs. 6-8) The location of the camera is relevant in this case because the claimed endoscope includes, *inter alia*, an “objective lens . . . located either on a proximal end of said articulation section or on the sheath of said endoscope[.]” (871 patent, col. 15:10-13) In the first disputed e-mail, Medigus’ Chief Executive Officer, Chris Rowland, wrote that while he was “not sure of the language used on the patents[.]” based on his review of two YouTube videos depicting the accused product, he thought that “the camera appears to be close to the distal tip of the device and not on the articulation element.” (D.I. 83, ex. 6). In another of the e-mails, Medigus’ Vice President, Tom Dempsey, echoed this view, writing: “[I]ooks like the camera is on the distal tip not the sheath[.]” (*Id.*, ex. 7 at MedigusDE_0442783) In the third e-mail, Mr. Dempsey acknowledged that he spoke with three third-party gastroenterologists who “all thought that the cameras are on the distal tip, not

the sheath.” (*Id.*, ex. 8 at MedigusDE_0442953)³

On September 23, 2016, the instant motion to compel was filed. (D.I. 112) With the motion, EndoChoice moves to compel production of the three disputed e-mails, and challenges Medigus’ claim that the e-mails may be properly clawed back because they include work product-protected material. (*Id.*) EndoChoice and Medigus thereafter filed letter briefs in support of their positions. (D.I. 115; D.I. 116) In its letter brief, *inter alia*, Medigus asserted that: (1) in November 2014, Medigus’ outside counsel requested of Medigus’ in-house counsel that Medigus personnel, including Mr. Rowland and Mr. Dempsey, should obtain additional details about the accused product, as part of the company’s “pre-litigation work”; (2) the disputed e-mails were the product of this request—thus they were generated at the request of Medigus’ outside counsel in anticipation of future litigation with EndoChoice; and (3) Medigus has identified “approximately ten entries” in its privilege log that would corroborate its claim that the e-mails were work-product protected. (D.I. 116 at 1, 4) Medigus also attached to its letter a declaration of Mr. Rowland (the “Rowland Declaration”) in support of its argument that the disputed e-mails were work product-protected. (D.I. 117)

The Court held a teleconference to address the instant motion on October 5, 2016. Following the teleconference, the Court ordered Medigus to provide it with an *ex parte* submission attaching the “approximately ten” documents that it cited in its letter brief, (D.I. 116 at 4), as well as any additional documents referenced on the privilege log that Medigus believed

³ These portions of the e-mails and surrounding related content regarding the accused product are what is at issue in the motion. Certain of the e-mails contain some other content that is unrelated to the matters at issue in this case, (D.I. 116 at 2 n.2), to which the Court will not refer further.

supported its position. Medigus filed its *in camera* submission on October 7, 2016. (D.I. 123)

II. STANDARD OF REVIEW

Federal Rule of Civil Procedure 37 applies to motions to compel discovery, providing that “[o]n notice to other parties and all affected persons, a party may move for an order compelling . . . discovery.” Fed. R. Civ. P. 37(a)(1). Under Federal Rule of Civil Procedure 26(b)(1), “[p]arties may obtain discovery regarding any nonprivileged matter that is relevant to any party’s claim or defense[.]” While it is well-settled that the Federal Rules permit broad discovery, a party’s right to discovery is not without limits. *Bayer AG v. Betachem, Inc.*, 173 F.3d 188, 191 (3d Cir. 1999). One such limit is that, ordinarily, a party may not discover documents of its adversary that are protected by the work product doctrine. *See, e.g., Bacher v. Allstate Ins. Co.*, 211 F.3d 52, 57 (3d Cir. 2000) (describing work product as a “traditionally recognized privilege[.]”).

The work product doctrine ordinarily prevents a party from discovering “documents and tangible things that are prepared in anticipation of litigation or for trial by or for another party or its representative[.]” Fed. R. Civ. P. 26(b)(3)(A). The party opposing discovery has the burden of showing that all elements necessary to invoke work product protection have been satisfied. *See In re Joy Global, Inc.*, Civ. No. 01-039-LPS, 2008 WL 2435552, at *4 (D. Del. June 16, 2008) (citing *In re Teleglobe Commc’ns. Corp.*, 493 F.3d 345, 359 (3d Cir. 2007)); *WebXchange Inc. v. Dell Inc.*, 264 F.R.D. 123, 128 (D. Del. 2010).

If such a showing is made, the party seeking discovery may nevertheless still compel production if the documents are: (1) otherwise discoverable under Rule 26(b)(1); and (2) that party “shows that it has substantial need for the materials to prepare its case and cannot, without

undue hardship, obtain their substantial equivalent by other means.” Fed. R. Civ. P.

26(b)(3)(A)(ii). However, the United States Court of Appeals for the Third Circuit affords even stronger protection for documents containing “‘core’ or ‘opinion’ work product that encompass[] the ‘mental impressions, conclusions, opinion, or legal theories of an attorney or other representative of a party concerning the litigation[.]’” *In re Cendant Corp. Sec. Litig.*, 343 F.3d 658, 663 (3d Cir. 2003) (quoting Fed. R. Civ. P. 26(b)(3)(B)). As to such materials, the Third Circuit has explained that “opinion work product protection is not absolute, but requires a heightened showing of extraordinary circumstances [before documents amounting to such work product must be produced].” *Id.* at 664 (citations omitted).

III. DISCUSSION

The Court has concluded that the disputed e-mails include protected work product. It does so for the following reasons.

While EndoChoice correctly notes that the e-mails contain observations “of non-attorneys about EndoChoice’s product[,]” (D.I. 115 at 1), this does not mean that they cannot be subject to work product protection. Again, the question here is whether these are “documents . . . prepared in anticipation of litigation . . . by or for another party or its representative[.]” Fed. R. Civ. P. 26(b)(3)(A). “By [Rule 26’s] plain language, an attorney need not be involved in the preparation of documents in order for such documents to be protected.” *Pfizer Inc. v. Lupin Pharms., Inc.*, Civ. No. 12-808-SLR, 2013 WL 6247357, at *1 (D. Del. Dec. 2, 2013) (citing *Spaulding v. Denton*, 68 F.R.D. 342 (D. Del. 1975)); *see also In re Cendant*, 343 F.3d at 665-66; *cf. Koch v. Specialized Care Servs., Inc.*, 437 F. Supp. 2d 362, 387 n.39 (D. Md. 2005). And here, although the documents at issue were prepared by Medigus executives Mr. Rowland and Mr. Dempsey

(who are not attorneys), Medigus has made a sufficient record establishing that the documents were prepared in anticipation of litigation—and indeed, that they were prepared at the behest of (and were shared with) Medigus’ attorneys.

One part of that record is the Rowland Declaration. The declaration explains that Medigus engaged outside counsel in November 2014 (shortly before the e-mails at issue were sent), for the purpose of “investigat[ing] a potential patent infringement claim against EndoChoice, Inc” regarding the FUSE endoscope. (D.I. 117 at ¶ 2) It further states that Medigus’ General Counsel Avraham Ben-Tzvi regularly conveyed legal strategy and instruction regarding the planned litigation—information Mr. Ben-Tzvi received directly from Medigus’ outside counsel—to Mr. Rowland and to other members of Medigus’ Board of Directors. (*Id.* at ¶ 4) In November 2014, Medigus and its attorneys had gathered some data about the FUSE endoscope, but they still were seeking additional information regarding that product, which was not readily commercially available. (D.I. 116 at 2; D.I. 117 at ¶ 7) In that regard, Mr. Ben-Tzvi (relaying instructions from Medigus’ outside counsel) instructed Mr. Rowland to: (1) inspect a FUSE endoscope himself at upcoming conferences or meetings at which EndoChoice was expected to attend, or have another member of Medigus’ management team do so; and (2) find persons other than EndoChoice personnel who had knowledge of the FUSE endoscope, and then interview those people about the product’s features. (D.I. 117 at ¶ 7) Mr. Rowland confirms in his declaration that the three disputed e-mails contained the results of these investigatory efforts and/or interviews. (*Id.* at ¶¶ 9-10) Mr. Rowland also asserts that he shared the content of each of

the e-mails with Mr. Ben-Tzvi. (*Id.*)⁴

Additionally, documents included in Medigus' *ex parte* submission also support Mr. Rowland's statements. Certain of those documents corroborate Mr. Rowland's assertions that: (1) in November 2014, Medigus' outside counsel instructed Medigus executives to obtain information about the FUSE endoscope and (2) information about the FUSE endoscope obtained by Mr. Rowland and/or other Medigus employees was later shared with outside counsel. (D.I. 123)

EndoChoice's argument that the documents are not work product-protected also relies heavily on its claim that the e-mails at issue merely contain "factual observations" by non-lawyers. (D.I. 115 at 1-3) Thus, it suggests, the e-mails do not indicate on their face that they were generated in anticipation of litigation, nor that they were the product of attorney instruction. (*Id.*) Relatedly, EndoChoice asserts that because the e-mails contain "factual" content, they could not possibly disclose the mental impressions of Medigus' counsel. (*Id.*)

As to the first of these assertions, it is true that the e-mails, on their face, do not indicate whether Mr. Rowland and Mr. Dempsey were acting at the behest of counsel, or in anticipation of litigation. But as noted above, other materials now of record—e.g., the Rowland Declaration and the *ex parte* submission—make out this case.

And as to the second assertion, the Court disagrees that the e-mails do not shed light on the mental impressions, opinions or legal strategies of counsel. EndoChoice admits, for example, that the e-mails discuss information "that would prove important to Medigus' theory of

⁴ Mr. Ben-Tzvi was one of the intended recipients of the first of the three disputed e-mails. (D.I. 115 at 2)

infringement in this case[.]” (*Id.* at 2) And indeed, the entire point of EndoChoice’s motion is that they think that the e-mails help elucidate Medigus’ views (as of December 2014) as to whether and how the FUSE endoscope did or did not infringe the ’871 patent. (*See id.* at 1 (arguing that the discussions in the e-mails “are highly relevant to issues in this case, including . . . Bad Faith Assertion of a Patent[.]”)) EndoChoice wants access to the e-mails because it thinks that what the Medigus executives were saying therein is at odds with the infringement position that Medigus is now taking in this case (and, relatedly, at odds with Medigus’ current claim construction arguments). (*Id.* at 4) And yet, if in these e-mails Mr. Rowland and Mr. Dempsey were expressing views about whether (and why) the FUSE endoscope does or does not infringe the patent, then it strains credulity to suggest that their discussions do not also reflect the substance of the executives’ strategic discussions with Mr. Ben-Tzvi and outside counsel as to that topic.⁵ It just is not plausible to view these e-mails (as EndoChoice suggests) as reflecting merely “information . . . gathered for Mr. Rowland for business purposes[.]” (*id.* at 3),⁶ as opposed to discussions regarding infringement by the accused product that, in turn, are reflective of Medigus executives’ prior conversations with in-house and outside counsel on that subject.⁷ To the contrary, the e-mails do seem to shed light on what

⁵ Outside counsel who, again, had been hired *the month prior* in anticipation of potential forthcoming patent infringement litigation against EndoChoice.

⁶ Indeed, the gravamen of EndoChoice’s Georgia state law claim, which asserts that Medigus has engaged in bad faith assertion of patent infringement, is that Medigus’ representatives and its outside counsel *worked together* up through the filing of the instant suit, to accuse EndoChoice of infringement in bad faith. (D.I. 40 at ¶¶ 70-103)

⁷ In fact, in the first of the three disputed e-mails, Mr. Rowland writes to his in-house counsel Mr. Ben-Tzvi (and others) that he is “not sure of the [exact] language used on the patents,” but he believes that the camera on the accused product is “close to the distal tip of the

aspects of the accused device Medigus' counsel was then particularly focused on, and on Medigus' counsel's discussions with their client as to how the FUSE endoscope might or might not infringe the patent.

The Court also finds that the relevant portions of the e-mails fall within the special category of "core" or "opinion" work product. This Court has held that "opinion work product protection does extend to agents of a party other than his attorney." *RCA Corp. v. Data Gen. Corp.*, Civ. A. No. 84-270-JJF, 1986 WL 15693, at *10 (D. Del. July 2, 1986). In following the instructions of counsel and reporting their findings, Mr. Rowland and Mr. Dempsey were acting as agents of Medigus' attorneys. Consequently, the "mental impressions, conclusions, opinions, and legal theories" contained in these e-mails "are entitled to the same protection" as if they had been written by the attorneys themselves. *Id.* at *11; *see also United States v. Nobles*, 422 U.S. 225, 238-39 (1975); *In re Cendant*, 343 F.3d at 662-63; *Moore v. Plains All Am. GP, LLC*, CIVIL ACTION No. 14-4666, 2015 WL 5545306, at *5 (E.D. Pa. Sept. 18, 2015) (finding that communication in e-mail between non-attorneys amounted to opinion work product because it presented "the mental impressions, conclusions, opinions, or legal theories of a party's . . . representative concerning the litigation.") (internal quotation marks and citation omitted). Moreover, as noted above, the record suggests that the disputed e-mails not only reflect the executives' mental impressions and theories regarding patent infringement, but also "indirectly reveal [Medigus' counsel's] mental processes" on the same subject. *In re Grand Jury Investigation*, 599 F.2d 1224, 1231 (3d Cir. 1979). As was discussed above, the main reason

device, and not on the articulation element." (D.I. 83, ex. 6) The clear indication here is that this is a further part of an already ongoing discussion with counsel as to how and whether the make-up of the accused device tracks the "language used on the patent[]" at issue here.

these e-mails have value to EndoChoice is because they are said to reveal Medigus’—and Medigus’ attorneys’—“evaluation of the strengths and weaknesses of [their] case[.]” *Sporck v. Peil*, 759 F.2d 312, 316 (3d Cir. 1985).⁸

Since the e-mails constitute opinion work product, they need not be produced absent a showing of extraordinary circumstances. EndoChoice has not made such a showing here, and in its letter brief, it never asserts that “extraordinary circumstances” are present.

Instead, EndoChoice notes only that the documents are “highly relevant to” certain of its claims. And it does seem that these e-mails have real relevance to at least the Georgia state law claim. But the fact that opinion work product-protected documents may be *relevant* to a party’s claim cannot alone amount to the type of “rare and exceptional circumstances” that would justify disclosure. *In re Cendant*, 343 F.3d at 667. Such an approach would eviscerate the “extraordinary circumstances” test, which affords “an almost absolute protection” to documents amounting to opinion work product. *Sporck*, 759 F.2d at 316; *cf. In re Murphy*, 560 F.2d 326, 336 (8th Cir. 1977) (noting that such a test would only be satisfied “in rare situations . . . where weighty considerations of public policy and a proper administration of justice would militate

⁸ Nor is it problematic to this conclusion that the e-mails contain “factual matter.” Such documents may constitute opinion work product if an “attorney’s mental impressions are . . . thoroughly intertwined” with the factual information therein. *See In re Intel Corp. Microprocessor Antitrust Litig.*, 258 F.R.D. 280, 294 (D. Del. 2008); *see also F.T.C. v. Boehringer Ingelheim Pharms., Inc.*, 778 F.3d 142, 151 (D.C. Cir. 2015) (“When a factual document selected or requested by counsel exposes the attorney’s thought processes and theories, it may be appropriate to treat the document as opinion work product, even though the document on its face contains only facts.”). For the reasons set forth above, the Court finds that the e-mail content at issue fits this bill.

against the non-discovery of an attorney's mental impressions").⁹ If there is something about the nature of these documents, other than their *relevance* to a claim at issue in the case, that suggests that the "extraordinary circumstances" test has been met, EndoChoice has not made that case, or cited to caselaw in support. As such, disclosure is not justified.

IV. CONCLUSION

For the reasons outlined above, EndoChoice's motion to compel is DENIED.¹⁰

Because this Memorandum Order may contain privileged and/or confidential information, it has been released under seal, pending review by the parties to allow them to submit a single, jointly proposed, redacted version of the Memorandum Order. Any such redacted version shall be submitted no later than **October 28, 2016** for review by the Court, along with a submission demonstrating why there is good cause for the redactions and why disclosure of the redacted material would "work a clearly defined and serious injury to the party seeking" redaction. *Pansy v. Borough of Stroudsburg*, 23 F.3d 772, 786 (3d Cir. 1994) (internal quotation marks and citation omitted). The Court will subsequently issue a publicly-available version of its Memorandum Order.

⁹ Compare *Stayinfront, Inc. v. Tobin*, Civil Action No. 05-4563 (SRC), 2006 WL 3228033, at *5 (D.N.J. Nov. 3, 2006) (requiring disclosure of documents amounting to opinion work product based on the opposing party's "recalcitrance, willful noncompliance and disregard for the rules and authority of [the court]" and "history of contumacious conduct"), with *RCA Corp.*, 1986 WL 15693, at *11 (finding no showing of extraordinary circumstances even where the information contained within the disputed materials were asserted by the party seeking their disclosure to be "critically important" to the issue of patent validity, a key issue in the case, and where the relevant witness's "memory as to relevant events [was] apparently fading[]").

¹⁰ To the extent that portions of Medigus' letter brief include a request to strike certain portions of EndoChoice's letter brief, (D.I. 116 at 4), or a request for sanctions against EndoChoice, (*id.*), those requests are DENIED.

Dated: October 21, 2016



Christopher J. Burke
UNITED STATES MAGISTRATE JUDGE