No. 15-____

IN THE
Supreme Court of the United States

BOEHRINGER INGELHEIM PHARMACEUTICALS, INC.

Petitioner,

v.

FEDERAL TRADE COMMISSION,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the District of Columbia Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

"[D]ocuments . . . that are prepared in anticipation of litigation" by an attorney or an attorney's agent are protected work product. Fed. R. Civ. P. 26(b)(3). This protection is nearly absolute for materials containing the "mental impressions, conclusions, opinions, or legal theories of a party's attorney," commonly known as opinion work product. However, work product without such attorney mental impressions, commonly known as fact work product, can be discovered upon a showing of "substantial need" and "undue hardship" in obtaining the "substantial equivalent by other means." *Id.*

In this case, Petitioner's in-house attorney directed businesspeople in the creation of financial analyses under parameters and with inputs she articulated and for the purpose of rendering antitrust compliance and other legal advice to her client regarding two contemplated patent settlements. When the FTC later subpoenaed those documents as part of an investigation into whether the patent settlements were anticompetitive, Petitioner withheld them as attorney work product. The district court upheld Petitioner's claim of privilege, but the D.C. Circuit reversed in part.

The questions presented are:

(1) Did the D.C. Circuit err when it held, in conflict with the Second Circuit, that analyses of a proposed settlement's expected cost and value, directed by an attorney and under the framework and using the inputs provided by the attorney, were fact rather than opinion work product if they were prepared in part for a business purpose?

(2) Did the D.C. Circuit err when it held, in conflict with the Fourth, Sixth, Seventh, Tenth, and Eleventh Circuits, that to make a showing of "substantial need" sufficient to override work product protection for fact work product, a party need not show that the requested material has any heightened relevance to the case?

PARTIES TO THE PROCEEDING

The parties in the court below were Boehringer Ingelheim Pharmaceuticals, Inc. and the Federal Trade Commission.

RULE 29.6 DISCLOSURE STATEMENT

Pursuant to Supreme Court Rule 29.6, Petitioner Boehringer Ingelheim Pharmaceuticals, Inc., discloses that it is a wholly-owned subsidiary of Boehringer Ingelheim Corporation. In turn, Boehringer Ingelheim Corporation is wholly owned, either directly or indirectly, by Boehringer Ingelheim USA Corporation. Boehringer Ingelheim USA Corporation is an indirectly wholly owned subsidiary of C.H. Boehringer Sohn AG & Co., KG. None of Boehringer Ingelheim Pharmaceuticals, Inc., Boehringer Ingelheim Corporation, Boehringer Ingelheim USA Corporation, or C.H. Boehringer Sohn AG & Co., KG issues shares or debt securities to the public, and thus no publicly held company owns more than 10% of the stock of any of those companies.

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PETITION FOR WRIT OF CERTIORARI

Petitioner respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the District of Columbia Circuit.

OPINIONS BELOW

The opinion of the District of Columbia Circuit is reported at 778 F.3d 142 and set forth at Pet. App. 1a. The opinion of the district court is reported at 286 F.R.D. 101 and set forth at Pet. App. 30a.

JURISDICTION

The judgment of the court of appeals was entered on February 20, 2015. The court of appeals denied Petitioner's timely petition for rehearing or rehearing *en banc* on June 4, 2015. This Court granted an extension of time for Petitioner to file this petition for certiorari on August 20, 2015, extending the time for application for certiorari to October 2, 2015. This Court therefore has jurisdiction under 28 U.S.C. § 1254(1).

RULES INVOLVED

Federal Rule of Civil Procedure 26(b)(3) provides:

> (A) *Documents and Tangible Things.* Ordinarily, a party may not discover documents and tangible things that are prepared in anticipation of litigation or for trial by or for another party or its representative (including the other party's attorney, consultant, surety, indemnitor, insurer, or agent). But . . . those materials may be discovered if:

(i) they are otherwise discoverable under Rule 26(b)(1); and

(ii) the 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.

(B) *Protection Against Disclosure.* If the court orders discovery of those materials, it must protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of a party's attorney or other representative concerning the litigation.

STATEMENT OF THE CASE

A. Legal Background

1. The Development of the Work-Product Doctrine

Over a half a century ago, the Court first explained that documents created by attorneys in anticipation of litigation are shielded from discovery absent exceptional circumstances—even if the documents are otherwise relevant. *Hickman v. Taylor*, 329 U.S. 495, 510 (1947). The Court emphasized that "[n]ot even the most liberal of discovery theories can justify unwarranted inquiries into the files and the mental impressions of an attorney." *Id.*

This work-product protection is absolutely necessary to the functioning of our modern legal system. It is "essential that a lawyer work with a certain degree of privacy, free from unnecessary intrusion by opposing parties and their counsel" because "[p]roper preparation of a client's case demands that he assemble information, sift what he considers to be the relevant from the irrelevant facts, prepare his legal theories and plan his strategy without undue and needless interference." *Hickman,* 329 U.S. at 510-11. Absent work-product protection, "much of what is now put down in writing would remain unwritten," with the inevitable result that "inefficiency, unfairness and sharp practices would . . . develop in the giving of legal advice[.]" *Id.* That, in turn, would be extremely "demoralizing" for the legal profession, and "the interests of the clients and the cause of justice would be poorly served." *Id.* *See also United States v. Nobles,* 422 U.S. 225, 236 (1975) ("strong public policy" underlies work-product doctrine (internal quotation marks omitted)); *Upjohn Co. v. United States*, 449 U.S. 383, 398 (1981) (same).

The *Hickman* Court allowed a very small exception to the general rule that materials created by attorneys in anticipation of litigation are not discoverable. If facts were "essential to the preparation of [an adversary's] case" and are available only through attorney work product, for example because "the witnesses are no longer available or can be reached only with difficulty," the work product was potentially not immune from discovery. 329 U.S. at 511-12. However, because "the general policy" underpinning the work-product doctrine is "so well recognized and so essential to an orderly working of our system of legal procedure that a burden rests on the one who would invade [an attorney's] privacy to establish adequate reasons to justify production." *Id.* at 512. Indeed, where an attorney's mental impressions would be revealed, the

Court did "not believe that any showing of necessity can be made." *Id.*

The *Hickman* "work-product doctrine" was later enshrined in the Federal Rules of Civil Procedure. Rule 26(b)(3) provides that "[o]rdinarily, a party may not discover documents and tangible things that are prepared in anticipation of litigation or for trial by or for another party or its representative," including attorneys and agents. Fed. R. Civ. P. 26(b)(3). Courts are required to "protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of a party's attorney or other representative concerning the litigation," known as "opinion work product." *Id.* at 26(b)(3)(B). However, the court may order otherwise protected work product not containing such mental impressions, commonly referred to as "fact work product," produced if it is "otherwise discoverable under Rule 26(b)(1)" and "the [requesting] 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." *Id.* at 26(b)(3)(A).

2. Privilege Issues Arising From Hatch Waxman Settlements

In this case, the privilege disputes arise against the backdrop of the regulatory framework of the Drug Price Competition and Patent Term Restoration Act, commonly known as the "Hatch-Waxman Act," which governs the interaction between patent protection and generic drugs. Pub. L. No. 98-417, 98 Stat. 1585, as amended, 21 U.S.C. § 355. To obtain FDA approval under Hatch-Waxman, a generic drug manufacturer must file an Abbreviated New Drug Application ("ANDA") showing that the "active ingredient of [its proposed] new drug is the same as that of the listed [or, pioneer] drug." 21 U.S.C. § 355(j)(2)(A)(ii)(I).

If the ANDA filer seeks approval prior to the expiration of any listed patent protecting the pioneer drug, it must make a "Paragraph IV" certification that the patent "is invalid or . . . will not be infringed by the manufacture, use, or sale of the [generic] drug." 21 U.S.C. § 355(j)(2)(A)(vii). An ANDA filing with a Paragraph IV certification is treated as an act of infringement under Hatch-Waxman, which then permits the pioneer drug manufacturer to file a patent infringement suit within 45 days. *See* 35 U.S.C. § 271(e)(2).

Some parties have settled patent infringement suits by pioneer drug manufacturers through agreements that included payments to the generic manufacturer and/or an agreed-upon generic entry date, often after the settlement but before the patent expired (so-called "reverse payment" settlements). *See, e.g.*, *FTC v. Actavis*, 133 S. Ct. 2223, 2229 (2013). By law, any settlement of Hatch-Waxman litigation between a branded and a generic drug manufacturer meeting certain criteria must be reported to the Department of Justice and Federal Trade Commission ("FTC"). Pub. L. No. 108-173, §§ 1112-1118, 117 Stat. 2071, 2462-64. The FTC has claimed that certain of these settlement agreements violate antitrust laws. 133 S. Ct. at 2229-2230. The Court ruled in *Actavis* that although so-called reverse payment settlements are not "presumptively unlawful," "large and unjustified" payments "can bring with [them] the risk of significant anticompetitive effects." *Id.* at 2237. Accordingly, the Court held that reverse payment settlements *can* violate antitrust laws and courts should apply a "rule of reason" analysis to determine whether any anticompetitive effects of the settlement outweigh the precompetitive benefits. *Id.*

As the dissent, authored by Chief Justice Roberts, pointed out, *Actavis's* "rule of reason" standard potentially implicates privileged information. To the extent that a party's motivations in entering a particular settlement agreement are relevant to the antitrust inquiry, "much of the evidence about the parties' motivation may be embedded in legal advice from its attorney, which would presumably be shielded from discovery." *Actavis*, 133 S. Ct. at 2245 (Roberts, C.J., dissenting). This case presents the circumstances that Chief Justice Roberts foretold, but instead of "shield[ing] from discovery" the privileged documents, the D.C. Circuit changed the "opinion work product" and "substantial need" standards to accommodate the FTC's request for them.

B. Factual Background

1. This case concerns the FTC's investigation of two Hatch-Waxman settlements that resolved two patent infringement actions brought by Boehringer against Barr. Those agreements allowed Barr to market and sell two generic pharmaceutical products many months prior to the expiration of Boehringer's patents.

In September 2005, following Barr's filing of an ANDA with a Paragraph IV certification, Boehringer filed a suit against Barr for infringement of Boehringer's patent covering the active ingredient in Mirapex, a drug that treats Parkinson's disease and restless leg syndrome.[1] That suit was consolidated with a similar suit that Boehringer filed against Mylan, another ANDA filer. *See Boehringer Ingelheim Int'l GmbH v. Barr Labs., Inc.*, Civil Action No. 05-700 (D. Del.).

In July 2007, following Barr's filing of another ANDA with a Paragraph IV certification, Boehringer filed a second suit against Barr for infringement of Boehringer's patent covering the composition of Aggrenox, a drug used to lower the risk of stroke in certain individuals. *See Boehringer Ingelheim Int'l GmbH v. Barr Labs., Inc.*, Civil Action No. 07-432 (D. Del.); Pet. App. 31a.

In June 2008, the U.S. District Court for the District of Delaware held the patent covering Mirapex invalid. *Boehringer Ingelheim Int'l GmbH v. Barr Labs., Inc.*, 562 F. Supp. 2d 619 (D. Del. 2008); Pet. App. 31a. Following this ruling, in August 2008, Boehringer and Barr settled both the Mirapex and Aggrenox lawsuits with Barr.

The Aggrenox agreement provides for at least 18 months early generic entry by Barr. *See* Pet. App. 4a. Under the Mirapex settlement, Barr launched a generic of that drug on January 4, 2010. Pet. App. 31a. Boehringer's litigation against Mylan regarding Mirapex continued, however, and Boehringer appealed the court's ruling regarding the Mirapex patent to the Federal Circuit. On January 25, 2010,

[1] Another patent was initially part of the lawsuit, but it expired and was therefore not addressed by the district court.

the Federal Circuit reversed the district court's decision and upheld the validity and enforceability of Boehringer's Mirapex patent. *Boehringer Ingelheim Int'l GmbH v. Barr Labs., Inc.*, 592 F.3d 1340, *reh'g denied*, 603 F.3d 1359 (Fed. Cir. 2010). The effect of that ruling and the prior settlement is that Barr was able to enter the market with a generic product in competition with Boehringer's Mirapex ten months before Boehringer's valid and infringed patent expired.

In connection with the Aggrenox and Mirapex settlements, Boehringer and Duramed, a subsidiary of Barr, entered into a co-promotion agreement under which Duramed would co-promote Aggrenox to women's healthcare professionals. *Id.* The co-promotion agreement requires Duramed to provide sales and marketing support for Aggrenox and market Aggrenox in person to women's healthcare professionals, as well as provide physician call lists, identify thought-leaders in the field of women's healthcare, and introduce Boehringer's sales force to were also intended to assist Boehringer with its planned launch of the drug Flibanserin, a new branded drug treating hypoactive sexual desire disorder, because Boehringer lacked any sales and marketing infrastructure or expertise in the field of women's healthcare. JA-748-750; JA 800. The co-promotion agreement required Boehringer to pay certain specified fees and royalties on Aggrenox sales. Pet. App. 4a.

2. By law, the settlement agreements, including the co-promotion agreement, would be provided to the Department of Justice and FTC for review. *See* Pub. L. No. 108-173, §§ 1112-1118, 117 Stat. 2071, 2462-64.

Thus, unremarkably, as Boehringer contemplated settling the Mirapex and Aggrenox litigation, Boehringer's in-house counsel, who was the chief negotiator of the deal, evaluated the proposed settlement terms to ensure that they were commercially reasonable on their own terms as standalone agreements and therefore could withstand antitrust scrutiny by the FTC. Pet. App. 4a-5a. To that end, Boehringer's in-house counsel directed businesspeople at Boehringer to prepare analyses relating to possible settlement options, including their potential financial impact. *See* Pet. App. 40a-41a. The record was uncontradicted that the analyses were created at the request of counsel under the frameworks and with the inputs provided by counsel for the purpose of assisting counsel in rendering legal advice. Pet. App. 42a. Specifically, Boehringer's counsel testified that she requested such analyses in her capacity as an attorney to help in her legal analysis of possible settlement, including how to settle the lawsuits on commercially reasonable terms that could withstand antitrust scrutiny. *See id.*; Pet. App. 13a n.1; JA772-777; JA-781.

C. The Proceedings Below

1. In 2009, the FTC began an antitrust investigation concerning the Mirapex and Aggrenox settlements. Pet. App. 5a. As part of that investigation, FTC issued a subpoena to Boehringer seeking various documents relating to those settlements. Pet. App. 5a.

Boehringer withheld certain responsive documents pursuant to the work-product privilege, among others.

Pet. App. 5a. For example, although Boehringer produced numerous financial analyses of the proposed settlement created by its businesspeople in the ordinary course of business, it withheld as work product the financial analyses created by Boehringer's businesspeople at the direction of in-house counsel, in the form requested by in-house counsel, for the purpose of providing her client with legal advice regarding whether the proposed settlements would withstand antitrust scrutiny. Pet. App. 42a, 12a, 13a n.1. JA772-777; JA-781.

The FTC moved to compel production of the attorney-directed financial analyses, among other documents. *See* 15 U.S.C. § 49. The dispute was heard by Magistrate Judge John Facciola, to whom the subpoena enforcement action had been referred for all purposes. Pet. App. 30a. The FTC argued that the withheld financial analyses were not work product, or in the alternative that they should be produced because they were "fact work product" for which FTC had shown substantial need and undue hardship. *See* Pet. App. 41a. The FTC argued that it had shown substantial need because the requested documents could reveal anticompetitive intent, which the FTC contended was relevant to its investigation under this Court's recent ruling in *Actavis*. Pet. App. 43a.

Magistrate Judge Facciola upheld Boehringer's claim of work-product privilege over the financial analyses (and nearly all of Boehringer's other claims of work-product privilege) after reviewing the documents *in camera*. Pet. App. 43a. First, he ruled that the analyses were work product because they provided "information [that Boehringer's in-house counsel] needed in order to provide her client . . . with legal advice regarding the potential settlement," and such information "clearly falls within the ambit of the work product doctrine." Pet. App. 42a. He further found "the factual inputs [in the analyses] cannot reasonably be segregated from the analytical outputs," such that "disclosure of any aspect of the financial analyses would necessarily reveal [Boehringer's] attorneys' thought process regarding . . . settlement." Pet. App. 43a-44a. Thus, he concluded, the analyses were "opinion work product" and were not discoverable even upon a showing of "substantial need." *Id.*

However, Magistrate Judge Facciola added that the FTC also had not shown substantial need sufficient to compel the production of fact work product. He wrote that while he was "sympathetic to the FTC's argument that the financial analyses are the only documents that could demonstrate" anticompetitive intent, his *in camera* review revealed that "they cast no light on whether that intendment existed." Pet. App. 45a. He elaborated that there were "no smoking guns contained in these documents," nor were they "in any way evidence of any conspiratorial intent to violate the law." *Id.* at 44a. Put another way, the analyses did "not cast any light on the fundamental legal issue of whether the deal was or was not anti-competitive in intendment or result." *Id.* As a result, Magistrate Judge Facciola refused to order their production. *Id.* However, in one of the few limited exceptions to his general denial of the FTC's motion to compel, the judge ordered that Boehringer produce redacted versions of the cover e-mails transmitting the financial analyses at issue "if the e-mails contain additional, factual work product that can be reasonably excised from any indication of opinion work product." Pet. App. 45a.

2. Pursuant to 28 U.S.C. § 1291, the FTC timely appealed Magistrate Judge Facciola's ruling as to the financial analyses only. Pet. App. 7a. The D.C. Circuit reversed in part.

Although the D.C. Circuit agreed that the financial analyses at issue were work product, Pet. App. 12a, the court held that they were fact work product that the district court could order produced upon a showing of "substantial need" and "undue hardship." Pet. App. 19a.

To constitute opinion work product, the D.C. Circuit wrote, a lawyer needed to have "sharply focused or weeded" the facts contained therein such that they "reveal . . . counsel's legal impressions or their views of the case." Pet. App. 16a. The court ruled that documents containing attorney mental impressions concerning "whether the [settlement] agreements made financial sense" do not reflect such "sharp focus" because such decisions were "a matter of business judgment, not legal counsel." Pet. App. 17a.

Using that standard, the panel held that some (undefined) financial analyses at issue were not opinion work product. Despite the in-house attorney's sworn and uncontradicted testimony that she had requested the analyses at issue for the purpose of giving legal advice, and some for the specific purpose of rendering antitrust compliance advice, the panel found that the "information and frameworks" underlying those analyses reflected only "the lawyer's thoughts relating to financial and business decisions," namely, the financial aspects of the co-promotion agreement. Pet. App. 17a. *See also id.* at 13a, n1 (in connection with argument that the financial analyses are work product, expressly declining to reach "Boehringer's alternative argument that the co-promotion agreement materials are protected because counsel used them to evaluate potential antitrust liability").

The D.C. Circuit did not distinguish the Second Circuit's decision in *United States v. Adlman*, 134 F.3d 1194 (2d Cir. 1998). In *Adlman*, the Second Circuit ruled that all documents created by attorneys or their agents "because of" litigation were protected work product, regardless of whether they were created "primarily to assist in" a proposed business transaction. *Id.* at 1196-98, 1203. The court found that many attorney analyses—including analyses of the feasibility of settlement—are created for business purposes, but because of litigation, and should remain protected. In the course of its opinion, the *Adlman* court made clear that financial analyses containing attorney mental impressions regarding "the feasibility of reasonable settlement" are just the sort of "informal evaluation of [a lawyer's] case" that should be protected opinion work product. *Id.* at 1199-1200.

Having created a conflict with *Adlman* as to whether the financial analyses were opinion work product, the D.C. Circuit then found that the FTC had shown "substantial need" for at least some of the financial analyses under Federal Rule of Civil Procedure 26(b)(3)(A)(ii). Pet. App. 22a-26a. In doing so, the court created a new standard for "substantial need." It held that a party seeking fact work product shows "substantial need" if it "demonstrates that the materials are relevant to the case, the materials have a unique value apart from those already in the movant's possession, and 'special circumstances' excuse the movant's failure to obtain the requested materials itself." Pet. App. 23a.(quoting *Mitchell v. Bass*, 252 F.2d 513 (8th Cir. 1958)). Under this standard, no heightened showing of relevance is needed to show substantial need. Pet. App. 25a. Any document that was "admissible or could 'give clues as to the existence or location of relevant facts,'" was "relevant" under the new standard. *Id.* The court acknowledged that this definition of "relevance" is "remarkably similar to the relevance standard under Rule 26(b)(1)." *Id.* The court also acknowledged that its refusal to require some heightened showing of relevance before finding a "substantial" "need" for work-product documents is in direct contrast to holdings of the Seventh and Tenth Circuits, as well as a growing number of district courts. Pet. App. 20a, 26a n.4 (*citing, inter alia, Logan v. Commercial Union Ins. Co.*, 96 F.3d 971, 977 (7th Cir. 1996); *Nevada v. J-M Mfg. Co.*, 555 F. App'x 782, 785 (10th Cir. 2014)). The court did not acknowledge decisions by the Fourth, Sixth, and Eleventh Circuits that also required a heightened relevance showing to establish a "substantial" "need." *See Belcher v. Bassett Furniture Indus., Inc.*, 588 F.2d 904, 908 (4th Cir. 1978); *United Kingdom v. United States*, 238 F.3d 1312, 1322 (11th Cir. 2001); *Stampley v. State Farm Fire & Cas. Co.*, 23 F. App'x 467, 471 (6th Cir. 2001).

The court acknowledged that Magistrate Judge Facciola had found as fact that the documents contained “no smoking guns” and were “not in any way evidence of any conspiratorial intent to violate the law.” Pet. App. 20a, Yet, it nevertheless ruled that because the FTC had shown that the financial analyses at issue were “relevant” (*i.e.* discoverable), not exactly replicated elsewhere, and created near the time of the conduct at issue (thus providing a “special circumstance” explaining why the FTC had not created the analyses itself), the FTC had shown “substantial need” for them. Pet. App. 23a-25a.

Indeed, because the dispute arose in the context of an investigatory subpoena, the D.C. Circuit went a step further. It held that in the investigatory context, the *agency itself* can determine whether a document is “relevant” such that its need to breach the target’s work product protection is “substantial.” Pet. App. 25a. The court reasoned that when an agency issues an investigatory subpoena, “the district court is not free to speculate about the possible charges that might be included in a future complaint, and then to determine the relevance of the subpoena requests by reference to those hypothetical charges.” Pet. App. 27a (*quoting FTC v. Texaco* 555 F.2d 862 (D.C. Cir. 1976) (en banc)). Accordingly, the D.C. Circuit reasoned, whatever documents the FTC felt were relevant to its investigation were relevant, and the FTC had “substantial need” for them so long as they were “unique” and the FTC had an explanation for why it did not re-create them itself. Pet. App. 27a-29a.

Finally, the D.C. Circuit concluded that Magistrate Judge Facciola had necessarily ruled FTC had shown "undue hardship" in obtaining the substantial equivalent of at least some of the financial analyses at issue. Pet. App. 27a-29a. That conclusion was based on the single sentence in Magistrate Judge Facciola's opinion that required Boehringer to produce certain cover e-mails related to the financial analyses at issue if factual material could be separated from the opinion work product contained within them. *Id.*

Accordingly, the D.C. Circuit remanded the case to the district court to "revisit the financial documents in light of the correct legal standards, as clarified above." Pet. App. 28a-29a.

This petition for certiorari followed.

REASONS FOR GRANTING THE PETITION

This Court should grant certiorari in this case because it presents two separate circuit splits on privilege issues that are critically important and recur on a near-daily basis throughout the lower courts. Indeed, should the erroneously strict standard for what constitutes "opinion work product" and the erroneously lax standard for what constitutes "substantial need" espoused in the opinion below remain unaddressed, there is sure to be confusion in the lower courts regarding the proper scope of work product protection. That kind of uncertainty will inevitably lead to a general weakening of the work product protection this Court identified decades ago as critical to the legal profession. Moreover, review is important here because the decision below is erroneous and contrary to the Federal Rules of Civil Procedure and this Court's precedent.

I. THE DECISION BELOW CREATES A CIRCUIT SPLIT AND ERRONEOUSLY NARROWS THE SCOPE OF OPINION WORK PRODUCT PROTECTION

Certiorari should be granted because the courts of appeals are split on whether financial analyses reflecting attorney mental impressions of the financial implications of proposed settlement terms are opinion work product if those documents were created "because of" litigation but in part for a business evaluation. *See* Sup. Ct. R. 10(a). The D.C. Circuit has held that financial analyses of potential settlement are not opinion work product if they reflect "the lawyer's thoughts relating to financial and business decisions." Pet. App. 17a. By contrast, the Second Circuit has stated that a financial analysis that considers "the feasibility of reasonable settlement" terms is exactly the sort of analysis that work product was designed to protect, regardless of whether the "document's purpose is business-related." *Adlman*, 134 F.3d at 1200. The Second Circuit has it right: it is critical to protect attorney mental impressions regarding the feasibility and expected cost of settlement, regardless of whether those mental impressions are recorded for business purposes.

This Court's immediate intervention is warranted to remediate this conflict between two of the most often-cited circuits on privilege issues. *See, e.g.*, *In re EchoStar Commc'ns Corp.*, 448 F.3d 1294, 1301-02 (Fed. Cir. 2006) (citing both D.C. Circuit and *Adlman* for standards for and policy behind work product);

Baker v. Gen. Motors Corp., 209 F.3d 1051, 1054 (8th Cir. 2000) (citing D.C. Circuit for standards for substantial need showing); *Maine v. U.S. Dep't of Interior*, 298 F.3d 60, 68 (1st Cir. 2002) (citing *Adlman* regarding public policy behind work product doctrine); *United States v. Mass. Inst. of Tech.*, 129 F.3d 681, 687 (1st Cir. 1997) (citing both D.C. Circuit and Second Circuit for standards for waiver of work product); *Frontier Refining, Inc. v. Gorman-Rupp Co.*, 136 F.3d 695, 704 n.12 (10th Cir. 1998) (citing, *inter alia*, a D.C. Circuit case regarding justification necessary to overcome opinion work product protection).

A. The Circuits Are Split Regarding Whether Attorney Mental Impressions Concerning a Settlement's Commercial Feasibility Are Opinion Work Product

1. In *Adlman*, the Second Circuit ruled, in connection with its holding that work product protection applies to all documents created "because of" litigation, that documents that "directly or indirectly" reveal "mental impressions or opinions of the attorney who prepared them" should remain protected even if those "materials serve other functions apart from litigation," such as business functions. 134 F.3d at 1202 (*citing* Note, *The Work Product Doctrine: Why Have an Ordinary Course of Business Exception?*, 1988 Colum. Bus. L. Rev. 587, 604 (1988)). The court was specific that protected mental impressions included the attorney's analyses of "the feasibility of reasonable settlement" terms. *Adlman,* 134 F.3d at 1200. The court expressly rejected the idea that "documents assessing the . . . likelihood of settlement and its expected cost" should not be protected if "prepared for a business purpose rather than to assist in litigation," finding such result completely "unwarranted." *Adlman,* 134 F.3d at 1202. *See also NXIVM Corp. v. O'Hara*, 241 F.R.D. 109, 128 (N.D.N.Y. 2007) ("The crux being that a document which has been prepared because of the prospect of litigation will not lose its protection under the work product doctrine, even though it may assist in business decisions."); *Fair Isaac Corp. v. Experian Info. Solutions Inc.*, Case No. 06-cv-4112, Mem. Order at 15 (D. Minn. Nov. 3, 2008) (Dkt. No. 431) ("[t]he fact that the [litigation] settlement contemplated a business resolution . . . does not convert the analyses of the solution into a routine or ordinary business decision").

As the *Adlman* court explained, any rule that limited protection of attorney mental impressions regarding the expected cost of settlement simply because those impressions were recorded "to assist in a business decision rather than to assist in the conduct of the litigation" would have undesirable results. *Adlman*, 134 F.3d at 1202. For example, settlement analyses might be created to determine whether it made financial sense to undertake a transaction that could result in litigation. *Id.* at 1999-1200. If such analyses were freely discoverable, attorneys would likely "declin[e] to make such analys[e]s or scrimp[] on candor and completeness to avoid prejudicing [the client's] litigation prospects," thus exposing their clients to "ill-informed decisionmaking." *Id.* at 1200. Alternately, the attorney could request the analysis and risk "serious prejudice to the company's prospects in the litigation" if the analysis were later produced in discovery. *Id.*

The court found the choice "untenable," and noted that "nothing in the policies underlying the work-product doctrine or the text of the Rule itself" would "justify subjecting a litigant to this array of undesirable choices." *Id.* The court thus concluded, "[t]he fact that a document's purpose is business-related appears irrelevant to the question [of] whether it should be protected under Rule 26(b)(3)." *Id.*

2. In stark contrast, in the case below, although the uncontradicted testimony established that the financial analyses at issue were directed by counsel to analyze potential settlement terms and advise her client regarding the settlement, the court determined that the analyses were not protected opinion work product under Rule 26(b)(3) because the analyses reflected "business judgment, not legal counsel." Put another way, the mental impressions contained therein concerned the "counsel's general interest in the financials of" the proposed settlement and such mental impressions were not protected. Pet. App. 17a.

Although the D.C. Circuit paid lip service to the idea that the mental impressions of attorneys regarding settlement matters were generally immune from discovery, Pet. App. 14a, it found that the district court had "applied an overly broad definition of opinion work product." *Id.* According to the court, attorney mental impressions regarding "whether the [settlement] agreements made financial sense" do not receive protection as "opinion work product." Pet. App. 17a. The court found that at least some of the financial analyses at issue were "the sort of financial analyses one would expect a company exercising due diligence to prepare when contemplating settlement options" and reflected simply "the lawyer's thoughts relating to financial and business decisions."[2] Pet. App. 17a. Such analyses, the court held, should not be treated as "opinion work product." *Id*.

Accordingly, there is a sharp conflict between the D.C. Circuit and the Second Circuit regarding whether an attorney's analyses of potential settlement terms should be considered "opinion work product" if the analysis contains mental impressions concerning a litigation-related business decision, such as, in this case, whether to settle litigation in the first instance. The Second Circuit has expressly noted that such analyses would be in the heartland of mental impressions protected by *Hickman,* while the D.C. Circuit has held that they should be considered *business* analyses as opposed to *legal* analyses and protected as fact work product only. The Court should accept review to resolve this circuit split.

B. Attorney Mental Impressions Regarding the Expected Cost of a Settlement Are Opinion Work Product

1. The Second Circuit had it right in *Adlman*: under Rule 26(b)(3), attorney mental impressions regarding the financial implications of possible settlement terms should be protected regardless of whether they were related to a business decision. Both *Hickman* and Federal Rules of Civil Procedure

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[2] The panel's conclusion in this regard is ironic, in that the panel had previously expressly declined to consider whether certain of the analyses at issue were "protected because counsel used them to evaluate potential antitrust liability." Pet. App. 13a n.1.

require courts to "protect against disclosure of" *all* "mental impressions . . . of a party's attorney . . . concerning the litigation," including settlement. Fed. R. Civ. P. 26(b)(3)(B); *Hickman,* 329 U.S. at 511. Neither *Hickman* nor Rule 26 qualifies that statement to exclude attorney mental impressions relevant to business purposes or decisions.

2. The policy reasons behind the *Adlman* court's decisions are also sound, and the D.C. Circuit erred by ignoring them. Evaluating potential settlement terms, whether for business reasons or otherwise, is part of each party's "informal evaluation of its case"—the very sort of evaluation that attorneys should be "encouraged to prepare independently." *Adlman,* 134 F.3d at 1999. The *Adlman* court saw that it would "oddly undermine [Rule 26(b)(3)'s] purposes if [settlement analyses] were excluded from protection merely because they were prepared to assist in the making of a business decision[.]" *Id.* Whether these mental impressions about litigation were recorded for business purposes or litigation purposes, they should remain protected, because they will not be created at all if an attorney fears that his adversary could discover them in future litigation.

The D.C. Circuit's opinion, on the other hand, holds that mental impressions gleaned from a financial analysis of a potential settlement, created at the direction of counsel and in the form requested by counsel, are not protected because they reveal only "counsel's general interest in the financials of the deal." Pet. App. 17a. That holding leaves in-house counsel with the very "untenable choice" when negotiating a settlement that *Adlman* sought to avoid. 134 F.3d at 1200. Attorneys must either provide ill-informed advice regarding business decisions or risk a substantial disadvantage if their settlement analyses are later requested in litigation.

Indeed, if allowed to stand, the opinion could have far-reaching consequences. Any rule that does not protect attorney mental impressions relating to "business" decisions will likely impede corporate compliance in the long term. That is because ideally, in-house counsel would seek out certain key financial facts and projections from businesspeople to determine if proposed transactions are compliant with any variety of laws and regulations. In-house counsel might also consider whether a transaction that is actually compliant might *appear* non-compliant to a regulator, and either take steps to dispel the appearance of impropriety or to structure the transaction in the most defensible manner possible. Yet, if in-house counsel knows that such analyses of the financial underpinnings of the transaction—which by design might reveal potential non-compliance—could be discovered and used against the company if a court later determines the analysis was made for "business" purposes, counsel will naturally be hesitant to ever ask businesspeople to memorialize or synthesize specific financial figures. In that event, the attorney's legal advice—and the company's compliance—would likely suffer. Even if an attorney did ask for such an analysis, and that analysis is later discovered by the government during an investigation, the businesspeoples' respect and trust in their legal counsel could be greatly eroded. That, in turn, would also likely lead to less compliance in the long term.

This is the problem the *Adlman* and *Hickman* courts foresaw. *See Hickman*, 329 U.S. at 511 (absent strong work-product protection, "much of what is now put down in writing would remain unwritten"). The D.C. Circuit was wrong to hold that attorney mental impressions that happen to be embedded within a financial analysis of potential settlement are not "opinion work product" worthy of protection under Rule 26(b)(3)(B).

II. THE DECISION BELOW CONFLICTS WITH SEVERAL OTHER CIRCUITS AND ERRONEOUSLY HOLDS THAT NO HEIGHTENED RELEVANCE IS REQUIRED TO SHOW "SUBSTANTIAL NEED"

A. The Circuits Are Split Regarding Whether a Party Can Demonstrate "Substantial Need" For a Document With No Heightened Relevance to the Dispute

The opinion below also created a second circuit split. The D.C. Circuit held that a party may show "substantial need" sufficient to override work product without showing that the requested document is particularly probative of the matter at hand. However, the Fourth, Sixth, Seventh, Tenth, and Eleventh Circuits, as well as a variety of district courts, have held that to establish "substantial need" for work product, a party must show that the work product has some sort of heightened probative value beyond mere relevance. *Logan*, 96 F.3d at 977; *J-M Mfg. Co.*, 555 F. App'x at 785; *United Kingdom*, 238 F.3d at 1322; *Stampley*, 23 F. App'x at 471; *Belcher*, 588 F.2d at 908.

1. The cases from several circuits are clear that fact work product cannot be discovered unless the party seeking it shows that it has some special significance to the case. That makes perfect sense. There is no true "need" for work product that is only tangentially relevant to a dispute (or at least not a "need" that is "substantial").

The D.C. Circuit acknowledged that its new "substantial need" standard is in direct conflict with *Logan*, 96 F.3d at 977. In that case, a plaintiff alleging bad faith denial of a worker's compensation claim sought discovery of the insurance company's entire claims file, but the company withheld as work product portions of the file created during litigation with plaintiff. *Id.* at 975. Plaintiff moved to compel production of the documents, arguing among other things that he had shown substantial need for them because the file was potentially the only evidence of bad faith, which was critical to his claim. *Id.* at 977. The Seventh Circuit acknowledged that documents revealing the "strategy, mental impressions and opinion of the insurer's agents considering the handling of the claim are directly at issue." *Logan*, 96 F.3d at 977 (*quoting Holmgren v. State Farm Mut. Auto. Ins. Co.*, 976 F.2d 573, 576-78 (9th Cir. 1992) (internal citations and punctuation marks omitted)). But the court ruled that the plaintiff was required to "demonstrate some likelihood or probability that the documents sought may contain evidence of bad faith" to show substantial need. *Id.* Because the district court had conducted an *in camera* review of the (admittedly relevant) documents and found that they did not support an argument of bad faith, the

Seventh Circuit held that plaintiff had not shown "substantial need" for the documents. *Id.*

The D.C. Circuit also attempted to distinguish the Tenth Circuit's unpublished opinion in *J-M Manufacturing Co.*, 555 F. App'x at 785. Pet. App. 26a n.4. In *J-M Manufacturing*, the government ordered certain tests of the defendant's allegedly defective product while determining whether it should intervene in a *qui tam* action. 555 F. App'x at 784. After the government declined to intervene, the defendant subpoenaed the laboratory that had conducted the tests for the results. *Id.* The United States opposed, asserting work-product privilege, and the district court upheld the objection on the ground that the defendant had not shown substantial need. *Id.* The appellate court affirmed. *Id.*

The Tenth Circuit agreed that the tests were directly relevant to the plaintiff's fraud theory. *Id.* at 784. However, the court noted that substantial need can only be shown where "the information sought is essential to the party's defense, is crucial to the determination of whether the defendant could be held liable for the acts alleged, or carries great probative value on contested issues." *Id.* at 785 (*quoting Nat'l Congress For Puerto Rican Rights v. City of New York*, 194 F.R.D. 105, 110 (S.D.N.Y. 2000)). The court found that because the defendant had not carried its burden of showing that the test results had "great probative value on contested issues," it had not shown substantial need. *Id.*

The Eleventh Circuit has similarly held that fact work product must not be merely relevant, but necessary, before a party can show "substantial need" for it. In *United Kingdom v. United States*, 238 F.3d at 1322, the United Kingdom sought to compel certain documents from United States authorities for use in prosecuting suspects whose co-conspirators were being investigated by the United States. Although the court agreed that the requested documents were relevant to the British prosecution, *id.* at 1319, it nevertheless held that materials over which the United States had claimed work-product protection need not be disclosed because the United Kingdom had not shown substantial need for them. The court stated that a mere finding of relevance "does not overcome a valid claim of work product privilege," and cited *Hickman* to hold that a "party must show that production of the material is not merely relevant, but also necessary" to overcome work-product protection. *Id.* at 1322.

The Fourth and Sixth Circuits have also indicated that under Rule 26(b)(3), a document must have a heightened relevance to the case before an adversary can show "substantial need" for it. In *Belcher*, 588 F.2d at 908, the court considered an interlocutory appeal of a district court's grant of permission under Federal Rule of Civil Procedure 34 for a plaintiff's expert to inspect the defendant's plant as part of an employment discrimination lawsuit. In considering under what circumstances such an inspection would be permissible, the court analogized such requests to requests for trial preparation materials under Rule 26(b)(3). The court noted that although as a "general policy" discovery may be had by "simply showing the relevancy of the desired discovery to the cause of action," "when the desired discovery concerns materials prepared in anticipation of trial, the moving party must show that he has substantial need of the materials." *Belcher*, 588 F.2d 908. In other words, "substantial need" required more than mere relevance. *See also Stampley,* 23 F. App'x at 471 (party seeking discovery must always "show that documents are relevant," but if the materials were created in anticipation of litigation, the party must *also* show "substantial need.").

Several district courts in other circuits have reached similar conclusions. *See, e.g.*, *K.W. Muth Co. v. Bing-Lear Mfg. Group, L.L.C.*, 219 F.R.D. 554, 575 (E.D. Mich. 2003) (noting that "need" under Rule 26(b)(3) requires "some 'plus' factor" beyond relevance); *Fletcher v. Union Pac. R.R. Co.*, 194 F.R.D. 666, 672 (S.D. Cal. 2000) (to show substantial need, requesting party must show that the work product is "essential to proving [the requestor's] prima facie case"); *Gucci Am., Inc. v. Guess?, Inc.*, 271 F.R.D. 58, 74-75 (S.D.N.Y. 2010) (substantial need shown where "the information sought is 'essential' to the party's defense, is 'crucial' to the determination of whether the defendant could be held liable for the acts alleged, or carries great probative value on contested issues" (*quoting Nat'l Congress for Puerto Rican Rights*, 194 F.R.D. at 110); *Davis v. Emery Air Freight Corp.*, 212 F.R.D. 432, 436 (D. Me. 2003) ("the fact that the documents sought might be relevant to [plaintiff's] claims is not enough under Rule 26(b)(3)."); *Bradley v. Wal–Mart Stores, Inc.*, 196 F.R.D. 557, 558 (E.D. Mo. 2000) (there can be no substantial need for materials that are not essential to the requesting party's prima facie case); *Martin v. Monfort, Inc.*, 150 F.R.D. 172 (D. Colo. 1993) (finding no substantial need despite assuming relevance of requested documents);

Almaguer v. Chicago, R.I. & P. R.R. Co., 55 F.R.D. 147, 148-49 (D. Neb. 1972) ("When lawyers have prepared or obtained the materials for trial, all courts require more than relevance; so much is clearly commanded by *Hickman*[.]"); *see also* David M. Greenwald, *et al.*, *Testimonial Privileges* § 2:24 (3d ed.) ("In order to demonstrate substantial need sufficient to overcome the work product protection, a party must show more than the mere relevancy of the work product in question." (citing district court cases in support)).

2. These cases are in direct conflict with the D.C. Circuit opinion below. The D.C. Circuit attempted to distinguish *Logan, J-M Manufacturing,* and certain district court cases that required a heightened showing of relevance substantial need. Admittedly in contrast to those cases, the D.C. Circuit held that to show substantial need, no "heightened showing of a document's relevance or probative value" was required. Pet. App. 20a. All that a party is required to do to obtain its adversary's fact work product in discovery, the court held, is show "that the materials are relevant to the case [under the standard set forth in Rule 26(a)(1)], the materials have a unique value apart from those already in the movant's possession, and special circumstances excuse the movant's failure to obtain the requested materials itself." Pet. App. 23a (internal quotation marks omitted).

The Court's intervention is also needed to resolve this acknowledged circuit split.

B. The D.C. Circuit's Required Showing for "Substantial Need" Is Too Lax

Although the D.C. Circuit claimed that it was stemming the tide of what it perceived to be an unnecessary "ratcheting up" of the substantial need standard in Rule 26(b)(3)(A)(ii), Pet. App. 26a n.4, in fact, the D.C. Circuit's opinion erroneously ratcheted *down* the standard, particularly in the investigative context. The Fourth, Sixth, Seventh, Tenth and Eleventh Circuits correctly followed the Federal Rules of Civil Procedure by requiring heightened relevance before finding a "substantial" "need" to discover fact work product. This Court should grant certiorari to affirm their interpretation of the "substantial need" standard and reverse the D.C. Circuit's.

1. Rule 26(b)(3) sets forth the circumstances under which fact work product may be discoverable. Subsection (i) sets a threshold requirement: a document must be "otherwise discoverable under Rule 26(b)(1)" (*i.e.* relevant). Fed. R. Civ. P. 26(b)(3)(A)(i). Subsection (ii) then provides that the requesting party must *also* show "substantial need for the materials to prepare its case" *and* that the party "cannot, without undue hardship, obtain their substantial equivalent by other means." Fed. R. Civ. P. 26(b)(3)(A)(ii). If mere relevance were sufficient to establish "substantial need," Rule 26(b)(3)(A)(i) would be entirely superfluous.

Indeed, by its own terms, the substantial need standard requires a "need" that is "substantial." Thus, the Federal Rules clearly dictate that to show substantial need, a party must show that the documents it seeks have some particular significance to the case.

To the extent the rule is at all unclear, the Advisory Committee notes eliminate any doubt. When the committee first enacted Rule 26(b)(3), it specified that substantial need requires "more than relevance; so much is clearly commanded by *Hickman*." Fed. R. Civ. P. 26, 1970 advisory committee note to subdivision (b)(3). *See also Hickman*, 329 U.S. at 511 (party seeking disclosure has burden of establishing that the documents are "essential to the preparation of . . . [its] case"); *Republic Gear Co. v. Borg-Warner Corp.*, 381 F.2d 551, 557-58 (2d Cir. 1967) (interpreting *Hickman* prior to enactment of Rule 26(b)(3) to require showing that document is "essential to the preparation of [the requesting party's] case").

It is no surprise then, that nearly every court and commentator to consider the issue of what constitutes "substantial need" have determined that a heightened showing of relevance is required. *See, e.g.*, 8 C. WRIGHT & A. MILLER, FED. PRAC. & PROC. CIV. § 2025 (3d ed. 2014) ("substantial need" showing under Rule 26(b)(3) requires "something more than relevancy sufficient to satisfy Rule 26(b)(1)."). While the D.C. Circuit considered this as an unacceptable "ratcheting up" of the standard for substantial need, Pet. App. 26a n.4 in fact, it is the only rational interpretation of the rule.

2. By contrast, the D.C. Circuit held that a party can show "substantial need" by showing that a document is merely relevant under Rule 26(a)(1), so long as the party can also show that the document is "unique" and created under "special circumstances" that explain why the requesting party is not able to re-create the requested document itself. Pet. App. 23a. The D.C. Circuit's standard for "substantial need" is not supported by the language of Rule 26(b)(3), nor is it advisable as a policy matter. Such a relaxed standard would swallow the "substantial need" requirement whole.

The second two prongs of the D.C. Circuit's "substantial need" standard, that work product have "unique value" and be created under "special circumstances" excusing the requesting party from re-creating the document on its own, are similar to the showing required by Rule 26(b)(3)(A)'s second, purportedly distinct, requirement for discovery of fact work product: that it would cause the requesting party "undue hardship" to "obtain [the] substantial equivalent [of the requested document] by other means." Fed. R. Civ. P. 26(b)(3)(A)(ii). Had the drafters of the Federal Rule intended fact work product to be discoverable on a showing of relevance and undue hardship, there would have been no need to create a "substantial need" requirement at all.

Indeed, as a practical matter, documents containing fact work-product are almost by definition "unique." They would not exist if an attorney had not specifically requested them or written them to assist him or her in rendering legal advice. Had a document memorializing facts been created in the ordinary course of business in the form the attorney needed, the attorney likely would not have re-created the same information. Thus, the qualification that fact work-product be "unique" before a party can show "substantial need" for it provides no meaningful additional protection for fact work product.

Moreover, a substantial amount of attorney work product created by attorneys in an effort to increase compliance would fall into the "special circumstances" category, at least as the opinion below interprets it, because it would by nature have been created before the company is being investigated (or because the company is preparing to take steps that will likely result in investigation or litigation). If such contemporaneously created fact work product is freely discoverable so long as it is "relevant" and "unique," counsel will very understandably be unwilling to create it in the first instance. In short, the D.C. Circuit's rule on fact work product will make it infinitely harder for lawyers to effectively promote compliance.

3. The D.C. Circuit compounded the negative practical effects of its error by ruling that when the government conducts investigations, it can determine for itself what documents are "relevant," and thus for which documents its "need" is "substantial." Should the D.C. Circuit's ruling stand, any investigative agency could establish substantial need for any document otherwise protected as fact work product simply by declaring that the document could provide information relevant to some unnamed aspect of its investigation and was created before the investigation started. This would be true even where, as here, the district court determined that the document *does not actually provide* the information the government claims it is seeking. Pet. App. 27a ("If the District Court is correct that the contested materials reveal an absence of conspiratorial intent, then the materials nevertheless may be helpful to the FTC in determining whether to issue a complaint in the first place."). That would virtually eliminate the substantial need requirement in the investigative context. Work-product protection should not be so weakened, particularly not in the D.C. Circuit where federal investigative subpoenas are served every day by all manner of federal agencies. This Court's prompt intervention is needed.

III. THE PRIVILEGE ISSUES PRESENTED BY THIS CASE ARE IMPORTANT QUESTIONS OF FEDERAL LAW THAT WILL RECUR REPEATEDLY IN THE LOWER COURTS

Certiorari should also be granted because the questions presented are "important question[s] of federal law that ha[ve] not been, but should be, settled by this Court." Sup. Ct. R. 10(c). The privilege issues presented by this case will recur with great regularity throughout the lower courts and the Court's guidance is necessary to ensure that disputes are resolved uniformly and fairly. Moreover, as this Court recognized decades ago, work product protection is critical to the proper functioning of the country's legal system, and any confusion surrounding the proper scope of that privilege will inevitably lead to the sort of "sharp practices" and degradation of attorney morale and advice that work product protection was originally created to avoid. *See Hickman*, 329 U.S. 495.

1. Although the Rule 26 standards for protecting work product might seem clear in theory, applying them has proved exceptionally vexing in practice. In fact, the scope of work-product protection is often cited as "the most frequently litigated discovery issue" in federal courts. Jeff A. Anderson *et al.*, *The Work Product Doctrine*, 68 CORNELL L. REV. 760, 763 (1983) (*citing* 4 J. Moore & J. Lucas, MOORE'S FEDERAL PRACTICE ¶ 26.63 (2d ed. 1983)); 8 C. WRIGHT & A. MILLER, FED. PRAC. & PROC. CIV. § 2023 ("[A] comprehensive study in 1983 reported that 'work product protection is the most frequently litigated discovery issue.'"); Charles P. Cercone, *The War Against Work Product Abuse : Exposing the Legal Alchemy of Document Compilations As Work Product*, 64 U. PITT. L. REV. 639, 651 (2003) (citing MOORE'S FEDERAL PRACTICE ¶ 26.14 at 26-285 (2d ed. 1994)) ("Many commentators surveying discovery disputes that produce written opinions have concluded that work product claims are the most frequently litigated discovery disputes."). That claim is difficult to independently verify, but legal databases certainly lend it credence. According to the Westlaw database, *Hickman v. Taylor* has been cited more than 4,500 times in federal court opinions, and more than 14,500 times by litigants in motions, memoranda, and affidavits. According to the same database, it has been cited nearly 3,000 times by secondary sources.

Although decades have followed *Hickman* and the enactment of Rule 26(b)(3), the litigation on the subject of work-product protection shows no signs of slowing. Indeed, Edna Epstein, author of a leading privilege treatise, estimates that the volume of privilege disputes are *increasing* as time passes. She writes:

> Today, there is hardly a case litigated, at least in the federal courts, where the issue of privilege does [not] recur repeatedly, requiring untold amounts of

> lawyer resources to review for privileges and judicial time to determine whether assertions of privilege and work-product protection are correctly asserted. A LEXIS search of the federal courts reveals almost 300 opinions each month dealing with an issue that a quarter of a century ago was rare indeed.

Edna Selan Epstein, *The Attorney-Client Privilege & the Work Product Doctrine* (5th ed. 2012). Work product disputes are a large component of those privilege disputes. In the last twelve months, 229 cases cited Rule 26(b)(3), 542 cases cited Rule 26 and mention the phrase "work product," and 256 cases cited *Hickman v. Taylor*.

2. Despite (or perhaps because of) all this litigation, the standards regarding the level of protection for documents containing attorney mental impressions "continues to be hotly contested." Anderson, *supra*, 68 CORNELL L. REV. at 821. *See also* Michele D. Beardslee, *Taking the Business Out of Work Product*, 79 FORDHAM L. REV. 1869, 1873, 1922-29 (2011) (analyzing recurring disputes regarding protection for work product created in a business context, including "(the ever elusive) distinction between business and law" in work product disputes involving in-house counsel). The parameters of the "substantial need" requirement also remain largely unclear to many courts. Pet. App. 21a ("[t]he meaning of Rule 26(b)(3)'s 'substantial need' requirement is not clear from the plain language of the rule"); *A.I.A. Holdings, S.A. v. Lehman Bros.*, No. 97 Civ. 4978, 2000 WL 1639417 at *2 (S.D.N.Y. Nov. 1, 2000) ("The law is not well developed as to what constitutes 'substantial need[.]'"). In fact, at least one commentator believes that the "substantial need" requirement is the "least uniformly applied by the courts." Anderson, *supra*, 68 CORNELL L. REV. at 802.

It is inevitable that with such uncertainty surrounding the work product standards, the protection will erode, bringing about exactly the "sharp practices" and poor advice that *Hickman* sought to avoid. As this Court once put it, "[a]n uncertain privilege, or one which purports to be certain but results in widely varying applications by the courts, is little better than no privilege at all." *Upjohn*, 449 U.S. at 393. Accordingly, this Court's intervention is needed to provide additional guidance as to the scope of work product protection if the protection is to serve the functions the Court and drafters of the Federal Rules intended.

CONCLUSION

The petition for certiorari should be granted and the decision below reversed.

Respectfully submitted,

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APPENDIX

APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

Argued October 14, 2014 Decided February 20, 2015

No. 12-5393

FEDERAL TRADE COMMISSION,
APPELLANT

v.

BOEHRINGER INGELHEIM PHARMACEUTICALS, INC.,
APPELLEE

Appeal from the United States District Court
for the District of Columbia
(No. 1:09-mc-00564)

Mark S. Hegedus, Attorney, Federal Trade Commission, argued the cause for appellant. With him on the briefs were *Jonathan E. Nuechterlein*, General Counsel, *David C. Shonka*, Principal Deputy General Counsel, *John F. Daly*, Deputy General Counsel for Litigation, and *Leslie Rice Melman*, Assistant General Counsel for Litigation. *David L. Sieradzki*, Attorney, entered an appearance.

Lawrence D. Rosenberg argued the cause for appellee. With him on the brief was *Michael Sennett*.

Before: ROGERS, GRIFFITH and WILKINS, *Circuit Judges*.

Opinion for the Court filed by *Circuit Judge* WILKINS.

WILKINS, *Circuit Judge*: In 2009, the Federal Trade Commission initiated an antitrust investigation into a patent settlement agreement between Boehringer Ingelheim Pharmaceuticals, Inc. ("Boehringer"), a brand-name pharmaceutical company, and Barr Industries ("Barr"), a generic drug manufacturer. As part of its investigation, the FTC issued an administrative subpoena seeking various documents relating to the settlement. When Boehringer failed to comply, the FTC initiated an enforcement proceeding in the District Court for the District of Columbia. See *FTC v. Boehringer Ingelheim Pharm., Inc.*, 286 F.R.D. 101 (D.D.C. 2012). Although Boehringer ultimately certified compliance with the subpoena, it withheld hundreds of responsive documents under the work product doctrine and the attorney-client privilege. After the FTC objected, the District Court reviewed *in camera* a sample of the contested documents, and found that almost all were properly withheld under the work product doctrine or the attorney-client privilege. On appeal, the FTC challenges the District Court's application of the work product doctrine.

The FTC first asserts that the District Court erred as a matter of law when it concluded that settlement documents pertaining to a co-promotion agreement between Boehringer and Barr were prepared "in anticipation of litigation," as required under the work product doctrine. According to the FTC, this conclusion cannot be reconciled with Boehringer's representation that the co-promotion agreement involved payment for other services apart from Barr's agreement to dismiss the patent litigation. We reject the FTC's argument and hold that a settlement term may have independent economic value and still be considered part of a settlement for purposes of work product protection. In addition, we find that the District Court reasonably concluded that the bulk of the contested co-promotion materials were prepared "in anticipation" of the Boehringer-Barr litigation. The sole exception is a small group of documents drafted *after* the settlement was executed, which the District Court did not explicitly address. Accordingly, we generally affirm the District Court's findings on this issue but remand for further consideration with respect to the post-settlement documents.

The FTC next argues that the District Court committed legal error by applying an overly expansive definition of "opinion" work product, which is highly protected, as opposed to "fact" work product, which is substantially less so. Because we agree that the District Court misapprehended the proper distinction between fact and opinion work product, we reverse and remand on this issue.

I.

Boehringer manufactures Aggrenox and Mirapex, two patented pharmaceutical drugs that earn hundreds of millions of dollars in U.S. sales each year. In 2005, Barr sought and received FDA approval to market generic versions of these drugs, which led Boehringer to sue Barr for patent infringement. *See Boehringer Ingelheim Int'l GmbH v. Barr Labs. Inc.*, Civ. Action No. 05-700-JJF (D. Del. filed Sept. 26, 2005). Barr, in turn, contended that Boehringer's patents were invalid. While the Delaware litigation was pending, Boehringer and Barr entered into settlement negotiations. Boehringer's senior vice president and general counsel, Marla Persky, served as its lead negotiator during these discussions. FTC Investig. Hr'g Tr. at 70-71, J.A. 755-56. To this end, Persky and her staff engaged in both legal and business activities, including evaluating possible litigation outcomes, considering potential antitrust concerns, and evaluating and negotiating the business terms of the settlement. *Id.* at 113-16, 118, 120-23, J.A. 772-80.

On August 11, 2008, the two companies settled their dispute on the following terms: Barr would refrain from marketing its generic versions of Aggrenox and Mirapex in the immediate future, but Boehringer would permit Barr to enter the market several months ahead of the expiration of Boehringer's patents. *Boehringer*, 286 F.R.D at 105; *see also* Aggrenox Settlement Agreement, J.A. 871-83; Press Release, J.A. 886-88. In the meantime, under a related co-promotion agreement, Barr would help Boehringer promote Aggrenox to medical professionals in exchange for certain specified fees and royalties on Aggrenox sales. *Boehringer*, 286 F.R.D at 105; *see also* Co-Promotion Agreement, J.A. 889-930.

While this type of settlement deal is not necessarily unlawful, see *FTC v. Actavis, Inc.*, 133 S. Ct. 2223, 2237-38 (2013), such a settlement may be subject to antitrust scrutiny if it appears that the patent-holding firm—here, Boehringer—was using the co-promotion agreement as a vehicle to avoid legitimate competition. *Id.* at 2236-37. And, indeed, the specific terms of this settlement raised the suspicions of the FTC that Boehringer was simply paying Barr off in order to delay the entry of generics into the market. *Boehringer*, 286 F.R.D at 105. The FTC initiated an investigation and served Boehringer with a subpoena *duces tecum*. *Id.* After Boehringer failed to meet a deadline for production, the FTC filed a petition in district court for an order enforcing the subpoena. *Id.*

Boehringer ultimately completed production and certified compliance with the subpoena, although it withheld nearly a quarter of identified responsive documents as protected by the attorney-client privilege, the work product doctrine, or both. *Id.* at 106. The FTC was not satisfied with Boehringer's response and objected that many of the withheld documents fell outside the scope of these privileges. *Id.* It specifically challenged Boehringer's refusal to produce documents containing financial analyses of the Aggrenox co-promotion agreement, forecasting analyses of alternative time lines for generic entry into the market, and financial analyses of the business terms of the settlement agreement. *Id.* at 108. The FTC also challenged Boehringer's withholding of several other categories of documents not at issue in this appeal. *See Id.* at 112 (discussing emails, notes, and reports on strategic decisions and other issues; emails containing legal advice or requests for legal advice; transmittal emails; and duplicate documents); Appellant's Br. 12-16 (limiting challenge on appeal to financial documents analyzing litigation settlement and co-promotion agreement).

By agreement of the parties, Boehringer submitted a sample set of documents *in camera* to the District

Court. *Boehringer*, 286 F.R.D at 106. After reviewing the documents, the District Court issued a decision largely upholding Boehringer's work product claims. *Id.* at 108-12.

The District Court first explained why the financial analyses and forecasts fell within the scope of the work product doctrine. It began by observing that work product developed for the purpose of settling a lawsuit falls within the scope of materials prepared "in anticipation of litigation," as required under Rule 26. *Boehringer*, 286 F.R.D. at 107, 109; *see* FED. R. CIV. P. 26(b)(3) (protecting from disclosure materials "prepared in anticipation of litigation"). The documents analyzing litigation outcomes and the settlement terms were, therefore, plainly work product. *Boehringer*, 286 F.R.D. at 109. As for the co-promotion agreement materials, the court found that the co-promotion agreement was "integral" to the global settlement deal and therefore also belonged in the class of materials prepared in anticipation of litigation. *Id.*

The District Court next considered whether the materials sought were fact work product, which may be discovered under certain circumstances, or opinion work product, which is subject to strict protection. *Id.* at 109-10. It found that although the materials resembled financial reports that might be prepared in the standard course of business, the specific reports were prepared using "information and frameworks" provided by Boehringer counsel and reflected, at minimum, counsel's opinions as to what data were important in determining an acceptable settlement. *Id.* at 109. On these grounds, the District Court concluded that the materials constituted opinion work product, deserving of the utmost protection. *Id.* at 110. The District Court further found that the FTC had not demonstrated the sort of "overriding and compelling" need required to pierce opinion work product protection. *Id.* at 109-10. Because the District Court found that the documents were wholly protected under the work product doctrine, it did not reach Boehringer's attorney-client privilege claims with respect to any of these financial documents. *See Id.*

The FTC contends that the District Court erred in two ways. It first argues that the District Court failed to properly consider whether many of these materials—particularly, the financial analyses of the Aggrenox co-promotion agreement and materials produced after the settlement agreement was executed—actually were prepared "in anticipation of litigation." It next asserts that even if all of the contested documents are work product, then they are, at most, *fact* work product and therefore may be discovered by the FTC upon a showing of substantial need and undue hardship.

II.

We review a district court's decision to enforce an administrative subpoena for abuse of discretion. *See U.S. Int'l Trade Comm'n v. ASAT, Inc.*, 411 F.3d 245, 253 (D.C. Cir. 2005). A district court necessarily abuses its discretion if it applies the incorrect legal standard, a question that is reviewed de novo. *See Conservation Force v. Salazar*, 699 F.3d 538, 542 (D.C. Cir. 2012); *FTC v. Church & Dwight Co.*, 665 F.3d 1312, 1315 (D.C. Cir. 2011).

A district court's factual findings are reviewed for clear error. *Boca Investerings P'ship v. United States*, 314 F.3d 625, 629 (D.C. Cir. 2003). A finding is clearly erroneous, even where there is record evidence to support it, if "the reviewing court on the entire record is left with the definite and firm conviction that a mistake has been committed." *Awad v. Obama*, 608 F.3d 1, 6-7 (D.C. Cir. 2010) (internal quotation marks omitted).

III.

A.

The Supreme Court first articulated the federal work product doctrine in *Hickman v. Taylor*, 329 U.S. 495 (1947), where it was asked to define the reach of the pre-trial deposition and discovery mechanisms established by the then-new Federal Rules of Civil Procedure. These rules, which required each party "to disgorge whatever [relevant, non-privileged] facts he has in his possession," dramatically expanded the scope of pre-trial discovery. *Id.* at 507. Under a literal reading of the Rules, a party would be entitled to discover any non-privileged trial preparation materials, such as attorney notes from witness interviews, created by his opponent in that litigation. *See id.* at 506.

The Supreme Court rejected this literal reading, holding that compelled disclosure of attorney work product would "contravene[] the public policy underlying the orderly prosecution and defense of legal claims." *Id.* at 510. The Court explained that in performing one's duties as a lawyer:

> [I]t is essential that a lawyer work with a certain degree of privacy, free from unnecessary

> intrusion by opposing parties and their counsel. Proper preparation of a client's case demands that he assemble information, sift what he considers to be the relevant from the irrelevant facts, prepare his legal theories and plan his strategy without undue and needless interference.

Id. at 510-11. Readily compelling the disclosure of such work product to opposing counsel would lead to "[i]nefficiency, unfairness and sharp practices." *Id.* at 511.

Hickman clarified that discovery of an attorney's work materials was permitted only in limited circumstances. *Id.* A party seeking such materials must establish "adequate reasons to justify production through subpoena or court order," and even then, discovery is limited to "relevant and non-privileged facts." *Id.* at 511-12 (emphasis added).

Hickman was later codified in substantial part in Rule 26(b)(3) of the Federal Rules. Rule 26 provides that a party generally may not discover "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). Such discovery is permissible, however, if "the 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," so long as counsel's "impressions, conclusions, opinions, or legal theories" are not disclosed. FED. R. CIV. P. 26(b)(3)(A)-(B); see FED. R. CIV. P. 81(a)(5) (providing that the Federal Rules apply to proceedings to enforce an administrative subpoena).

The work product protection is broader than the attorney-client privilege in that it is not restricted solely to confidential communications between an attorney and client. *In re Sealed Case*, 676 F.2d 793, 808-09 (D.C. Cir. 1982). It is narrower, however, insofar as the doctrine protects only work performed in anticipation of litigation or for trial. *See Senate of Puerto Rico v. Dep't of Justice*, 823 F.2d 574, 586 (D.C. Cir. 1987) ("The work product doctrine does not extend to every written document generated by an attorney . . . rather, work product covers only documents prepared in contemplation of litigation.") (internal quotation marks omitted). A document prepared as work product for one lawsuit will retain its protected status even in subsequent, unrelated litigation. *See FTC v. Grolier Inc.*, 462 U.S. 19, 27-28 (1983); *In re Murphy*, 560 F.2d 326, 333-35 (8th Cir. 1977) (holding that materials prepared for patent settlement retained work product protection in subsequent antitrust litigation).

B.

1.

When considering whether a document is prepared "in anticipation of litigation," this Court employs a "because of" test, inquiring "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." *United States v. Deloitte LLP*, 610 F.3d 129, 137 (D.C. Cir. 2010) (internal quotation marks omitted); *accord* 8 CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE & PROCEDURE § 2024, at 502 (3d ed. 2010). Where a document would have been created "in substantially similar form" regardless of the litigation, work product protection is not available. *Deloitte*, 610 F.3d at 138 (quoting *United States v. Adlman*, 134 F.3d 1194, 1195 (2d Cir. 1998)).

The FTC does not challenge the District Court's ruling that documents created by Boehringer for the purpose of settling the patent infringement litigation are protected work product. It takes issue, however, with the District Court's finding that the materials relating to the co-promotion agreement fall within the category of protected settlement documents.

The FTC points out that Boehringer has represented that the co-promotion agreement, despite being part of the litigation settlement, was a "fair arms-length business arrangement" that had independent economic value apart from the litigation settlement. April 6, 2010 Letter from Boehringer counsel to the FTC, J.A. 577; FTC Investig. Hr'g Tr. 112-13, J.A. 991-92. The FTC contends that the purported "arms-length" nature of the co-promotion agreement logically compels a finding that the related documents would have been created "in substantially similar form" irrespective of the patent infringement litigation. Appellant's Br. 21, 33-41. According to the FTC, Boehringer may not point to the independence of the co-promotion agreement from the litigation settlement for purposes of its antitrust defense while relying on the interdependence of these agreements to avoid discovery.

We find no merit in the proposition that any settlement term that has some independent economic value to both parties must always be treated as an ordinary (non-litigation) business transaction for purposes of work product protection. Common sense and practical experience teach that settlement deals routinely include arrangements that could be isolated from the overall agreement and stand on their own but were nonetheless crafted for the purpose of settling litigation. Indeed, the Supreme Court's refusal in Actavis to hold reverse payment settlement agreements presumptively unlawful anticipates that a reverse payment could "represent payment" for "other services" aside from a party's agreement to end litigation yet still be part of the settlement. 133 S. Ct. at 2237.

Upon our review of the record, we find no clear error in the District Court's factual finding that the co-promotion agreement was "integral" to the broader settlement. *Boehringer*, 286 F.R.D. at 109. Accordingly, the District Court did not err in drawing the legal conclusion that the co-promotion agreement materials were prepared "in anticipation of" the patent litigation and were therefore entitled to work product protection.

The FTC posits that our ruling on this point could lead to gamesmanship by counsel in future cases. It imagines a scenario in which parties engaged in litigation settlement discussions could tack on an unrelated side deal for the purpose of evading regulatory scrutiny. *See* Appellant's Reply Br. 12-13, 17. While we do not have occasion to rule on such facts, we note that the work product doctrine is "an intensely practical one, grounded in the realities of litigation in our adversary system." *United States v. Nobles*, 422 U.S. 225, 238 (1975). We do not reach the question of whether the work product protection is available in the hypothetical situation where settlement terms run far afield of the underlying litigation, or where there is evidence, not present here, of gamesmanship or abuse.[1]

2.

The FTC also raises a temporal objection to many of the withheld documents. It notes that the District Court characterized the documents as having been prepared "to assess settlement option[s]." *Boehringer*, 286 F.R.D. at 109. This finding is inconsistent with the dates on many documents (including at least eight submitted *in camera*) that were prepared *after* the settlement agreement was executed. *See* Index of Challenged Entries at 36, J.A. 703.

Boehringer concedes that many documents were created after settlement negotiations concluded. *See* Appellee's Br. 15. It asserts, however, that these materials contain information initially prepared in anticipation of the settlement, related to other pending litigation, or involving requests for or the provision of legal advice. *Id.* While Boehringer articulates potentially viable grounds for protection, these grounds are not the reasons articulated by the District Court, which characterized all of the documents as having been created in anticipation of the Boehringer-Barr litigation and settlement. Boehringer, 286 F.R.D. at 109. We therefore remand

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[1] Because we find that the documents are protected, we do not reach Boehringer's alternative argument that the co-promotion agreement materials are protected because counsel used them to evaluate potential antitrust liability.

for consideration of whether these documents were, in fact, created in anticipation of litigation.[2]

C.

As noted, Rule 26 distinguishes between opinion work product, which reveals "the mental impressions, conclusions, opinions, or legal theories of a party's attorney or other representative concerning the litigation," and fact work product, which does not. FED. R. CIV. P. 26(b)(3)(B); *see In re Sealed Case*, 124 F.3d 230, 235-36 (D.C. Cir. 1997), *rev'd on other grounds sub nom. Swidler & Berlin v. United States*, 524 U.S. 399 (1998). The District Court, after reviewing financial analysis documents submitted *in camera*, concluded that the documents contained information that, while primarily factual in nature, gave insight into the highly protected mental impressions of counsel. *Boehringer*, 286 F.R.D. at 109-10. Specifically, it found that the documents revealed not only what data the attorneys were seeking, but also "information and frameworks" developed by counsel. *Id.* at 109. On this basis, it ruled that the documents contained only opinion work product and fact product inextricably intertwined with counsel's opinions and thus were wholly protected from disclosure. *Id.* at 110.

The FTC argues that the District Court applied an overly broad definition of opinion work product.

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[2] The FTC also suggests that documents created *prior* to the commencement of settlement negotiations cannot be related to the settlement. Appellant's Br. 6, 33. We find no merit to this proposition. To the contrary, one would expect a company's attorneys to discuss settlement strategy internally before entering into negotiations with opposing counsel.

After carefully reviewing the materials submitted *in camera* and the record as a whole, we agree.

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. *See Dir., Office of Thrift Supervision v. Vinson & Elkins, LLP*, 124 F.3d 1304, 1308 (D.C. Cir. 1997) ("At some point . . . a lawyer's factual selection reflects his focus; in deciding what to include and what to omit, the lawyer reveals his view of the case."). At the same time, however, "not every item which may reveal some inkling of a lawyer's mental impressions . . . is protected as opinion work product." *In re San Juan Dupont Plaza Hotel Fire Litig.*, 859 F.2d 1007, 1015 (1st Cir. 1988). Opinion work product protection is warranted only if the selection or request reflects the attorney's focus in a meaningful way. *See Dir., Office of Thrift Supervision*, 124 F.3d at 1308; *In re San Juan Dupont Plaza Hotel Fire Litig.*, 859 F.2d at 1015 (heightened protection is triggered only if "disclosure creates a real, nonspeculative danger of revealing the lawyer's thoughts"). And where a document contains both opinion and fact work product, the court must examine whether the factual matter may be disclosed without revealing the attorney's opinions. *See Deloitte*, 610 F.3d at 139 (remanding case to district court to assess whether a redacted version of a document containing opinion work product could be disclosed); *In re Sealed Case*, 146 F.3d 881, 888 (D.C. Cir. 1998) (same).

In Sealed Case (1997), for example, we held that attorney notes of preliminary interviews with a witness were not necessarily opinion work product, as the mere fact that an attorney had chosen to write a fact down was not sufficient to convert that fact into opinion work product. 124 F.3d at 236-37. Rather, there must be some indication that the lawyer "sharply focused or weeded the materials." *Id.* at 236. After *in camera* review of the documents in that case revealed that much of the information contained therein "could be classified as opinion only on a virtually omnivorous view of the term," we reversed and remanded to the district court for reexamination. *Id.* at 236-37.

As in *Sealed Case*, many of the documents at issue here contain only factual information requested or selected by counsel. Much of what the FTC seeks is factual information produced by non-lawyers that, while requested by Ms. Persky and other attorneys, does not reveal any insight into counsel's legal impressions or their views of the case.

In holding to the contrary, the District Court implied that an attorney's mere request for a document was sufficient to warrant opinion work product protection. In discussing financial reports, the court noted that the reports were "prepared at the behest of [Boehringer] attorneys," who requested the use of "certain data." *Boehringer*, 286 F.R.D. at 110. The District Court further noted that "[r]evealing the data chosen for this analysis would necessarily reveal the attorneys' mental impressions, including, at a bare minimum, that the attorneys believed such analyses of that data was [sic] necessary or important to determining an appropriate settlement." *Id.*

As is plain from the District Court's decision, the materials in the joint appendix, and Boehringer's *in camera* submissions, however, counsel's requests were often general and routine. And indeed, the District Court noted that the documents requested by the FTC are "the sort of financial analyses one would expect a company exercising due diligence to prepare when contemplating settlement options." *Id.* In many documents, the only mental impression that can be discerned is counsel's general interest in the financials of the deal. But such interest reveals nothing at all: anyone familiar with such settlements would expect a competent negotiator to request financial analyses like those performed here, and Boehringer does not attempt to hide this interest in its briefs. There is no "real, nonspeculative danger of revealing the lawyer's thoughts" when the thoughts are already well-known. *In re San Juan Dupont Plaza Hotel Fire Litig.*, 859 F.2d at 1015.

Moreover, as Ms. Persky observed in her testimony before the FTC, questions about whether the agreements made financial sense were a matter of business judgment, not legal counsel. *See* FTC Investig. Hr'g Tr. at 68, J.A. 590. In fact, the financial parameters of an acceptable settlement were provided by Boehringer's board of directors and its business managers. *Id.* A company may select an executive who is a lawyer to negotiate the business terms of a settlement; this does not mean that the lawyer's thoughts relating to financial and business decisions are opinion work product when she is simply parroting the thoughts of the business managers.

The District Court also reasoned that many of the documents were created using specific "information and frameworks" provided by Boehringer counsel. Boehringer, 286 F.R.D. at 109. In many documents, however, the "information and frameworks" provided have no legal significance. For example, in several documents, the "frameworks" provided by counsel are simply time frames for requested financial data—for example, forecasting in x-month intervals. Boehringer posits that disclosing these time frames could reveal something of legal significance, but it has failed to explain how. Where an attorney's mental impressions are those that "a layman would have as well as a lawyer in these particular circumstances, and in no way reveal anything worthy of the description 'legal theory,'" those impressions are not opinion work product. *In re HealthSouth Corp. Sec. Litig.*, 250 F.R.D. 8, 11 (D.D.C. 2008) (quoting *In re John Doe Corp.*, 675 F.2d 482, 493 (2d Cir. 1982)).

Where it appears that the focus or framework provided by counsel is obvious or non-legal in nature, it is incumbent upon the party claiming opinion work product protection to explain specifically how disclosure would reveal the attorney's legal impressions and thought processes. The District Court failed to demand such a showing from Boehringer and instead concluded categorically that the contested documents were highly protected opinion work product. This was error.

D.

1.

The District Court's error matters because, as noted, a party's ability to discover work product often turns on whether the withheld materials are fact work product or opinion work product. A party generally must make an "extraordinary showing of necessity" to obtain opinion work product. *In re Sealed Case*, 676 F.2d at 811; *see also Dir., Office of Thrift Supervision*, 124 F.3d at 1307 (observing that opinion work product is "virtually undiscoverable"). By contrast, "[t]o the extent that work product contains relevant, nonprivileged *facts*," the work product doctrine "merely shifts the standard presumption in favor of discovery and requires the party seeking discovery to show 'adequate reasons' why the work product should be subject to discovery." *In re Sealed Case*, 676 F.2d at 809 (emphasis added) (quoting *Hickman*, 329 U.S. at 512). This "adequate reasons" test corresponds to Rule 26(b)(3)'s requirement, adopted in 1970, that a party seeking fact work product demonstrate 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); *see In re Sealed Case*, 676 F.2d at 809 n.59.

The District Court, believing that the contested documents contained only opinion work product or facts inextricably intertwined with legal opinions, confined its inquiry to whether the FTC had demonstrated an "overriding and compelling need" for those materials and concluded that it had not. *Boehringer*, 286 F.R.D. at 109-10. Because the FTC does not claim that it is entitled to opinion work product, we have no occasion to consider whether the

District Court applied the correct standard for evaluating when opinion work product immunity may be pierced.

On the other hand, the FTC does contend that it is entitled to any facts that can be reasonably excised from counsel's legal opinions and mental processes. Because it is the duty of the District Court to consider whether the FTC had met the less demanding standard for fact work product, *see* FED. R. CIV. P. 26(b)(3)(A)(ii), the customary next step would be to remand the case to allow the District Court to make this determination in the first instance.

Each party contends, however, that we have what we need to decide whether the FTC has met the Rule 26(b)(3) standard in that party's favor, based on other findings made by the District Court. Boehringer points specifically to the District Court's observation that the documents contain "no smoking guns" and are "not in any way evidence of any conspiratorial intent to violate the law." Appellee's Br. 54 (quoting *Boehringer*, 286 F.R.D. at 110). This statement, Boehringer argues, is "fatal" to the FTC's claim of need. *Id.* Boehringer's theory seems to be that a party "needs" fact work product only if the materials are critical to, or dispositive of, a key issue at trial.

We find no merit in Boehringer's argument, for two reasons. First, although some courts have demanded a heightened showing of a document's relevance or probative value for discovery of fact work product, s*ee Logan v. Commercial Union Ins. Co.*, 96 F.3d 971, 977 (7th Cir. 1996), we have never characterized Rule 26(b)(3)'s "substantial need" requirement in this manner. *See*, *e.g., Dir., Office of Thrift Supervision*, 124 F.3d at 1308; *In re Sealed Case*, 676 F.2d at 809-

10. Nor is such an approach consistent with the 1970 amendments to Rule 26 or the case law that they codified, as we explain below. Second, even if a heightened relevance requirement were appropriate during discovery in a typical post-complaint civil lawsuit, such a rule would be misplaced in the investigatory context of an agency subpoena enforcement proceeding. *See Linde Thomson Langworthy Kohn & Van Dyke, P.C. v. Resolution Trust Corp.*, 5 F.3d 1508, 1512 (D.C. Cir. 1993); *FTC v. Texaco, Inc.*, 555 F.2d 862, 872 (D.C. Cir. 1977) (en banc).

The FTC, on the other hand, maintains that the District Court implicitly determined that the FTC had satisfied the "substantial need" and "undue hardship" requirements. Because the District Court found that the financial documents are relevant to the FTC's investigation and would provide unique information that the FTC cannot reasonably obtain elsewhere, and because we detect no error in this finding, we agree with the FTC. We discuss each of these points in turn.

2.

The meaning of Rule 26(b)(3)'s "substantial need" requirement is not clear from the plain language of the rule. *Cf. Pierce v. Underwood*, 487 U.S. 552, 563-64 (1988) (discussing the ambiguity implicit in the term "substantial" while interpreting 28 U.S.C. § 2412(d)(1)(A)); s*ee also A.I.A. Holdings, S.A. v. Lehman Bros.*, Civ. Action No. 97-4978, 2000 WL 1639417, at *2 (S.D.N.Y. Nov. 1, 2000) (noting that "[t]he law is not well developed as to what constitutes 'substantial need'"); Special Project, *The Work Product Doctrine*, 68 CORNELL L. REV. 760, 802 (1983)

("The substantial need requirement is the least uniformly applied by the courts."). Helpfully, the Advisory Committee's notes on the amendments "provide a reliable source of insight into the meaning of a rule, especially when, as here, the rule was enacted precisely as the Advisory Committee proposed." *United States v. Vonn,* 535 U.S. 55, 64 n.6 (2002) (interpreting FED. R. CRIM. P. 11(h)).

The "substantial need" and "undue hardship" requirements were added to Rule 26(b)(3) in an attempt to clarify and codify the tests developed by the Supreme Court in *Hickman* and by the lower courts construing former Rule 34's "good cause" provision. *See* FED. R. CIV. P. 26(b)(3) advisory committee's note to 1970 Amendments (hereinafter Advisory Committee's Notes), *reproduced at* 48 F.R.D. 487, 500-01; s*ee* also *In re Sealed Case*, 676 F.2d at 810 n.59; WRIGHT ET AL., *supra*, § 2023, at 489 (characterizing Rule 26(b)(3) as "a largely accurate codification of the doctrine announced in the *Hickman* case and developed in later cases in the lower courts"). The Committee explained that the amendments were intended to require an inquiry into "the importance of and need for" the fact work product at issue, as well as "alternative sources for securing the same information." Advisory Committee's Notes, 48 F.R.D. at 500. The Committee did not further define the "substantial need" and "undue hardship" concepts.

The Committee did provide guidance, however, by pointing to four cases that had demanded a "special showing" to obtain trial preparation materials; it explained that the new "substantial need" and "undue hardship" requirements reflected the holdings of those cases. *Id.* (citing *Guilford Nat'l Bank v. Southern Ry.*, 297 F.2d 921 (4th Cir. 1962); *Mitchell v. Bass*, 252 F.2d 513 (8th Cir. 1958); *Hauger v. Chicago, R.I. & Pac. R.R.*, 216 F.2d 501 (7th Cir. 1954); *Burke v. United States*, 32 F.R.D. 213 (E.D.N.Y. 1963)). The Committee also approved of a list of circumstances under which witness statements could be discoverable, as recited in a fifth case, *Southern Ry. v. Lanham*, 403 F.2d 119 (5th Cir. 1968). Advisory Committee's Notes, 48 F.R.D. at 501.[3]

These cases indicate that a moving party's burden is generally met if it demonstrates that the materials are relevant to the case, the materials have a unique value apart from those already in the movant's possession, and "special circumstances" excuse the movant's failure to obtain the requested materials itself. *See Mitchell*, 252 F.2d at 518-19 (permitting discovery of opponent's witness statements where witnesses refused to speak with movant); *Burke*, 32 F.R.D. at 215 (permitting discovery of accident report

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[3] Each of these cases involved factual work product prepared by non-attorneys. *See Lanham*, 403 F.2d at 126-27 (claim agents); *Hauger*, 216 F.2d at 506 (agents); *Mitchell*, 252 F.2d at 518 (investigators); *Guilford*, 297 F.2d at 922 (claim agent); *Burke*, 32 F.R.D. at 214 (post office personnel). Although *Hickman* did not expressly apply to work product prepared by non-lawyers, these courts required a special showing for such materials under Rule 34's "good cause" provision. *See, e.g., Mitchell*, 252 F.2d at 518-19; *Guilford*, 297 F.2d at 927; *but see Hauger*, 216 F.2d at 506-07 (finding "no logical basis" for distinguishing between statements taken by counsel and a counsel's agent and therefore applying both Rule 34 and *Hickman*). The 1970 amendments abolished the distinction between factual materials prepared by counsel and those prepared by non-attorneys. FED. R. CIV. P. 26(b)(3)(A); *See* Nobles, 422 U.S. at 254 n.16.

materials where information contained therein was otherwise unavailable); *cf. Hauger*, 216 F.2d at 505-06 (finding no "special circumstances" warranting disclosure of witness statements where plaintiff had deposed those same witnesses, and plaintiff's purported need for materials for purposes of impeachment was speculative); *Guilford*, 297 F.2d at 923-27 (finding no "special circumstances" where plaintiff possessed substantially similar materials and impeachment value was speculative). A list of special circumstances was provided in *Lanham*, where the Fifth Circuit observed that a contemporaneous witness statement typically would be discoverable if the witness was unavailable, reluctant, or hostile, or if the witness had a lapse of memory or deviated from prior statements. 403 F.2d at 128-31.

Although each of these cases mentioned the relevance of the requested documents, none articulated a requirement that the documents be essential to the claim or probative of a critical element. The Advisory Committee notably did not cite any of the then-existing decisions demanding a heightened showing of relevance. *Compare Republic Gear Co. v. Borg-Warner Corp.*, 381 F.2d 551, 558 (2d Cir. 1967) (requiring party seeking fact work product to demonstrate that the documents were "essential to the preparation of [movant's] case on [a] critical issue" in the litigation). Boehringer's argument that factual work product is discoverable only if it contains a "smoking gun" therefore has no basis in the Committee notes or the cases cited therein.

The Advisory Committee also observed that the substantial need and undue hardship requirements corresponded to the showing required under *Hickman*, *see* Advisory Committee's Notes, 48 F.R.D. at 501, which further supports the conclusion that no heightened showing of relevance is required. *Hickman* instructed that fact work product that is unavailable elsewhere may be discovered if it is admissible or could "give clues as to the existence or location of relevant facts"—a standard remarkably similar to the relevance standard under Rule 26(b)(1). *Hickman*, 329 U.S. at 511; *see* FED. R. CIV. P. 26(b)(1) (evidence is relevant if admissible or "appears reasonably calculated to lead to the discovery of admissible evidence"). Indeed, a mere relevance requirement is consonant with *Hickman's* statement that "[m]utual knowledge of all the relevant facts gathered by both parties is essential to proper litigation." 329 U.S. at 507 (emphasis added).

Of course, this interest in liberal discovery must be balanced against the key goal underlying the protection for fact work product: that each side must undertake its own investigation of the relevant facts and not simply freeload on opposing counsel. *See Guilford*, 297 F.2d at 926 (work product rule serves to prevent a less-than-diligent litigant from "perform[ing] its functions either without wits or on wits borrowed from the adversary") (quoting *Hickman*, 329 U.S. at 516 (Jackson, J., concurring)); *Nat'l Union Fire Ins. v. Murray Sheet Metal Co., Inc.*, 967 F.2d 980, 985 (4th Cir. 1992) (characterizing the substantial need and undue hardship requirements primarily as "an 'anti-freeloader' rule designed to prohibit one adverse party from riding to court on the enterprise of the other"). But neither of these competing interests is served when unique, relevant information is withheld from a party that never had an opportunity to obtain the information on its own. The "substantial need" inquiry requires a careful examination of whether non-disclosure will impair the truth-seeking function of discovery. *See* Dir., Office of Thrift Supervision, 124 F.3d at 1308 (finding no substantial need for fact work product where movant already possessed similar materials). A moving party need not show, however, that the requested documents are critical to, or dispositive of, the issues to be litigated.[4]

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[4] There has been a ratcheting up of the "substantial need" standard in recent years by some courts, due at least in part to a conflation of what is sufficient and what is necessary to demonstrate need. For example, in *In re Int'l Sys. & Controls Corp. Sec. Litig.*, 693 F.2d 1235 (5th Cir. 1982), the fact work product sought related to an "essential element" of plaintiff's claims; the Fifth Circuit noted that this "could be grounds for a finding of substantial need," but did not hold that such a finding was required. *Id.* at 1241. This "essential element" language nevertheless was incorporated into the legal standard articulated by a popular treatise, *see* 6 JAMES WM. MOORE ET AL., MOORE'S FEDERAL PRACTICE § 26.70[5][c], at 26- 457 to 26-459 (3d ed. 2009), and has been applied by district courts, *see, e.g.*, *Fletcher v. Union Pac. R.R. Co.*, 194 F.R.D. 666, 672 (S.D. Cal. 2000) (finding no substantial need for surveillance videos because they were not "essential to [plaintiff]'s prima facie case"); *see also Nat'l Cong. for Puerto Rican Rights v. City of New York*, 194 F.R.D. 105, 110 (S.D.N.Y. 2000) (collecting cases where materials sought were "essential" to party's defense, were "crucial" to determination of liability, or carried "great probative value on contested issues"); *Nevada v. J-M Mfg. Co.*, 555 F. App'x 782, 785 (10th Cir. 2014) (relying on *National Congress* and the cases cited therein as providing minimum standards and denying discovery of fact work product because movant failed to show that the evidence "carr[ied] great probative value").

3.

Boehringer's argument for a "smoking gun" standard is problematic for a second reason. Even if such a requirement were justified in the context of a typical civil proceeding—where the scope of the charges are clear—such a rule would be misplaced in the investigatory context here. We have previously observed that in an administrative subpoena enforcement proceeding, "[t]he district court is not free to speculate about the possible charges that might be included in a future complaint, and then to determine the relevance of the subpoena requests by reference to those hypothetical charges." *Texaco*, 555 F.2d at 874. In undertaking this investigation, the FTC is "merely exercising its legitimate right to determine the facts" and to decide whether a complaint should issue. *Id.*; *see also Linde Thomson*, 5 F.3d at 1512 ("An investigation conducted by the [FTC] may conceivably neither culminate in litigation, nor be initially designed to inspire it."). If the District Court is correct that the contested materials reveal an absence of conspiratorial intent, then the materials nevertheless may be helpful to the FTC in determining whether to issue a complaint in the first place.

4.

We turn to the FTC's argument that the District Court implicitly found that the FTC had met the "substantial need" and "undue hardship" requirements. When it decided not to require Boehringer to disclose facts contained in the financial analyses and forecasts, the District Court based this decision on its misplaced belief that the information could not be disclosed without revealing protected legal opinions and attorney thought processes. The District Court never suggested that the FTC had failed to make the requisite showing for factual work product.

To the contrary, the District Court stated that it was "sympathetic to the FTC's argument that these financial analyses are the only documents that could demonstrate whether or not [Boehringer] was using the co-promotion agreement to pay Barr not to compete." *Boehringer*, 286 F.R.D. at 110. The District Court then credited the FTC's argument with respect to the emails that accompanied the financial documents, and it directed Boehringer to produce "factual work product that can be reasonably excised from any indication of opinion work product." *Id.* We agree with the FTC that this ruling makes clear that the District Court found that the FTC had shown a substantial need and undue hardship for materials relating to financial analyses and forecasts. And although Boehringer asserts that the FTC possesses equivalent documents or could reproduce similar analyses on its own, none of these arguments are persuasive. As the District Court indicated, Boehringer's contemporaneous financial evaluations provide unique information about Boehringer's reasons for settling in the manner that it did. *Id.*; *see also United States v. Brown Univ.*, 5 F.3d 658, 671-72 (3d Cir. 1993) (considering evidence of party's intent when assessing the likely antitrust effects of the challenged conduct); *Guilford*, 297 F.2d at 926 (noting the special value of contemporaneous witness accounts).

We therefore will remand to the District Court to revisit the financial documents in light of the correct legal standards, as clarified above. The District Court should determine which of the sampled documents may be produced, in full or in redacted form, as factual work product. To the extent that any such documents were withheld in whole or in part on the alternative basis of attorney-client privilege, the District Court will have to determine whether this privilege independently bars discovery.[5]

IV.

For the foregoing reasons, we vacate in part, affirm in part, and remand for further proceedings consistent with this opinion.

So ordered.

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[5] In its opening brief, the FTC asserts that the District Court abused its discretion in accepting and relying on *in camera*, *ex parte* affidavits. *See* Appellant's Br. 53-58. But the FTC is precluded from raising this issue on appeal, as it presented no explanation for its failure to object, much less "exceptional circumstances" to excuse its failure. *Marymount Hosp., Inc. v. Shalala*, 19 F.3d 658, 663 (D.C. Cir. 1994) (noting that arguments not made below generally are deemed waived). We therefore decline to consider this issue.

APPENDIX B

United States District Court, D. Columbia.

FEDERAL TRADE COMMISSION, Petitioner, v. BOEHRINGER INGELHEIM PHARMACEUTICALS, INC., Defendant.

Misc. Action No. 09-564 (JMF).

September 27, 2012.

Imad Dean Abyad, Robert Babak Mahini, Federal Trade Commission, Washington, DC, for Petitioner.

Lawrence D. Rosenberg, Peter Biersteker, Jones Day, Washington, DC, Michael Sennett, Pamela L. Taylor, William F. Dolan, Jones Day, Chicago, IL, for Defendant.

MEMORANDUM OPINION

JOHN M. FACCIOLA, United States Magistrate Judge.

This matter was assigned to me for all purposes. Pending before me now is the *Petition of the Federal Trade Commission for an Order Enforcing a Subpoena Duces Tecum* [#1].[1] The Federal Trade Commission ("FTC") seeks an order from this Court declaring that the documents requested in its subpoena *duces tecum* are not privileged under the

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[1] The first reference to pleadings and other filings in this docket will include the name of the document and the docket number. All subsequent references to the same document will include the docket number only.

attorney-client privilege or the work product doctrine, as claimed by respondents, Boehringer lngelheim Pharmaceuticals, Inc. ("BIPI"), and requiring the respondent to turn over the documents within 10 days of this order. In light of the record before me and for the reasons stated herein, plaintiff FTC's petition will be denied as to certain categories of documents as set forth below. For all others, BIPI will be ordered to redact privileged material and disclose the rest, if it has not already done so.

I. BACKGROUND

The subpoena filed by the FTC is part of an investigation into a settlement agreement in a separate, prior lawsuit between BIPI and a generic drug manufacturer, Barr Laboratories. *Memorandum in Support of Petition of the Federal Trade Commission for an Order Enforcing a Subpoena Duces Tecum* [#1-4] at 1-2. The investigation, in short, is looking into allegations that BIPI and Barr engaged in unfair trade practices. *Id.*

BIPI manufactures two brand-name drugs, Aggrenox and Mirapex. *Id.* at 4. Barr developed generic versions of these drugs and received FDA approval to market the generic versions, leading to litigation by BIPI alleging patent infringement. *See Boehringer lngelheim Inter. gmbH v. Barr Labs.*, 562 F. Supp. 2d 619, 622 (D. Del. 2008), *rev'd Boehringer lngelheim lntgern. gmbH v. Barr Labs.. Inc.*, 592 F.3d 1340 (Fed. Cir. 2010). This action was consolidated with an action these plaintiffs later brought against Mylan Laboratories ("Mylan) seeking to enforce their rights in the Mirapex patents against Mylan. *See* [#1-4] at 4.

Marla S. Persky is Senior Vice President, General Counsel, and Secretary of Boehringer lngelheim USA Corporation, Boehringer lngelheim Corporation and BIPI. She attempted to settle the lawsuit pertaining to the Mirapex litigation, but the case proceeded to trial in the District of Delaware, where the court held that the Mirapex patents were invalid. *Boehringer lngelheim Inter. gmbH,* 562 F.Supp.2d at 640 (D. Del. 2008). Persky's clients pursued appeal in the Federal Circuit. *Boehringer lngelheim lntgern, gmbH.*, 592 F.3d at 1340. On January 25, 2010, the Federal Circuit reversed the lower court and remanded the case to the district court. *Id.*

In 2008, however, Barr and BIPI settled their disputes as to Aggrenox and Mirapex, and submitted the settlement to the FTC and Department of Justice, as required by law. [#1-4] at 5. The review of the settlement by the FTC led to the subpoena at issue here. The FTC opened a formal investigation in January 2009 to determine whether, via the settlement, the two parties had engaged in unfair methods of competition with respect to the sale of the two drugs and their generic counterparts. *Id.* The agreement provided that Barr could begin to market its generic versions only near the expiration of BIPI's patent, and that Barr would help promote BIPI's product until it entered the market. *Id.* This arrangement prompted the concern of the FTC that Barr agreed to delay marketing the generic versions of Aggrenox and Mirapex so as to allow BIPI to reap the sole profits, and in exchange, BIPI would "kick back" a portion of those profits to Barr. *Id.*

Shortly after the FTC investigation began, a subpoena was issued to BIPI, but BIPI did not comply with the deadline for production. [#1-4] at 5-6. Pursuant to Sections 9 and 16 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 49, 56,[2] on October 23, 2009, the FTC filed this petition seeking enforcement of the subpoena. [#1]. Specifically, the FTC requested that the Court order BIPI to comply with the subpoena and turn over all relevant documents concerning the litigation between BIPI and Barr; sales, profits, and marketing of the brand-name drugs; the settlement agreement; co-marketing with Barr and other firms; the marketing of the generic substitutes by Barr; and analyst reports on the drugs. *Id.* at 5. Between December 2009 and May 2010, there were disputes regarding the scope and adequacy of BIPI's search efforts. In May 2010, however, BIPI formally certified that it had fully complied with the FTC subpoena. *See Status Memorandum Advising the Court of New Developments* [#15] at 2.

The following month the FTC filed a status memorandum stating that BIPI's "limited custodial-based search did not locate all responsive materials." *Federal Trade Commission's Status Memorandum Advising the Court of New Developments* [#17]. The FTC also objects to BIPI's withholding of roughly 25% of its produced documents under claims of work product and attorney-client privilege. *Id.*

During a March 8, 2011 status conference, I directed the parties to meet and confer on a sample set of documents to be presented to me for *in camera* review. I have reviewed BIPI's privilege log as well

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[2] All references to the United States Code are to the electronic versions in Westlaw and Lexis.

as the sampling of documents, which were created by BIPI in the period between the District Court decision on June 26, 2008 and the settlement achieved on August 11, 2008.

The sample was chosen as representative of the 631 documents BIPI claims are privileged. The FTC, which has not seen the documents, insists that they are not protected, either because: 1) they are typical business forecasts not done by lawyers, and therefore not work product, or 2) the documents contain no confidential communications between client and attorney and do not qualify as protected by the attorney-client privilege. *Status Report of the Federal Trade Commission* [#41] at 1-2. Alternatively, the FTC argues that, even if the documents are privileged, the privilege is overridden by the FTC's substantial need for these documents in order to conclude its law enforcement investigation. *Id.* at 3.

Finally, the FTC claims that BIPI's eventual response to the subpoena was legally inadequate. *Id.* at 12-14. The FTC alleges that BIPI failed to preserve its electronic records and, as a result, responsive emails exist only on server back-up tapes, which BIPI refuses to search. *Id.* As a result, the FTC claims BIPI "has not conducted sufficient electronic searches of certain network folders, and instead relies on a custodian-based self-selection search process that the evidence indicates did not uncover many responsive documents." *Id.*

Therefore, two issues remain: 1) whether the documents claimed by BIPI to be protected under a privilege are, in fact, privileged; and 2) whether the scope and adequacy of BIPI's search is sufficient. I will address the former issue in this Memorandum Opinion. The latter will be addressed in a separate, forthcoming opinion.

II. LEGAL STANDARD

A. Application of the Federal Rules of Civil Procedure

Under the common law, on a petition to enforce an administrative subpoena, the court's role is limited to evaluating whether the subpoena is for a lawful purpose, whether the documents requested are relevant to that purpose, and whether the demand is reasonable. *See FTC v. Texaco, Inc.*, 555 F.2d 862, 872 (D.C. Cir. 1997) (en banc) (citing *Endicott Johnson v. Perkins*, 317 U.S. 501, 509 (1943) and *Oklahoma Press Pub. Co. v. Walling*, 327 U.S. 186, 209 (1946)) (*cert. denied*, 431 U.S. 974 (1977)). When the subpoenaed party is not challenging enforcement of the subpoena itself, but rather objecting to the disclosure of specific documents under a claim of privilege, the principles of the attorney-client privilege and the protection of work product privilege, derived from the common law and Rule 26(b)(3)(A) of the Federal Rules of Civil Procedure, apply. *See. e.g.. U.S. v. Cal. Rural Legal Assistance. Inc.*, 824 F.Supp.2d 31, 43-44 (D.D.C. 2011) (noting that enforcement of an administrative subpoena from a government agency may be limited by the federal attorney-client and work product privileges, rather than state privileges or ad hoc determinations). "The nature of a subpoena enforcement proceeding, under common sense and precedents in this circuit and elsewhere, thus rests soundly in federal law, and federal law of privilege governs any restrictions on the subpoena's scope." *Linde Thomson Langworthy*

Kohn & Van Dyke. P.C. v. Resolution Trust Corp., 5 F.3d 1508, 1513 (D.C. Cir. 1993).

In general, the Federal Rules of Civil Procedure apply to "proceedings to compel ... the production of documents through a subpoena issued by a United States ... agency under federal statute." Fed.R.Civ.P. 81(a)(5). The work product doctrine set forth in Rule 26 therefore applies to a subpoena issued by a federal investigative agency prior to the contemplation of actual litigation. That rule prevents against disclosure of "documents and tangible things prepared in anticipation of litigation or for trial by another party or its representative." Fed.R.Civ.P. 26(b)(3)(A).

Accordingly, I will address the FTC's claims and BIPI's assertion of privilege under the standards of Rule 26 and interpreting case law.

B. The Work Product Doctrine

"The work-product doctrine 'provides a working attorney with a zone of privacy within which to think, plan, weigh facts and evidence, candidly evaluate a client's case, and prepare legal theories." *Linde*, 5 F.3d at 1515, (citing *Coastal States Gas Corp. v. Dep.'t of Energy*, 617 F.2d 854, 864 (D.C. Cir. 1980)). It "undeniably extends to communications with 'one employed to assist the lawyer in the rendition of professional legal services.'" *Id.* at 1514 (internal quotations omitted). The work product doctrine is therefore broader in scope than the attorney-client privilege. *Id.* It protects against disclosure of not just communications, but also the "mental impressions, conclusions, opinions, or legal theories of an attorney." *Id. See also Tax Analysts v. Internal Revenue Serv.*, 117 F.3d 607, 619 (D.C. Cir. 1997).

As I have said previously, the Rule's emphasis on documents prepared "in anticipation of litigation" contains two separate, yet related concepts - one temporal, the other motivational. *Willingham v. Ashcroft*, 228 F.R.D. 1, 4 (D.D.C. 2005). "In reviewing documents claimed to be protected by the work-product privilege, the court must determine 'whether, in light of the nature of the document or the factual situation in a particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation." *Banks v. Office of Senate Sergeant-At-Arms*, 228 F.R.D. 24, 26 (D.D.C. 2005) (*quoting Equal Emp't Opportunity Comm'n v. Lutheran Soc. Servs.*, 186 F.3d 959, 968 (D.C. Cir. 1999) (emphasis added)). Put another way, "[t]o be protected by the work-product doctrine, a document must have been created for use at trial or because a lawyer or party reasonably anticipated that specific litigation would occur and prepared the document to advance the party's interest in the successful resolution of that litigation. Motivation is key." *Banks*, 228 F.R.D. at 26 (internal citations omitted). *See also United States v. Deloitte*, 610 F.3d 129, 137 (D.C. Cir. 2010) ("Like most circuits, we apply the 'because of' test, asking '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.'") (internal citation omitted). Yet, if the documents in question would have been created in essentially the same form, irrespective of litigation, "it [cannot] fairly be said that they were created 'because of actual or impending litigation." *Willingham*, 228 F.R.D. at 4 (citing *United States v. Adlman*, 134 F.3d 1194, 1202-03 (2d Cir. 1998)).

If a party can show that the documents were developed because of ongoing litigation, they are not discoverable absent the requesting party's showing that their need for the documents is substantial and that they are unable to obtain the substantial equivalent of the materials by other means without suffering "undue hardship." *Dir. Office of Thrift Supervision v. Vinson & Elkins, LLP*, 124 F.3d 1304, 1307 (D.C. Cir. 1997). Even when the requesting party can meet this burden, only "factual" work product will be disclosed; "opinion" work product, which reveals the mental processes or impressions of an attorney or his or her agents, will still receive the utmost protection. *Upjohn Co. v. United States*, 449 U.S. 383, 400 (1981); *Dir., Office of Thrift Supervision*, 124 F.3d at 1307 ("Opinion work product ... is virtually undiscoverable."); *Nesse v. Pittman*, 202 F.R.D. 344, 350 (D.D.C. 2001) ("[E]ven if the work-product privilege yields to a showing of need, the court must still protect absolutely the "mental impressions, conclusions, opinions or legal theories of an attorney."). Where the factual and opinion work product are so intertwined in a document that it is impossible to segregate and disclose the purely factual part, any disclosure would violate the protections afforded by the work product doctrine since, in that case, the entire document discloses the mental impression of an attorney or her agent. *In re Vitamins Antitrust Litig.*, 211 F.R.D. 1, 5 (D.D.C. 2002) (holding that if the court were to find "that the attorney's mental impressions are so thoroughly intertwined with factual information that the entire memoranda should be treated as work product, the [materials] cannot be produced.”).

C. Attorney-Client Privilege

In this Circuit, the attorney-client privilege applies only to communications from a client to an attorney made in confidence for the purpose of securing legal advice. *Jinks-Umstead v. England*, 231 F.R.D. 13, 15 (D.D.C. 2005); *Athridge v. Aetna Cas. & Sur. Co.*, 184 F.R.D. 200, 204 (D.D.C. 1998); *Evans v. Atwood*, 177 F.R.D. 1, 3 (D.D.C. 1997) (citing *Tax Analysts*, 117 F.3d at 617). The privilege also extends “to communications from attorneys to their clients if the communications rest on confidential information obtained from the client.” *Tax Analysts*, 117 F.3d at 618 (internal quotations omitted). This includes communications made by employees of a client in response to the client’s attorney’s request for information for the purposes of rendering legal services to the client. *Banks v. Office of Senate Sergeant-at-Arms*, 222 F.R.D. 1, 3 (D.D.C. 2004). The attorney-client privilege and the work product doctrine often go hand-in-hand: “Because the work-product and attorney-client privileges operate independently of each other, the application of either will act to shield from production those documents for which both privileges are claimed.” *Nesse*, 202 F.R.D. at 348. Documents that are protected by the attorney-client privilege are thus absolutely privileged as is opinion work product. Factual work product yields, however, to a showing of substantial need and the inability to secure the materials by other means without undue hardship.

III. ANALYSIS

The FTC takes issue with several categories of documents for which BIPI asserted claims of privilege: 1) the financial analyses of a co-promotion agreement regarding Aggrenox; 2) forecasting analyses of possible time lines for the generic drug to enter the market; 3) financial analyses of the business terms of the settlement agreement; and 4) notes taken by business executives. [#41] at 3. The FTC claims an overriding and compelling need for disclosure of these categories. *Id.* It also insists that attorney-client privilege claims regarding business documents that had no attorney as an author or recipient, or included an attorney only as part of a distribution to business executives, must be rejected. *Id.*

Having reviewed the documents *in camera*, I will now address the merits of BIPI's claims of privilege. I have sorted the different documents into four broad categories, and will address each in turn.

A. Analyses of Co-Promotion Agreement, Forecasting Analyses, and Financial Analyses Used to Evaluate Potential Settlement Options

Many of the documents for which BIPI claims a work product privilege are described in the privilege log using the labels in the title of this sub-section. BIPI claims that these analyses were prepared not in the ordinary course of business, but for the specific purpose of informing counsel whether the proposed BIPI-Barr settlement offers should be accepted. *Tr. of Status Hearing of 12/9/11* [#59] at 20. BIPI concedes that financial projections and analyses are frequently conducted, even absent ongoing or contemplated litigation, but contends that the specific financial analyses at issue before the Court do not fall into this category. *Id.* at 22. Rather, says BIPI, they were specially prepared at the request of counsel in response to litigation, and are therefore work product. *Id.*

Indeed, BIPI contends that it already turned over more than 270,000 pages of documents, including projections and financial analyses that were prepared in the ordinary course of business. [#59] at 22; 27-28. Attorneys for BIPI further argue that, even though the analyses in question were prepared by non-lawyers, the documents are still protected by attorney- client privilege or the work product doctrine because the analyses were premised on frameworks provided by Persky and were prepared for her use. *Id.* at 27-28. BIPI therefore requests that I hold each of the documents provided for *in camera* review to be privileged, and thus, not subject to disclosure. *See Response of Boehringer lngelheim Pharmaceuticals. Inc. to the Federal trade Commission's Status Report* [#44] at 2.

With regards to the analyses specific to the Aggrenox co-promotion agreement, the FTC claims that agreement was "distinct from the settlement agreement," [#41] at 4, meaning it was not prepared for the BIPI-Barr litigation, and therefore cannot qualify for work product protection because the co-promotion was not even a part of the litigation. BIPI, on the other hand, claims that, while the co-promotion agreement was "freestanding," in that it constituted a separate business arrangement, the terms of the co-promotion agreement were indeed part of the litigation settlement and the two processes informed one another. [#44] at 4. BIPI asserts that the co-promotion agreement arose during the settlement discussions and, in fact, was part of the settlement. *Id.*

After reviewing these documents, the status reports and oppositions, and affidavits accompanying the *in camera* submissions, I agree that the co-promotion agreement was an integral part of the litigation. Hence, disclosure of the attorneys' and their agents' mental processes qualify for protection since the process of deciding whether to settle a case is necessarily created because of the prospect of litigation. I credit the declarations of Persky and Pamela M. Taylor, partner at Jones Day, the firm representing BIPI in the FTC investigation, that the various financial analyses were prepared for the client during settlement discussions and involved discussions among the attorneys and their agents who were handling the settlement negotiations. The documents themselves establish the truth of Persky's claims in her affidavit that the documents were created by BIPI or Boehringer lngelheim employees in response to her personal requests for financial and other information. This was information she needed in order to provide her client, BIPI, with legal advice regarding the potential settlement between BIPI and Barr. Information used to assess settlement option clearly falls within the ambit of the work product doctrine. *See Willingham*, 228 F.R.D. at 4. Consequently, these documents are work product and thus protected.

Although the FTC is correct in its assertion that similar reports are prepared for BIPI executives as a matter of regular business, the specific reports as to which BIPI claims the privilege were prepared using information and frameworks provided by BIPI attorneys, and constitute work product intended to aid these attorneys in the settlement process. Moreover, BIPI insists any freestanding non-litigation-based financial analyses were already disclosed to the FTC, meaning that the only additional information the documents at issue would yield is the mental thought processes of BIPI's attorneys as they prepared for settlement negotiations. Having reviewed the documents themselves, I find that BIPI is correct-these documents were prepared for counsel and were not business forecasts made in the ordinary course of business.

B. The FTC's Overriding and Compelling Need for the Analyses

In the event that I found, as I just have, the various financial analyses to be work product, the FTC argues that the documents must be disclosed due to its overriding and compelling need for them to complete the administrative investigation. [#41] at 9-11. The documents, according to the FTC, and the documents cannot be obtained in any other way. *Id.* at 10. The FTC believes these materials are vital to the FTC's investigation, and objects to BIPI's use of them as both a sword (to claim their business deal was a fair transaction) and a shield (using claims of privilege to prevent anyone from looking into the validity of such a claim). *Id.* at 9-10.

I hold that this argument fails on two accounts. First, as described above, a showing of substantial need is not sufficient to merit disclosure of opinion work product. Having reviewed the documents, I find that the factual inputs cannot be reasonably segregated from the analytical outputs. Hence, a disclosure of any aspect of the financial analyses would necessarily reveal the attorneys' thought processes regarding the BIPI-Barr settlement. The reports in question were prepared at the behest of BIPI attorneys, who requested that certain data be entered and manipulated to determine whether various settlement options were beneficial to BIPI. Revealing the data chosen for this analysis would necessarily reveal the attorneys' mental impressions, including, at a bare minimum, that the attorneys believed such analyses of that data was necessary or important to determining an appropriate settlement. Where the factual work product cannot reasonably be excised from the opinion work product, the claim of privilege must be upheld and the request for production denied.

Second, after reviewing these documents *in camera*, I cannot agree that there is an overriding need on the side of the FTC. From my review, there are no smoking guns contained in these documents; rather, they are the sort of financial analyses one would expect a company exercising due diligence to prepare when contemplating settlement options. They yield nothing more than the arithmetical calculations of various potential scenarios and are not in any way evidence of any conspiratorial intent to violate the law. They also do not cast any light on the fundamental legal issue of whether the deal was or was not anti-competitive in intendment or result. No one is pretending that the FTC is not fully aware of the deal that was made or of the economic benefits the deal makers were trying to achieve. The arithmetic of various potential scenarios adds nothing to what is already known about what the involved companies intended in settling their suit. Although I am sympathetic to the FTC's argument that these financial analyses are the only documents that could demonstrate whether or not BIPI was using the co-promotion agreement to pay Barr not to compete, I am afraid that they cast no light of whether that intendment existed. I therefore cannot find that the FTC has shown the requisite need for this work product that is generally considered to be "virtually undiscoverable." *Dir., Office of Thrift Supervision*, 24 F.3d at 1307.

The privilege log should be sufficient to convey to the FTC the contents of thee-mails transmitting the above-mentioned reports, and no further disclosure should be necessary. For the purposes of ruling on the *in camera* submission, I have grouped these transmittal e-mails together under Category D in the attached Appendix. If the e-mails contain additional, factual work product that can be reasonably excised from any indication of opinion work product, as discussed above, the e-mail may be redacted as to the latter and disclosed, if BIPI has not done so already. If no segregation is possible, the transmittal e-mails will fall under the same privilege that applies to the documents themselves, which are grouped in the Appendix under Category A.

C. E-mails, Notes, and Correspondence Regarding Strategic Decisions, Settlement Possibilities, and Settlement Options, Including Correspondence Between Executives

Like the above-mentioned categories of documents, the documents under this heading represent various types of communications (including e-mails, handwritten notes, and other correspondence) all discussing the different settlement possibilities or specific options that were on the table for BIPI. Again, I hold that they, too, are protected by the work product doctrine and are not subject to disclosure insofar as these documents contain the mental processes and opinions of BIPI attorneys and their consultants.

Some of these documents include correspondence and other materials circulated principally between executives, rather than between attorneys and executives, for which BIPI has claimed an attorney-client privilege. To this, the FTC objects that the attorney-client privilege or work product doctrine cannot exist between non-attorneys. *Federal Trade Commission's Reply Status Report* [#47] at 5. BIPI claims that these documents were either prepared during discussions with counsel or as part of the work performed at counsel's request. [#44] at 8. It also claims that 1) at least 76 of the 102 documents involving non-lawyers explicitly state that they are confidential or prepared at the direction of counsel, and 2) that an additional 64 are directed to an attorney, admittedly among other recipients, and include requests for legal advice. *Id.* at 11-12. The documents themselves indicate, however, that they were intended to be confidential communication between the client, BIPI, and its attorneys. They are thereby protected by the work product and attorney-client privileges because they disclosed confidential communications between attorney and client and were prepared during the settlement phase of the litigation. The documents submitted for *in camera* review deserving of this protection are listed in Category B in the Appendix.

D. E-mails Reflecting Requests for Legal Advice or Conveying Requests From Attorneys for Information To Be Used in Settlement Negotiations

A third category of documents encapsulated by the heading above poses a different issue-the attorney-client privilege on its own.

An example of the FTC's issue with this category of documents is document #724. BIPI asserts attorney-client privilege over this document because it reflects a request by in-house counsel, Bruce Banks, for information that would help inform BIPI in drafting its co-promotion agreement with Barr. *Declaration of Pamela L. Taylor*, submitted *in camera*, at 39. The FTC takes issue with this on the grounds that the communication was between two non-lawyers, and thus cannot be considered protected by the attorney client privilege. However, communications among employees of a client are still afforded the protection of the privilege, so long as the communications concern legal advice sought or received that was intended to be confidential. *See, e.g., Long v. Anderson Univ.*, 204 F.R.D. 129 (S.D. Ind. 2001) (e-mails between one university employee and another regarding communications with counsel were privileged); *Johnson v. Sea-Land Serv. Inc.*, No. 99-civ-9161, 2001 WL 897185, at *2 (S.D.N.Y. Aug. 9, 2011) (holding that the privilege "affords confidentiality to communications among clients, their attorneys, and the agents of both, for the purpose of seeking and rendering an opinion on law or legal services, or assisting in some legal proceeding, so long as the communications were intended to be, and were in fact, kept confidential.").

I therefore hold that all e-mails conveying a request for or the provision of legal advice are protected by the attorney-client privilege. Out of the documents submitted for *in camera* review, this would include document #1599, which was already provided in redacted form with the privileged material excised; and document #724, described above.

Some documents contain an entire string of e-mails being sent back and forth, in which the correspondence addresses legal strategies, proffers of advice, or potential avenues for the settlement. Document #2190 is such a chain, and as such, it is privileged in its entirety. However, in instances where there are multiple e-mails in a single string, and only one of those e-mails contains privileged material, the privileged component may be excised but the remainder of the e-mail string must be disclosed. I hope that the parties will find this consistent with my treatment of the transmittal e-mails described in section II.A. *supra*. For example, document #1318 contains multiple e-mails back and forth among several groups of people, with only the final e-mail indicating a request for legal advice. In instances such as this, only the specific e-mail that is privileged may be withheld or redacted; the rest must be disclosed.

Finally, there was one e-mail chain where it was unclear on its face whether BIPI's attorneys' advice was sought on a confidential issue. Document #2896 is an e-mail string concerning BIPI's media response about the approval by the FDA of the Barr generic. *Declaration of Pamela L. Taylor*, submitted *in camera*, at 36. In the last e-mail, Paula Wittmayer, an attorney with BIPI's in-house counsel, simply says: "Here were my edits to the last version." It is impossible to tell from the e-mail chain whether her views were sought as to a legal issue, or whether her edits were merely typographical and grammatical. One cannot say, therefore, that her client sought legal advice by a confidential communication. Therefore, the claim of privilege fails as to this e-mail chain and others where confidential communication is not intended.

There is also a set of documents provided for my review that are duplicates or near duplicates of other documents already provided. These documents are listed in category E in the Appendix, and should be handled in the same manner as the documents they duplicate.

I appreciate that there may be documents at issue in this case which may not fit neatly into one of the categories described above. As the FTC noted in its recent request for a status conference on this issue, the debate about these documents has gone on for too long. I hope to avoid a protracted and unnecessary back-and-forth as to each of the 600-plus documents still in question. We shall proceed as follows. BIPI should make a rolling production of non-privileged documents at no less than 100 documents a day until the production is completed. BIPI must disclose, in redacted form, all correspondence containing factual, rather than opinion, work product, if it has not already done so. However, all financial analyses prepared for the BIPI-Barr litigation, including for the Aggronex co-promotion agreement, are deemed privileged, as discussed above, and not subject to disclosure.

I will hold counsel for BIPI strictly to the obligation imposed by Rule 26(g) of the Federal Rules of Civil Procedure and expect the redactions it makes to be not a word more than is necessary to protect a privilege. If that is not done, I will sanction BIPI counsel and, at a minimum, BIPI will forfeit its privilege to that document. If I detect a pattern of a failure to comply with the obligations I am imposing, I will consider forfeiting the privilege as to all remaining documents.

I hope by doing this to provide the FTC with the gist of the document despite the redaction being made so that it can conscientiously and reasonably decide whether any additional battle over the document is truly necessary. Demanding a document that, even as redacted, is innocuous and does not really advance its investigation may lead to similar consequences for the FTC, and, again, if a pattern emerges, I will consider upholding the privilege as to all remaining documents. I ask only that the parties be reasonable and devote only that amount of time to this controversy that is truly proportionate to what is now at stake.

If all else fails, BIPI will submit the disputed documents to me for *in camera* review and I will resolve them summarily and as quickly as I can.

My ruling as to the specific documents submitted for *in camera* review is set forth in the attached Appendix.

An Order accompanies this Memorandum Opinion.

/s/ John M. Facciola
JOHN M. FACCIOLA
UNITED STATES
MAGISTRATE JUDGE

APPENDIX A

Documents submitted for *in camera* review

CATEGORY	DOCUMENTS	RULING
A) Presentations and documents regarding overview of litigation, options available, and/or estimated financial impact of various options for settlement; financial analyses of both co-promote agreement and various settlement options; summaries of settlement discussions	3328 928 1947 1365 1291 233 1366 1580 790 [3] 1367 1984 791 1368 617 2333 2921 2250 2387 1396 1040/1041 1057/1058 1397 1381 1004 1344 2364 992 900/901/902 810/811 2495 2364 832/833 2946 2918/2919 973 2550 2920/2921 1290 2578/2580 2983/2984 3058	These documents are protected by the work product and/or attorney client privilege, and are not subject to disclosure.
B)	780/781	These

[3] A redacted version of this document was already produced

Emails, notes, and reports containing: • strategic decisions • proposed settlement options and terms • delegation of responsibilities • analysis from executives, prepared for counsel, conveying mental impressions of counsel or strategy for litigation	927/928 821 621 1516 [4] 1947 574/575/576 2547 1093 [5] 729 2540 3415 1007/1008 8591001 891 1016/1017	documents are protected by the work product and/or attorney client privilege, and are not subject to disclosure.

[4] It appears from the face of this document that it is notes taken during a conversation with an attorney. If that is the case, and these notes reflect the contents of that conversation, the notes would be privileged. As it is difficult to determine definitively whether or not this is the case, with regards to this document, I instruct BIPI to supplement the privilege log to indicate where and in what context these notes were taken.

[5] The report attached to this e-mail exchange was already produced. The e-mail itself is privileged and does not need to be disclosed.

C) Requests for legal advice or e-mails containing legal advice or opinions	1599 2190 2896 [6] 1318 724	Any emails related to requests for or the provision of legal advice need not be produced and may be redacted if part of a larger e-mail chain (e.g., 1318). Chains not containing any confidential communications between attorneys for BIPI and BIPI employees must be disclosed in full.
D) E-mails transmitting privileged documents, where the e-mail itself contains no little or	3327 1395 1868 1364 616 699 2917 1039 1000 3057 1308 2945 1343	BIPI should redact opinion work product, if any, from these e-mails and disclose the rest to FTC.

[6] This exchange was already produced with virtually all the content redacted. As discussed in this Memorandum Opinion, however, the contents of the e-mail do not indicate whether or not the material is protected by the attorney-client privilege, as claimed. It must therefore be disclosed in full.

privileged material		
E) Near duplicates of documents falling into the above categories, for which the FTC request *in camera* review	1955, duplicating 576/1041 908, duplicating 617 1415 and 693, duplicating 859 861 duplicating 833 860, 844, and 1996 duplicating 832 1341, 815, 819, 1333, and 858 duplicating 2580	Disclosure of these near-duplicates should mirror my holdings on the original documents.

APPENDIX C

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 12-5393

September Term, 2014
1:09-mc-00564-JMF

Filed On: June 4, 2015

Federal Trade Commission,
Appellant

v.

Boehringer Ingelheim Pharmaceuticals, Inc.,
Appellee

BEFORE: Garland, Chief Judge; Henderson, Rogers, Tatel, Brown, Griffith, Kavanaugh, Srinivasan, Millett, Pillard, and Wilkins, Circuit Judges

O R D E R

Upon consideration of appellee's petition for rehearing en banc, the response thereto, and the absence of a request by any member of the court for a vote, it is

ORDERED that the petition be denied.

Per Curiam

FOR THE COURT:
Mark J. Langer, Clerk

BY: /s/
Ken R. Meadows
Deputy Clerk