

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION**

PANTECH CORPORATION and PANTECH
WIRELESS, LLC,

Plaintiffs,

V.

LG ELECTRONICS INC., and LG
ELECTRONICS U.S.A., INC.,

Defendants.

Case No. 5:22-cv-00113

JURY TRIAL DEMANDED

**DEFENDANTS' RULE 72 OBJECTIONS
TO THE ORDER REGARDING DISQUALIFICATION (DKT. NO. 93)**

TABLE OF CONTENTS

A.	The Order Erroneously Expands the Scope of the Alleged <i>Jenam</i> Waiver to Exclude the Conflicts Presented by <i>CCE</i> and [REDACTED]	1
B.	The Order Erroneously Finds that Disqualification Is Inappropriate Despite the Finding that <i>Core Wireless</i> (“ <i>Core</i> ”) Is Substantially Related	5
C.	The Order Erroneously Finds That Societal Interest Factors Override Disqualification Based on the Substantially Related <i>MTT</i> Matter.....	7

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>In re Am. Airlines, Inc.</i> , 972 F.2d 605 (5th Cir. 1992)	1, 5, 6, 7
<i>Celgene Corp. v. KV Pharms. Co.</i> , No. 07-4819, 2008 WL 2937415 (D.N.J. July 29, 2008)	3
<i>Dynamic 3D Geosolutions LLC v. Schlumberger Ltd.</i> , 837 F.3d 1280 (Fed. Cir. 2016).....	2, 7, 8
<i>In re Fisker Auto. Holdings, Inc. S'holder Litig.</i> , No. CV 13-2100, 2018 WL 3991470 (D. Del. Aug. 20, 2018)	3
<i>G.K. IP Bridge I v. TCL Commc'n Tech. Hldgs. Ltd.</i> , 967 F.3d 1380 (Fed. Cir. 2020).....	3, 4
<i>Galderma Lab 'ys, L.P. v. Actavis Mid Atl. LLC</i> , 927 F. Supp. 2d 390 (N.D. Tex. 2013)	3, 8
<i>Micrografx, LLC v. Samsung Telecomms. Am., LLC</i> , No. 3:13-CV-3599, 2014 WL 12586177 (N.D. Tex. Mar. 7, 2014).....	2
<i>Novo Terapeutisk Laboratorium A/S v. Baxter Travenol Lab 'ys, Inc.</i> , 607 F.2d 186 (7th Cir. 1979)	7
<i>Sunbeam Prods. Inc. v. Oliso, Inc.</i> , No. C 13-03577, 2014 WL 892918 (N.D. Cal. Mar. 4, 2014).....	2
<i>Talon Rsch., LLC v. Toshiba Am. Elec. Components, Inc.</i> , No. C11-04819, 2012 WL 601811 (N.D. Cal. Feb. 23, 2012)	2
<i>TQ Delta, L.L.C. v. 2WIRE, Inc.</i> , No. CV 13-1835-RGA, 2016 WL 5402180 (D. Del. Sept. 26, 2016)	3
<i>W.L. Gore & Assocs., Inc. v. IMPRA</i> , 745 F.2d 1463 (Fed. Cir. 1984).....	2
<i>Woolley v. Sweeney</i> , No. Civ.A.3:01CV1331-BF, 2003 WL 21488411 (N.D. Tex. May 13, 2003).....	7, 8

Other Authorities

ABA Rule 1.9.....	1, 5
L.R. CV-5(a)(7)(D)	6
L.R. CV-72.....	1
Tex. R. Disc. P. 1.09	8

Pursuant to Rule 72, Defendants (“LGE”) object to the Order (Dkt. No. 93) regarding LGE’s Motion to Disqualify (see Dkt. Nos. 15, 54) and request that Mayer Brown be disqualified.

A. The Order Erroneously Expands the Scope of the Alleged *Jenam* Waiver to Exclude the Conflicts Presented by CCE and [REDACTED]

To reach the conclusion that LGE waived the conflict resulting from Mayer Brown LLP’s (“MB”) prior representation of LGE in CCE and [REDACTED] (Order 38-52), the Order erroneously expands the *Jenam* engagement letter waiver scope by rewriting its express terms to cover all matters “substantially unrelated to the **[claimed]** technology involved in” MB’s prior representations of LGE rather than only those matters that are “substantially unrelated to the technology involved in” the prior representations as recited by the agreement. See Order 35-52.

The *Jenam* waiver must be interpreted against the backdrop of the ethical rules, especially because the provision in question employs a phrase—“substantially [un]related”—with a specific meaning in legal ethics.¹ See also Order 33 (“the specific waiver adopted the ‘substantial relationship’ test”).² Matters are “substantially related” where there is a “*substantial risk* that *confidential factual information* as would normally have been obtained in the prior representation *would materially advance the client’s position in the subsequent matter.*” ABA Rule 1.9 cmt. 3.³

The focus on the former client’s confidential information means the inquiry should look to what confidential information about LGE’s accused products MB may have learned in earlier representations that would be useful to Pantech here. *In re Am. Airlines, Inc.*, 972 F.2d 605, 618-

¹ And even without the backdrop of the ethical rules, the Order erroneously limits “technology involved in” to the “claimed technology” and ignores the overlaps in the technology involved, which do not fall within the scope of the waiver.

² While the waiver provides a different scope of protection than the ethical rules (*e.g.*, by waiving conflicts substantially unrelated to the “technology involved in” the prior work), it does protect against MB’s adversity in matters substantially related to the technology involved in its past representations.

³ Emphasis added unless otherwise noted throughout.

20 (5th Cir. 1992). There is no support for the Order’s finding that “technology involved in” refers to only the specific technology *claimed* by the plaintiffs, or for the Order’s disregard of the overlap in products, portions of the cellular standards, and source code/confidential information involved in the instant action and prior representations that MB would have accessed in order to defend LGE in [REDACTED] and *CCE*.⁴ The Order disregards this undisputed overlap instead finding that “only the [claimed] technology in the two matters—without reference to what confidential information was or was not disclosed” (Order 42)—is relevant to the waiver analysis.⁵

Courts look to the overlap in accused products and the likely confidential information that was shared as part of that representation in evaluating whether a “substantial relationship” is present. *See, e.g., Dynamic 3D Geosolutions LLC v. Schlumberger Ltd.*, 837 F.3d 1280, 1283 (Fed. Cir. 2016) (finding matters involving different versions of same product are substantially related); *W.L. Gore & Assocs., Inc. v. IMPRA*, 745 F.2d 1463, 1467-68 (Fed. Cir. 1984) (“technical subject matter of each suit is the same” where suits both involved “expanded ... PTFE”); *Micrografx, LLC v. Samsung Telecomms. Am., LLC*, No. 3:13-CV-3599, 2014 WL 12586177, at *3 (N.D. Tex. Mar. 7, 2014) (to be substantially related, it is enough to be “sufficiently similar that certain legal issues and evidence relating to [the accused products] may be relevant in both litigations”); *Sunbeam Prods. Inc. v. Oliso, Inc.*, No. C 13-03577, 2014 WL 892918, at *3-4 (N.D. Cal. Mar. 4, 2014) (disqualifying counsel based on overlap in vacuum sealing technology); *Talon Rsch., LLC v.*

⁴ *See, e.g.,* Order 42 (“[MB] received confidential information in *CCE*, including product documentation and source code, *concerning products that are also accused in the Pantech matter.*”); Order 49 (“Pantech’s complaint alleges that the asserted ’545 Patent covers at least the 3GPP TS 36.321, TS 36.213, and TS 36.331 standards.... Similarly, Pantech’s complaint alleges the ’809 Patent implicates the 3GPP TS 25.211 and TS 25.321 standards related to the communications protocols used in WCDMA, and that the ’486 Patent implicates the 3GPP TS 36.212 standard pertaining to turbo codes.... Again, in representing LGE, [MB] *analyzed these same standards and LGE confidential information for infringement in* [REDACTED]”)

⁵ The Order also fails to analyze the claims in [REDACTED] *See* Order 37; Dkt. No. 65, Sealed Ex. 1.

Toshiba Am. Elec. Components, Inc., No. C11-04819, 2012 WL 601811, at *3-7 (N.D. Cal. Feb. 23, 2012) (disqualifying counsel based on overlap in flash technology where patents' PTO class and accused products overlap); *TQ Delta, L.L.C. v. 2WIRE, Inc.*, No. CV 13-1835-RGA, 2016 WL 5402180, at *1, *7 (D. Del. Sept. 26, 2016) (requiring conflict counsel for discovery from subpoenaed party based on prior prosecution work on "technology which relates to" accused DSL chips). While the Order cites several cases (at 34-36), none addresses a conflict based on a prior representation concerning the same products, standards, technical documentation or source code.

The Order also improperly shifts the burden to LGE to show that the prior matters "involve substantially related technology (as contemplated by the *Jenam* Engagement Letter's specific waiver)" (e.g., Order 50), rather than properly "shift[ing]" the burden on MB to show waiver applies. See, e.g., *Galderma Lab'ys, L.P. v. Actavis Mid Atl. LLC*, 927 F. Supp. 2d 390, 398 (N.D. Tex. 2013); *In re Fisker Auto. Holdings, Inc. S'holder Litig.*, No. CV 13-2100, 2018 WL 3991470, at *3 n.5 (D. Del. Aug. 20, 2018); *Celgene Corp. v. KV Pharms. Co.*, No. 07-4819, 2008 WL 2937415, at *6-7 (D.N.J. July 29, 2008). Independently, because MB drafted the "substantially unrelated to the technology involved in" language, MB "should bear the burden of establishing that the contract[] satisf[ies] the ethics rules" (*Celgene*, 2008 WL 2937415, at *7) and any ambiguity should be interpreted against MB as the drafter. See Order 22-24, 28-29.

With respect to the overlap in the portions of the cellular standards at issue (see Order 42-43), the Order further errs in finding that "the fact that MB previously analyzed whether a third party's patents were essential to a public 3GPP cellular standards, and then perhaps relied on LGE information to confirm *what was previously known* (that LGE cellular products are compliant with those standards), is not the kind of concern under the ethical rules that would require the removal of Pantech's right to the counsel of its choice." *Id.* 62; see also *id.* 43. But, "an asserted patent claim might not cover all implementations of an industry standard." *G.K. IP Bridge 1 v. TCL*

Comm’n Tech. Hldgs. Ltd., 967 F.3d 1380, 1384 (Fed. Cir. 2020). For that reason, MB sought confidential technical information in [REDACTED] and *CCE* from LGE and its engineers and third-party suppliers concerning how/whether portions of these standards were implemented. *E.g.*, Dkt. Nos. 15 (“Mot.”) 4-5; 15-2 (“Suh I”) ¶¶14-16; 54 (“Reply”) 6-7; 54-1 (“Suh II”) ¶¶5-6. MB does not dispute this nor that these same portions are at issue here. Suh I ¶¶10, 14; Mot. 3-4 (discussing overlapping standards in *CCE* related to LTE/5G carrier aggregation; and in [REDACTED] related to LTE carrier aggregation, WCDMA protocols, and turbo codes). It is also undisputed that in *CCE* MB gained access to the entirety of LGE’s source code, including baseband code relating to the implementation of these standards, for several products now accused by Pantech. Dkt. Nos. 15-3 (“Hong I”) ¶¶8, 11; 54-3 (“Hong II”) ¶¶4, 5, 10. This is precisely the type of information that demonstrates a substantial relationship concerning the technology involved in *CCE* and [REDACTED] and the instant matter. A central issue here will be whether Pantech can “compar[e] the claims to the accused products, or ... prov[e] that the accused devices ‘implement any relevant optional sections of the standard.’” *IP Bridge*, 967 F.3d at 1384. LGE’s and its third-party suppliers’ confidential source code and technical documentation, to which MB had access, will be core to that dispute.

The Order is also internally inconsistent in how it treats *MTT*, *Core* and *CCE*. The Order properly finds that *MTT* and *Core* were substantially related because *MTT* involved “information about LGE’s Messaging App that could be used against LGE in this case” (Order 56), and in *Core* also “concern[ed] user inputs on display via selecting ‘menu listings’/‘icons’ to launch ‘applications’/display ‘work processes’” (*id.* at 48). In *CCE*, MB gained access to the entirety of the source code for LGE’s Messaging App and user interface, which are now accused of infringement. Order 42, 57. *CCE* thus falls outside the waiver for at least the same reasons.

In light of the substantial relationship between the technology involved in [REDACTED] and *CCE*, as well as the instant matter, and the additional evidence of a substantial relationship identified in

the Order (*see, e.g.*, 42-43, 45, 47-51, 56-57) and in the briefing, MB should be disqualified.

B. The Order Erroneously Finds that Disqualification Is Inappropriate Despite the Finding that *Core Wireless* (“*Core*”) Is Substantially Related

While the Order correctly finds that *Core* is substantially related to the present case, the Order erroneously finds that MB does not need to be disqualified because it was advising LGE on “any impact” from *Core* on ██████ Order 48. The Order’s finding that the rules do not contemplate disqualification based on “such limited ‘scope’” (Order 54-55 (citing ABA R. 1.9 cmt. 2)) is unsupported by the rules and the uncontested facts. Once the Order found the matters substantially related (Order 46-48), “[t]he test is categorical in requiring disqualification.” *Am. Airlines*, 972 F.2d at 614. Moreover, there is no “limited ‘scope.’” By its own admission, MB advised LGE on how the entire *Core* matter would impact ██████ Dkt. No. 60-1 (“Beaber II”) ¶4.

The Order’s related finding that “LGE fails to ‘delineate with specificity the subject matters’ that are ‘common to prior and current representations’” (Order 55) are similarly mistaken as the Order separately finds the two matters substantially related—pointing to a host of overlap between the two. *See* Order 46-48, 49 (finding “**representation**” by MB). Based on the substantial relationship finding, the Court is required to “irrebuttably presume that relevant confidential information was disclosed during the former period of **representation**.” *Am. Airlines*, 972 F.2d at 614. No further proof of information flowing, work performed, or advice given is required. *See id.*

The Order’s further findings are also contrary to law and contradicted by the record. First, the Order states that “LGE does not show Beaber [of MB] received confidential information with respect to his limited role in the *Core Wireless* matter.” Order 56. But “a lawyer **who has given advice** in a substantially related matter must be disqualified, *whether or not he has gained confidences*.” *Am. Airlines*, 972 F.2d at 619. Here, Mr. Suh of LGE declared that “in at least these five matters [including *Core*], MB had access to highly sensitive privileged and confidential

information regarding LGE’s technologies, products, financials, business practices, litigation strategies, and licensing policies that are relevant in the Pantech matter.” Suh I ¶3. Moreover, the *Core* docket has more than a hundred sealed filings after MB’s appearance—including sealed briefing on topics indisputably involving defendant LGE’s confidential information on issues such as damages and infringement—that, pursuant to L.R. CV-5(a)(7)(D), were required to be served on MB.⁶ Dkt. No. 15-12. Moreover, the Order ignores the “irrebuttable presumption” “that relevant confidential information was disclosed during the former period of representation.” *Am. Airlines*, 972 F.2d at 614. It is also undisputed that MB entered an appearance in *Core* such that it could gain access to the confidential information at issue in that case precisely so that it could **advise LGE** on “any impact [from that case] on the confidential [REDACTED] arbitration.” Order 48. This is unsurprising given the assertions in *Core*, [REDACTED]

[REDACTED] Notably, under the Order’s analysis, MB would have been permitted to assert the *Core* patents against LGE notwithstanding its prior representation of LGE in [REDACTED] and *Core*. Moreover, this substantial relationship between *Core* and [REDACTED] further evidences, as reflected by the role assigned to MB, the substantial relationship between [REDACTED] and this matter, both of which involve overlapping technical issues.

Second, the Order incorrectly states that “LGE never asserts that Beaber gave any advice or performed work on [*Core*] at all.” Order 56. That is contrary to the Order’s findings, Mr. Suh’s sworn statement that Mr. Beaber “worked on [the] matter” and “was lead attorney and primary

⁶ See *Core Wireless Licensing SARL v. LG Elecs., Inc.*, No. 2:14-cv-00911 (E.D. Tex. 2014) (“*Core*”); e.g., *Core* Dkt. Nos. 269, 272, 283 (sealed motions to exclude *Core*’s damages and technical experts and LGE’s damages expert); 271, 273 (sealed MSJs); 599 (sealed demonstratives—public versions reflecting sealed information (e.g., Dkt. Nos. 598-2, 9-14, 80-81, 91; 598-3, 47, 51)). Judicial notice of public docket entries is appropriate.

point of contact,” and MB’s assertion that it **advised** LGE on the impact of *Core* on [REDACTED] Order 48; Beaber II ¶4; *see also* Suh I ¶¶4, 11; Suh II ¶3; Dkt. No. 15-12; *Core* Dkt. No. 570, 4.

Third, the Order further erroneously relies on the fact that Mr. Beaber did not bill for his time as part of LGE’s billing arrangement with MB. *See* Order 55. “[A]n attorney-client relationship does not depend upon the payment of a fee.” *Woolley v. Sweeney*, No. Civ.A.3:01CV1331-BF, 2003 WL 21488411, at *10 (N.D. Tex. May 13, 2003); *see also Novo Therapeutisk Laboratorium A/S v. Baxter Travenol Lab’ys, Inc.*, 607 F.2d 186, 189 (7th Cir. 1979).

Because *Core* is a substantially related matter, MB must be disqualified. *Am. Airlines*, 972 F.2d at 614, 616; *Dynamic*, 837 F.3d at 1283 (affirming disqualification; “irrebuttable presumption that [counsel] acquired confidential information **requir[es] her disqualification**”).

C. The Order Erroneously Finds That Societal Interest Factors Override Disqualification Based on the Substantially Related *MTT* Matter

The Order further errs by erroneously finding that societal interest factors override disqualification of MB based on its prior representation of LGE in *MTT*.⁷ Specifically, the Order identifies a set of factors considered by the Fifth Circuit related to impropriety and the likelihood of public suspicion. Order 59. But where matters are substantially related, these factors cannot overcome “categorical” disqualification. *Am. Airlines*, 972 F.2d at 614, 616.⁸ Indeed, the “appearance of impropriety is established once a client shows...a matter...is ‘substantially related’ to the prior representation,” and the likelihood of public suspicion is satisfied as MB attorneys worked for over 100 hours on the matter (Suh I ¶5) and have a continuing duty of “confidentiality, loyalty, and avoidance of the appearance of impropriety.” *Woolley*, 2003 WL 21488411, at *9-10.

⁷ Had the Order also applied these erroneous considerations to the conflicts based on [REDACTED] *CCE*, or *Core*, this too would have been error. And even under the Order’s flawed rubric, the additional conflicts present in those cases further demonstrate the need to disqualify MB.

⁸ *Wolley, F.D.I.C, Church of Scientology*, and *Dresser* cited by the Order (Order 58-60) either disqualified counsel or are inapposite as they involved two matters with no substantial relationship.

The Order's considerations of the alleged societal interests are also mistaken. For example, the Order disregards the conflict based on *MTT* because Pantech also asserted six other patents (Order 59); but Pantech's decision to assert additional patents cannot cure an existing conflict. Similarly, the Order relies on the irrelevant fact that the briefing and correspondence discusses certain other cases more than *MTT* (Order 59), but again this is not a basis for ignoring the conflict.

The Order's finding of little risk of impropriety because MB alleges it no longer has any code and time has passed (Order 58-59) is contrary to law. The law requires disqualification when "a lawyer ***could have acquired*** confidential information" that could be misused (Tex. R. Disc. P. 1.09 cmt. 4B), and *MTT* concluded only six months before the alleged damages period here (Suh I ¶9). The rule is prophylactic; it does not ask *whether* MB has or is misusing LGE's information; instead, it disqualifies MB to make it *impossible* for MB to take advantage of those confidences.

Moreover, the Order circularly finds that even though LGE did not waive as to *MTT*, but allegedly waived as to other cases, the *MTT* conflict should be disregarded. Order 60. The Order's attempt to shift the blame to LGE for not seeking lesser relief is similarly misguided. *See id.* MB's violation of the ethical rules "are of a continuing nature and cannot be cured by any means less drastic than disqualification." *Woolley*, 2003 WL 21488411, at *9. Even if they could be cured, MB bears the burden to show the representation is permitted. *Galderma*, 927 F. Supp. 2d at 398.

Overall, the Order erroneously focuses on Pantech's choice of counsel without affording proper weight to LGE's preservation of its confidential information and the duty of loyalty that it is owed. An "overriding countervailing concern [to important societal rights] suffusing the ethical rules [is] a client's entitlement to an attorney's adherence to her duty of loyalty, encompassing a duty of confidentiality." *Dynamic*, 837 F.3d at 1286. MB should be disqualified.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing document is being served via email on counsel of record on this the 11th day of May, 2023.

/s/ Jennifer H. Doan
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