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No. 12-5393

IN THE UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

FEDERAL TRADE COMMISSION,

Petitioner-Appellant,

v.

BOEHRINGER INGELHEIM PHARMACEUTICALS, INC.,

Respondent-Appellee.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA (NO. 09-MC-00564-JMF)

BRIEF OF RESPONDENT-APPELLEE BOEHRINGER INGELHEIM PHARMACEUTICALS, INC.

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CERTIFICATE AS TO PARTIES, RULINGS, AND RELATED CASES

Pursuant to D.C. Cir. R. 28(a)(1), Boehringer Ingelheim Pharmaceuticals, Inc. hereby submits the following information:

1. **Parties and *Amici*.** The following is a list of all parties who, to counsel's knowledge, have appeared in this Court:

a. Petitioner-appellant Federal Trade Commission;

b. Respondent-appellee Boehringer.

No intervenors or *amici* have appeared in this Court.

Pursuant to Fed. R. App. P. 26.1, D.C. Cir. R. 26.1, and D.C. Cir. R. 28(a)(1)(A), Boehringer makes the following corporate disclosure: Boehringer Ingelheim Pharmaceuticals, Inc. 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. Neither Boehringer Ingelheim Pharmaceuticals, Inc., Boehringer Ingelheim Corporation, nor Boehringer Ingelheim USA Corporation issues shares or debt securities to the public.

2. **Rulings Under Review.** The ruling at issue in this case is the memorandum opinion and order entered by the District Court on September 27, 2012. Dkt. 69, 70; FTC Br. at 2.

3. **Related Cases.** This case was not previously before this Court or any other court, and there are no related cases currently pending in this Court.

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GLOSSARY OF ABBREVIATIONS

ANDA	Abbreviated New Drug Application
Barr	Barr Laboratories, Inc.
Boehringer or BIPI	Appellee Boehringer Ingelheim Pharmaceuticals, Inc.
FDA	Food and Drug Administration
FOIA	Freedom of Information Act, 5 U.S.C. § 552
FTC	Appellant Federal Trade Commission
FTC Br. at __	Citation to Brief of Appellant Federal Trade Commission (Dkt. No. 1444255)
MMA	Medicare Prescription Drug, Improvement and Modernization Act of 2003, Pub. L. No. 108-173, §§ 1111-1118,117 Stat. 2071, 2462-64.

INTRODUCTION

This appeal concerns whether documents created at the request of counsel for the purpose of evaluating potential patent litigation settlements are work product protected from disclosure in response to an investigative subpoena issued by the Federal Trade Commission. The district court correctly articulated the law governing attorney work product, reviewed *in camera* over eighty sample documents, and ruled that most of the documents are protected from disclosure.

The FTC did not object below to any aspect of the court's process for evaluating Boehringer's privilege assertions. In fact, it embraced the court's suggestion that the parties provide representative sample documents for the court to examine *in camera*. And the FTC did not object to the court's consideration *in camera* of explanatory affidavits of counsel that contain privileged material.

On appeal, however, the FTC objects to both the court's process for ruling on Boehringer's privilege claims and the results of that process. Its complaints about the process have been waived. And, in all events, its objections to both the process and the results are meritless. The FTC concedes that the well-settled test for work-product protection looks to whether documents were created "in anticipation of" or "because of" litigation. Yet the FTC suggests that such documents created to evaluate litigation outcomes and possible settlement terms are not protected when they arise in the context of pharmaceutical patent litigation.

Nothing in the Supreme Court's or this Court's jurisprudence indicates that the normal and well-established rules of work-product protection are inapplicable to cases challenging pharmaceutical patent litigation settlements. To the contrary, the relevant precedent demonstrates that the FTC's suggestion that different rules should apply is erroneous.

The FTC asserts that the privileged documents are essential to determining whether Boehringer's litigation settlements with Barr are anticompetitive. But the district court specifically found that those documents shed no light on that question. And the FTC has all of the information it needs to perform such an evaluation: the terms of the settlement agreements; Boehringer's ordinary course business evaluations of the products at issue; and the investigative and analytical capability to evaluate whether the economic impacts of the settlement terms produced anticompetitive effects. The FTC does not need documents that disclose the mental impressions and strategic considerations of Boehringer's counsel.

The FTC has failed to show any error in the district court's careful analysis, much less an abuse of its broad discretion to make privilege determinations. The decision below should be affirmed.

STATEMENT OF ISSUES

1. Whether the district court abused its discretion when it determined that the documents at issue here, which were created "because of litigation," should be protected as attorney work product.

2. Whether the district court abused its discretion when it determined that analyses of possible settlement terms and consequences directed and shaped by counsel were opinion work product the disclosure of which would reveal counsel's mental impressions.

3. Whether the FTC failed to show substantial need for the protected documents, which the district court found would provide neither information beyond that which the FTC has received from other sources nor evidence of any anticompetitive intent or effect of Boehringer's settlements of patent litigation.

4. Whether the district court abused its discretion in considering *in camera* representative samples of the categories of documents at issue and two affidavits of counsel containing privileged material.

STATEMENT OF THE FACTS AND CASE

A. The Patent Litigation Settlements

This case arises out of the FTC's administrative investigation of patent infringement litigation settlements by Boehringer[2] and Barr. The settlements resolved patent infringement actions brought by Boehringer against Barr and allowed Barr to market and sell two generic pharmaceutical products many months prior to the expiration of Boehringer's patents.

The litigation and settlements occurred within 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). In filing an ANDA, the generic drug manufacturer relies on the New Drug Application filed by the pioneer

[2] Additional Boehringer entities were involved in the patent infringement litigation, but for purposes of the appeal we focus on the Boehringer entity that is the subject of the subpoena enforcement action, Boehringer Ingelheim Pharmaceuticals, Inc.

drug manufacturer and receives FDA approval for its generic drug without undertaking all of the work needed to obtain the initial drug approval.

If the ANDA filer seeks approval prior to the expiration of any listed patent, 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(G)(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. § 27l(e)(2).

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 U.S. Patent No. 4,886,812 covering the active ingredient in Mirapex, a drug that treats Parkinson's disease and restless leg syndrome.[3] This 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

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

Boehringer's U.S. Patent No. 6,015,577 covering the composition of Aggrenox, a drug used to lower the risk of stroke in people who have had a transient ischemic attack or stroke due to a blood clot. *See Boehringer Ingelheim Int'l GmbH v. Barr Labs., Inc.*, Civil Action No. 07-432 (D. Del.).

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). Following this ruling, in August 2008, Boehringer and Barr settled, and pursuant to the terms of that settlement agreement, Barr launched a generic version of Mirapex on January 4, 2010. Boehringer's litigation against Mylan continued, however, and Boehringer appealed the court's ruling to the Federal Circuit. On January 25, 2010, the Federal Circuit reversed the district court's decision and upheld the validity and enforceability of Boehringer's patent. *Boehringer Ingelheim Int'l GmbH v. Barr Labs., Inc.*, 592 F.3d 1340 (Fed. Cir.), *reh'g denied*, 603 F.3d 1359 (Fed. Cir. 2010). The effect of that ruling and the prior settlement is that while Boehringer had a valid patent for Mirapex whose term would not expire until October 2010, Barr was able to enter the market with a generic product in competition with Boehringer ten months prior to the expiration of the patent.

Also in August 2008, Boehringer entered into a separate litigation settlement agreement with Barr relating to Boehringer's Aggrenox patent. The Aggrenox agreement provides for at least 18 months early generic entry by Barr. (Dkt. 37, Boehringer's Response to FTC's June 4, 2010 Status Mem., Ex. 18, at 16-17.) In connection with the Aggrenox settlement, 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. (Dkt. 37, Ex. 19.)

As part of the co-promotion agreement, Duramed must provide sales and marketing support for Aggrenox and detail (i.e., market in face-to-face meetings with medical professionals) Aggrenox to women's healthcare professionals.

B. Boehringer's Privileged Documents

The privileged documents challenged by the FTC were created in this context and are related to a number of litigation and settlement events that arose as part of the Mirapex and Aggrenox litigation.

On appeal, the FTC challenges only the court's ruling that Boehringer's documents are protected as work product. With respect to those work-product documents, the FTC sometimes appears to challenge all of them while at other times it appears to challenge only documents containing Boehringer's financial and economic analyses of possible settlement terms and consequences prepared at counsel's direction.

1. Documents created prior to the district court's ruling on the Mirapex patent

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Material Under Seal Deleted

2. Documents created after the district court's ruling for use in evaluating settlement options

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3. Documents created after the settlements were executed

C. The District Court's Privilege Ruling

On December 1, 2010, after extensive briefing before Judge Ricardo M. Urbina, the FTC's subpoena enforcement action was referred to Magistrate Judge Facciola for all purposes. (Dkt. No. 53.) On March 8, 2011, at a status hearing before Magistrate Judge Facciola, the court suggested that the parties agree on a representative sample of documents for an *in camera* privilege review. Both sides agreed to the *in camera* review. The FTC provided a list of documents to Boehringer that the FTC believed should be submitted to the court, and the parties negotiated about the documents to be submitted and the categorization of those documents.

On November 28, 2011, Boehringer submitted a sample of privileged documents for *in camera* review. Boehringer and the FTC agreed on a list of documents to be submitted as the sample, and Boehringer submitted all of the agreed documents to the court for review. Boehringer also submitted certain additional documents it believed were necessary for context. For example, where an email attachment was included on the FTC's list of documents, Boehringer included the cover email to the attachment where necessary to understand the circumstances surrounding the creation and purpose of the attachment. The parties were unable to agree on a categorization of the documents, so Boehringer submitted to the court an index of all privilege log entries challenged by the FTC and the corresponding FTC and Boehringer categorization of the entries.

Along with its privileged documents, Boehringer submitted affidavits from Ms. Persky and Pamela L. Taylor, a partner at Jones Day, who represents Boehringer in the FTC's investigation. Both affidavits provide document-by-document information regarding the creation of documents in the sample and an explanation as to why they were withheld as privileged. The affidavits were submitted *in camera* and not served on the FTC because they contain privileged information.

The FTC did not object below to the *in camera* or *ex parte* nature of the affidavits. The only complaint it made to the affidavits was on December 9, 2011, during oral argument on the subpoena enforcement action. At that hearing, the FTC's attorney acknowledged his awareness that the affidavits had been presented to the court and argued that Ms. Taylor's affidavit was not based on personal knowledge and was therefore "inappropriate and the Court should not consider it." (Dkt. 59, Hearing Tr. at 4:23-24, 5:17-18.) The FTC's attorney also argued that Ms. Persky likewise appeared to lack personal knowledge regarding a number of the documents. (*Id.* at 5:19-6:7.)

On September 27, 2012, the district court ruled on Boehringer's privilege claims.[6] *FTC v. Boehringer Ingelheim Pharms. Inc.*, 09-mc-564, 286 F.R.D. 101 (D.D.C. 2012). The court began its analysis by setting forth the legal standards that would guide its review. The court noted that the work-product doctrine protects all "documents and tangible things that are prepared in anticipation of litigation [or because of the prospect of litigation] . . . by or for another party or its representative." *Id.* at 107. Once a party has shown that documents are entitled to work-product protection, the court wrote, "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.'" *Id.* (quoting *Dir., Office of Thrift Supervision v. Vinson & Elkins, LLP*, 124 F.3d 1304, 1307 (D.C. Cir. 1997)). Finally, the court emphasized that "opinion" work product that reveals "the mental processes or

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[6] The FTC incorrectly states that the court failed to rule on 13 documents. (FTC Br. at 17 n.6.) The FTC appears to take the position that if a document is not listed in the court's Appendix, it was not ruled on. While a small number of entries are not explicitly listed in the court's Appendix, duplicates of those entries are. Those specific entries are: 3296 (duplicate of 2984); 1384 (duplicate of 1366); 1363 (duplicate of 1381); 1339 (duplicate of 833); 1294 (duplicate of 2331); 1095 (duplicate of 3328); 1154 (duplicate of 1041); 1084 (duplicate of 3415); 1090 (duplicate of 1017); 1029 (duplicate of 576). The FTC should be aware that these are duplicate documents from the parties' discussions regarding their exclusion from the *in camera* sample. It also appears that entry number 1380 was incorrectly listed as 1308 and entry number 2331 was incorrectly listed as 233. More importantly, the court's opinion addresses all of the documents in the sample.

impressions of an attorney or his or her agents" receives "the utmost protection." *Id.* at 107-08, 109.

The court then applied those standards to the parties' document sample. It noted that it had reviewed the documents submitted for *in camera* review, Boehringer's privilege logs, "the status reports and oppositions, and affidavits accompanying the *in camera* submissions." *See id.* at 109. Rejecting both Boehringer's and the FTC's categorizations of the documents, the court organized the documents into the following three broad categories: (1) analyses of the co-promotion agreement, forecasting analyses, and financial analyses used to evaluate potential settlement options; (2) e-mails, notes, and correspondence regarding strategic decisions, settlement possibilities, and settlement options, including correspondence between executives; (3) e-mails reflecting requests for legal advice or conveying requests from attorneys for information to be used in settlement negotiations. *Id.* at 107, 110, 111.

The court found that the first category of documents—analyses of the co-promotion agreement, forecasting analyses, and financial analyses used to evaluate potential settlement options—were protected as opinion work product. The court held that "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. . . . [T]hese documents were prepared for counsel and were not business forecasts made in the ordinary course of business." *Id.* at 109. It noted that the "documents themselves" supported Ms. "Persky's claims in her affidavit that the documents were created by . . . Boehringer . . . employees in response to her personal requests for . . . information she needed in order to provide her client, BIPI, with legal advice regarding the potential settlement between BIPI and Barr." *Id.* The court also found, following its review and analysis of the record, "that the co-promotion agreement was an integral part of the litigation" settlement, and therefore, analyses of the agreement prepared at counsel's request were protected as work product. *Id.*

The court then held that the FTC failed to demonstrate a substantial need for the documents sufficient to override the work-product privilege for two reasons. First, the documents were virtually undiscoverable opinion work product because the "factual inputs [based on data that Boehringer attorneys requested be entered] cannot be reasonably segregated from the analytical outputs" and therefore "would necessarily reveal the attorneys' thought processes regarding the BIPI-Barr settlement." *Id.* at 110. Second, the court found that the documents would not provide the information that the FTC claimed it needed from them because the documents "ad[d] nothing to what is already known about what the involved companies intended in settling their suit," "are not in any way evidence of any conspiratorial intent to violate the law," and "they cast no light of whether [an] intendment [to pay Barr not to compete] existed." *Id*.

The court, however, noted that Boehringer had withheld emails transmitting the analyses contained in this category of documents. While the court noted the emails likely did not contain information beyond their privilege log descriptions, it ordered that Boehringer review the e-mails and produce any portion of them that could "be reasonably excised from any indication of opinion work product." *Id.* at 110.

As to the second category of documents, the court held that emails, notes, and correspondence regarding strategic decisions, settlement possibilities, and settlement options were privileged. The court found that the documents are "protected by the work product and attorney-client privileges because they disclosed confidential communications between attorney and client and were prepared" in connection with the litigation. *Id.* at 110-11.

The court held that for the third category of documents—emails reflecting requests for legal advice or conveying requests from attorneys for information to be used in settlement negotiations—some of the documents were privileged and some were not. Specifically, the court found that documents "conveying a request for or the provision of legal advice" were protected by the attorney-client privilege, while documents where it was unclear that the client "sought legal advice by a confidential communication" were not covered by the privilege. *Id.* at 111-12. The court ordered Boehringer to produce certain emails in their entirety or in redacted form. *Id.*

Having made its rulings on the sample documents and articulating the logic underpinning those rulings, the court asked the parties to apply those rulings in good faith to the broader universe of privileged documents. *Id.* at 112. The court noted that if, in the course of that process, additional disputes arose, Boehringer should submit the disputed documents for *in camera* review and the court would address those disputes as promptly as possible. *Id.* The FTC did not dispute the manner in which Boehringer applied the court's rulings on the sample documents to the remainder of the disputed documents.

In its appeal of the court's privilege ruling, the FTC challenges the "ruling only as it applies to Boehringer's work-product claims." (FTC Br. at 12.) The FTC acknowledges that "Boehringer asserted both work-product protection and attorney-client privilege for many of the challenged documents." (*Id.* at n.3.) Thus, for a large number of documents where the court reached only Boehringer's work-product claim, reversal of that ruling would not resolve the privilege dispute and would require remand to the district court for a determination of whether the attorney-client privilege applies potentially to hundreds of documents.

SUMMARY OF ARGUMENT

This Court should affirm the district court's carefully considered and amply supported ruling that Boehringer's documents are protected as work product. That ruling was entirely correct, and as such, was not an abuse of the district court's wide discretion in addressing discovery disputes and determining whether documents are privileged.

I. The district court's opinion was proper on both the law and the facts. As relevant here, the key aspect of the work-product doctrine is whether given the nature of the document and the context in which it was created, it can be said to have been prepared "because of" litigation. Where documents reflect the mental processes or impressions of counsel, they are virtually undiscoverable opinion work product. *Director, Office of Thrift Supervision v. Vinson & Elkins, LLP*, 124 F.3d 1304 (D.C. Cir. 1997). To make these determinations, courts often conduct an *in camera* review of the documents at issue, and where voluminous, a representative sample of those documents. *Am. Civil Liberties Union v. U.S. Dep't of Justice*, 655 F.3d 1, 19 (D.C. Cir. 2011); *Linder v. Nat'l Security Agency*, 94 F.3d 693, 696-97 (D.C. Cir. 1996). The district court applied these well-established legal standards and the common practice of an *in camera* review to evaluate Boehringer's work-product claims. Both Boehringer and the FTC agreed to this process. The district court also properly accepted *in camera* affidavits from

Boehringer's General Counsel and outside counsel, which provide further context for the documents in the sample and themselves contain privileged information.

The district court then correctly applied the applicable legal standards to the privileged documents at issue. The court reasonably held that Boehringer's work-product documents were prepared at the direction of counsel to assist in making strategic decisions about the patent lawsuits and their settlements and that the documents would not have been prepared absent the litigation and settlements. The Aggrenox co-promotion agreement, the court also correctly found, was integral to that litigation settlement. The court further reasonably held that the documents contained counsel's thought processes and mental impressions regarding litigation and settlement, which could not be segregated from any factual material without revealing those processes and impressions. Thus, the documents constituted virtually undiscoverable opinion work product. The court also properly held that, in all events, the FTC had failed to show a substantial need for the documents as they do not contain any evidence of any anticompetitive intent or effects.

II. Because the district court followed and applied the correct legal standards to a fact-specific, document-by-document review, the FTC now challenges the district court's factual determinations and the process to which it agreed below. It also appears to argue that a different and unique standard should apply to privilege claims arising in FTC subpoena enforcement actions of patent litigation settlements. The FTC's claimed errors by the district court are unavailing.

First, the FTC claims error with the district court's ruling that the documents were work product at all. The FTC claims that the court erred by failing to review the documents at issue and instead making a categorical presumption that the documents were privileged. The court, however, made no such presumption. The court's opinion reflects that it conducted a document-by-document review and even provided an appendix identifying the sample documents and the grounds for the court's ruling as to each of them. The court directed that those rulings be applied to all challenged privileged documents.

The FTC also asserts that the court committed a factual error by failing to consider whether the documents would have been created in substantially similar form irrespective of the litigation, and therefore, would not be privileged. But the district court did consider that issue as stated in its opinion. The FTC specifically argues that documents analyzing the co-promotion agreement cannot be privileged because, it claims, Boehringer asserts it is a freestanding agreement and so documents regarding it would have been created regardless of the litigation. Boehringer, however, has always stated that the co-promotion agreement was part of the Aggrenox litigation settlement, and the court so found.[7] The district court evaluated the record evidence, most notably the sample documents at issue, and found that they were requested by counsel to assist in making legal decisions about litigation and settlement.

In an effort to support its factual challenges, the FTC suggests that given the Supreme Court's recent decision, *FTC v. Actavis, Inc.*, 135 S. Ct. 2223 (2013), there can be no work-product protection, or at a minimum substantial need must be presumed, in the context of patent litigation settlements. The FTC similarly suggests that because this is an administrative subpoena enforcement action, the district court was required to accept the FTC's claim of substantial need based on its assertion that the documents are relevant to its investigation. The relevant precedent holds, however, that the standards of privilege and work-product protection are the same regardless of the nature of the case. The Supreme Court has rejected attempts to create special rules of privilege for different cases, *see, e.g.*, *Swidler & Berlin v. United States*, 524 U.S. 399 (1998), and *Actavis* itself contains no suggestion that work-product protection is no longer available to defendants in antitrust suits involving patent litigation settlements.

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Second, the FTC claims that the court erred in finding that the documents contained opinion work product. It asserts not only that the documents contain no inputs from counsel but also that the court made a categorical conclusion that all of the documents contain opinion work product. As the court found, however, the record demonstrates that the documents contain information and frameworks provided by counsel. Thus, the court correctly held that the documents constitute opinion work product. And the district court did not improperly make a categorical determination, but rather undertook a document-by-document analysis.

Third, the FTC failed to demonstrate substantial need or undue hardship sufficient to overcome Boehringer's work-product protection. The court's finding that the documents are undiscoverable opinion work product makes this argument irrelevant. Nevertheless, the only proffered reason for why the FTC purportedly needs the documents is to determine whether the litigation settlements are anticompetitive. However, the FTC has all of the information it needs to assess the settlement agreements through Boehringer's ordinary course documents produced to the FTC, the testimony of Boehringer's witnesses and others given in FTC investigational hearings, and the FTC's ability to undertake independent investigation from third parties and conduct economic analysis regarding the potential competitive impact of the settlement agreements.

The FTC attempts to argue that the court's role is limited in the context of a subpoena enforcement action, and it must defer to the agency's claim of substantial need. But as the FTC has conceded and as this Court's precedent holds, work-product protection under Federal Rule of Civil Procedure 26 applies in administrative subpoena enforcement actions and is in no way abrogated simply because the court must analyze privileged documents in the context of an administrative agency investigation. *Linde Thomson Langworthy Kohn & Van Dyke, P.C. v. Resolution Trust Corp.*, 5 F.3d 1508, 1513 (D.C. Cir. 1993).

Finally, the FTC argues that the district court erred in considering the *in camera* affidavits. The FTC never objected to the affidavits, so this argument is waived. In addition, the district court has the discretion to consider the affidavits provided that the adversarial process is not harmed and that the public has sufficient information about the dispute for there to be adequate public debate. *Halkin v. Helms*, 690 F.2d 977 (D.C. Cir. 1982); *Mervin v. FTC*, 591 F.2d 821 (D.C. Cir. 1978) (per curiam). The affidavits, containing privileged information themselves, elaborate on the context of the creation of the documents and such context was explained in Boehringer's privilege logs and briefs provided to the FTC. The district court also explained in its opinion how it had used the affidavits in reaching its decision. Thus, neither the adversarial process nor public debate was hampered, and the court was well within its discretion to consider the affidavits.

The district court's ruling upholding Boehringer's work-product claims should be affirmed.

STANDARD OF REVIEW

This Court's "standard of review is well established." *FTC v. GlaxoSmithKline*, 294 F.3d 141, 146 (D.C. Cir. 2002). The Court "review[s] a decision to enforce a subpoena 'only for arbitrariness or abuse of discretion.'" *Id.* (quoting *In re Sealed Case*, 146 F.3d 881, 883 (D.C. Cir. 1998)) (applying abuse of discretion standard to privilege ruling in subpoena enforcement action); *see also Macharia v. United States*, 334 F.3d 61, 64 (D.C. Cir. 2003) (district court's discovery rulings are reviewed for abuse of discretion). Factual determinations that form part of the court's decision to enforce a subpoena are reviewed for "clear error." *FTC v. Church & Dwight Co.*, 665 F.3d 1312, 1315 (D.C. Cir. 2011).

The district court's analysis of whether a party has shown substantial need sufficient to overcome an otherwise valid claim of work-product protection is accorded particular deference. As this Court has explained, "the district court's assessment of appellant's 'need' and 'hardship' . . . calls for a judgment along a range on which reasonable judges could differ. Therefore, the even more deferential standard of review than 'clearly erroneous' would normally apply."

Dir., Office of Thrift Supervision, 124 F.3d at 1308 (applying a "lenient abuse of discretion" standard of review to agency's claim of substantial hardship in work-product dispute and rejecting agency's request to apply *de novo* standard of review).

The FTC invokes the Court's *de novo* standard of review for questions about "whether a district court applied the correct legal standard." (FTC Br. at 22.) But the legal standards applicable here are well established and not seriously in question. The FTC simply disagrees with how the court applied them.

ARGUMENT

I. THE COURT CORRECTLY DETERMINED THAT THE CHALLENGED DOCUMENTS CONSTITUTED WORK PRODUCT

Applying long-standing precedents, the district court correctly upheld Boehringer's work-product privilege claims over the documents at issue in this appeal. The court used the proper legal standards, applied correctly through an appropriate process. The privilege rulings are well within the wide discretion accorded the district court in resolving fact-intensive privilege disputes such as these.

A. The District Court Articulated The Correct Legal Standards And Undertook A Well-Accepted Process For Resolving Boehringer's Privilege Claims

The district court correctly identified and applied well-established legal standards for work-product claims when it reviewed Boehringer's documents.

Courts applying the work-product doctrine must determine, "in light of the nature of the document and the factual situation in the particular case, [whether] the document can fairly be said to have been prepared or obtained because of the prospect of litigation." *In re Sealed Case*, 146 F.3d at 884. Courts must also determine whether the "documents would have been created in essentially similar form, irrespective of the litigation," and therefore, would not be work product. *Willingham v. Ashcroft*, 228 F.R.D. 1, 4 (D.D.C. 2005) (Facciola, M.J.) (noting that the documents must have been prepared "to advance the party's interest in the successful resolution of that litigation" and not just during a time when litigation was contemplated).

When a court finds that documents constitute work product, it must also determine whether the requesting party has shown a need for the documents sufficient to overcome the work-product protection. The standard for such a showing is whether the need for the documents is substantial and the party is unable to obtain the substantial equivalent of the materials by other means without suffering undue hardship. *See Dir., Office of Thrift Supervision*, 124 F.3d at 1307; Fed. R. Civ. P. 26(b)(3). Such a showing, however, can overcome work-product protection only for fact, and not for opinion, work product. *See Hickman v. Taylor*, 329 U.S. 495, 510 (1947) ("Not even the most liberal of discovery theories can justify unwarranted inquiries into the files and the mental impressions of an attorney."); *Upjohn Co. v. United States*, 449 U.S. 383, 401 (1981) (opinion work product "cannot be disclosed simply on a showing of substantial need and inability to obtain the equivalent without undue hardship."); *Dir., Office of Thrift Supervision*, 124 F.3d at 1307 ("Opinion work product . . . is virtually undiscoverable.").

These are the standards the district court applied here. *See Boehringer*, 286 F.R.D. at 107-08. The FTC does not dispute their general applicability. (*See* FTC Br. at 33-34, 42.)

The district court also undertook an appropriate process to evaluate Boehringer's privilege claims. The court requested that Boehringer submit a representative sample of its privileged documents for *in camera* review. Both Boehringer and the FTC agreed to that process as well as to the documents that would be submitted for the court's review. (*See* FTC Br. at 16 ("the parties mutually agreed on 87 sample documents to submit to the court for *in camera* review").) *In camera* review of sample privileged documents is a common and approved practice in this Circuit. *See Am. Civil Liberties Union*, 655 F.3d at 19 (remanding privilege dispute with instructions that *in camera* review would be appropriate); *Linder*, 94 F.3d at 696-97; *Northrop Corp. v. McDonnell Douglas Corp.*, 751 F.2d 395, 405 (D.C. Cir. 1984).

As it evaluated the sample documents, the district court properly considered *in camera* two affidavits that Boehringer submitted along with those documents. As the FTC acknowledges, a district court may, in its discretion, accept and consider *ex parte* affidavits when resolving privilege disputes. (FTC Br. at 54.) *See also Halkin*, 690 F.2d at 992 (rejecting appellant's argument that by considering ex parte affidavits the district court "improperly deprived them of an opportunity to litigate the privilege question"); *In re Miller*, 438 F.3d 1141, 1151 (D.C. Cir. 2006) (stating that the Circuit has "previously noted the propriety of [in camera, ex parte] procedures to protect the well-established attorney-client privilege").

B. The District Court Properly Applied The Correct Legal Standards In Ruling That Boehringer's Documents Are Undiscoverable Work Product

Using the proper legal standards, the district court correctly determined that Boehringer's documents are opinion work product shielded from discovery.

First, the court correctly found that the documents are work product. Conducting a document-by-document review of all of the documents in the sample, the court found that they were all prepared because of the Aggrenox and Mirapex patent lawsuits. *Boehringer*, 286 F.R.D. at 109.

Boehringer, 286 F.R.D. at 109 ("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[.]"). Instead, as the district court correctly ruled, these documents would not have been created in the ordinary course of business and were created "because of" litigation. *Id.* They are accordingly entitled to work-product protection. *Id.*

The court's ruling is consistent with other cases in which courts have held that financial analyses prepared at the direction of counsel for purposes of giving legal advice regarding litigation are work product. For example, in *Exxon Corp. v. FTC*, 466 F. Supp. 1088, 1099 (D.D.C. 1978), *aff'd* 665 F.2d 1274, (D.C. Cir. 1981) (per curiam), the district court held that an economic report prepared by economists "at the direction of and for the guidance of" FTC attorneys where those reports discussed "a large range of tactical and strategic issues and options relating to the presentation of the" case at issue were protected as attorney work product. Similarly, in *In re Grand Jury Proceedings*, 601 F.2d 162, 171 (5th Cir. 1979), the court held that a financial analysis created by an accountant to assist a lawyer in assessing a client's potential criminal liability were protected as work product. *See also Cook v. Boorstin*, No. 82-0400, 1987 WL 25446, at *1 (D.D.C. Nov. 19, 1987) ("financial data reflecting the Defendant's potential monetary liability" was protected as work product because the data "constituted guidelines from which counsel could evaluate the client's potential damage exposure and thus . . . advise the client on an appropriate course of action").

The court's ruling is also consistent with cases holding that documents created by and for counsel to analyze settlement options are work product. In *Cities Service Co. v. FTC*, 627 F. Supp. 827, 834 (D.D.C. 1984), the FTC itself urged that analyses created in the course of settlement negotiations, which reflected an attorney's "weighing and sifting of relevant facts," are protected work product. In that case, Gulf Oil Corporation served on the FTC a FOIA request for certain documents created as the agency considered settling a potential lawsuit to enjoin Gulf's planned merger with Cities Service Corporation. *Id.* at 829. The FTC objected to producing notes of meetings and telephone conversations between "the [FTC] attorneys and economists assigned to the matter" and representatives of the merging companies, urging that those notes were attorney work product. *Id.* at 829-30. After *in camera* review of the documents, the court upheld the agency's work product claim because the documents reflected attorney analysis of "what he believe[d] to be significant to [his client] in its litigation/settlement strategy." *Id.* at 835; *see also United States v. Adlman*, 134 F.3d 1194, 1202 (2d Cir. 1998) (explaining that discovery into a lawyer's assessment of her case, including "the likelihood of settlement and its expected cost" would be an unwarranted intrusion into an attorney's mental impressions).

With respect to the Aggrenox co-promotion agreement, the district court found that the agreement was an integral part of the litigation settlement, and therefore, any analyses of the co-promotion agreement prepared at counsel's direction are also work product. *Boehringer*, 286 F.R.D. at 109. This determination is in accordance with the requirement that, to constitute work product, the documents must be prepared because of litigation. The fact that a document prepared because of litigation was also created in part to assess the desirability of a business transaction does not eliminate work-product protection. In *Adlman*, the Second Circuit held that a study prepared by an outside accountant and attorney for a company's in-house attorney, which assessed potential litigation consequences that could be associated with a business deal, was protected work product even though it was prepared in part to assist in a business decision. 134 F.3d at 1195. The court determined that the study was prepared "because of" litigation, and that it "would not have been prepared in substantially similar form but for the prospect of that litigation." *Id.*; *see also United States v. Deloitte LLP*, 610 F.3d 129, 138 (D.C. Cir. 2010) ("a document can contain protected work-product material even though it serves multiple purposes, so long as the protected material was prepared because of the prospect of litigation").

Second, the district court correctly determined that the documents are opinion work product. Based again on its careful review of all of the documents in the sample, the court found that disclosure of the documents "would necessarily reveal the attorneys' thought process regarding the BIPI-Barr settlement" and would "necessarily reveal the attorneys' mental impressions, including, at bare minimum, that the attorneys believed such analyses of that data was necessary or important to determining an appropriate settlement." *Boehringer*, 286 F.R.D. at 110. The documents, therefore, contain more than factual work product, and instead contain mental impressions of counsel protected as opinion work product.

The court's finding is consistent with cases holding that documents reflecting an attorney's mental impressions or thought processes are opinion work product. *See, e.g.*, *Deloitte LLP*, 610 F.3d at 135 ("opinion work product" is material that includes "mental impressions, conclusions, opinions, or legal theories of a party's attorney or other representative concerning the litigation"); *Willingham*, 228 F.R.D. at 5 (holding that documents containing "counsel's . . . thoughts regarding possible settlement" are opinion work product); *Better Gov't Bureau, Inc. v. McGraw*, 106 F.3d 582, 608 (4th Cir. 1997) (holding that an attorney's selection and arrangement of employment records are opinion work product because they "reveal[ ] her thought processes and theories regarding th[e] litigation"); *United States v. Duke Energy Corp.*, 208 F.R.D. 553, 557 & n.5 (M.D.N.C. 2002) (holding that documents reflecting a method of calculation and the results are opinion work product).

Third, the court correctly determined that the FTC had failed to demonstrate substantial need and undue hardship to overcome Boehringer's work-product protection. Initially, the district court correctly emphasized that because the documents were opinion work product that could not be segregated without revealing the "mental impressions" of counsel, the FTC could not make a showing of need sufficient to overcome protection. *Boehringer*, 286 F.R.D. at 110; *Dir., Office of Thrift Supervision*, 124 F.3d at 1307; *Cities Serv. Co.*, 627 F. Supp. at 835.

The court further explained that the FTC in all events did not make the "substantial need" and "undue hardship" showings necessary to overcome the privilege for non-opinion work product. *Boehringer*, 286 F.R.D. at 110. The court found that, based on the information available to the FTC from Boehringer's non-privileged documents, the FTC could evaluate whether the settlement agreements reflect any anticompetitive intent or result. *Id*. Thus, the FTC suffers no undue hardship in "obtain[ing] the substantial equivalent of" Boehringer's privileged documents. *Dir., Office of Thrift Supervision*, 124 F.3d at 1307. The court further found that the documents "cast no light" on whether any anticompetitive intent exists, and as a result, the FTC has no substantial need for them.

Again, the court's ruling is consistent with other cases holding that substantial need is not demonstrated where a party can obtain the information it wants through other means, *see, e.g.*, *id.* (no substantial need shown where information sought was cumulative), or where information sought is not actually contained in the documents at issue, *see, e.g., Adlman*, 134 F.3d at 1204 (holding no substantial need where the IRS claimed a need for the documents to show motive but the documents at issue did not reflect any motive).

In short, the district court correctly applied the proper legal standards, using an appropriate procedure, to resolve this privilege dispute. Its holdings are eminently justifiable, and certainly not an abuse of discretion. The privilege rulings should therefore be affirmed.

II. THE FTC'S CHALLENGES TO THE DISTRICT COURT'S ANALYSIS ARE MERITLESS

Although the FTC disagrees with the result of the district court's analysis, it has not offered any persuasive reason to overturn the court's ruling. In stark contrast to the district court's careful document-by-document review, the FTC's objections seem at times to be aimed indiscriminately at all 600 disputed work-product documents without distinction. Overbreadth aside, the FTC's objections to the district court's privilege rulings are meritless and fail to show that the district court abused its discretion by not adopting the FTC's position.

A. The FTC Fails To Demonstrate Any Error In The Court's Determination That Boehringer's Documents Are Work Product

1. The FTC's claim that the court erred by making categorical determinations is contradicted by the court's opinion

In an attempt to obtain *de novo* review of the district court's ruling, the FTC claims that the court committed an error of law by applying a categorical presumption that the documents were privileged instead of reviewing the documents at issue. (FTC Br. at 33.) That claim is decisively refuted by the court's opinion. The district court discussed particular documents by number and included an appendix to the decision identifying the documents in the sample and the grounds for the court's ruling as to each of them. Moreover, the court repeatedly stated throughout its opinion that its ruling was based on a review of the documents. *Boehringer*, 286 F.R.D. at 109 ("Having reviewed the documents themselves, I find that BIPI is correct . . . ."); *id.* at 110 ("[A]fter reviewing these documents *in camera*, I cannot agree that there is an overriding need on the side of the FTC."). Accordingly, the FTC cannot obtain *de novo* review on this point. The FTC's challenge is limited to whether the court misapplied the correct rule that it articulated to the documents at issue—an issue that is reviewable only for an abuse of discretion. *See supra* pp. 28-29. The court did not abuse its discretion here.

2. The FTC's claim that the district court made a factual error by failing to consider whether the documents would have been created irrespective of the litigation is also incorrect

The FTC argues that the district court committed a factual error in determining that Boehringer's documents are work product because it did not consider whether the documents would have been created in substantially similar form irrespective of the litigation. (FTC Br. at 33-41.) The FTC focuses its challenge on the court's work-product rulings as to financial analyses related to the co-promotion agreement. (*See id.*) That challenge fails for at least three reasons.

First, the district court plainly did consider whether the documents, particularly the financial analyses the FTC seems most concerned about on appeal, would have been created in substantially similar form irrespective of the litigation. The court expressly noted that work product protection has a "motivational component" and documents that would have been created "in essentially the same form, irrespective of litigation" would not be protected. *Boehringer*, 286 F.R.D. at 107. It then considered the FTC's claim that "similar reports [to those associated with the co-promotion agreement] are prepared for BIPI executives as a matter of regular business." *Id.* at 109. It correctly concluded, however, that 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." *Id.*;

"[T]he only additional information the documents at issue would yield is the mental thought processes of BIPI's attorneys as they prepared for settlement negotiations." *Id.* at 109-10.

The FTC strings together out-of-context snippets of testimony to speculate that the district court was incorrect about the character of the financial analyses at issue. (FTC Br. at 27-29.)

The FTC's unsupported speculation cannot overcome the district court's well-reasoned conclusions based on close examination of the documents themselves and record evidence of how and why they were created.

Second, the FTC is simply wrong when it claims that Boehringer's position that the co-promotion agreement has "freestanding" economic value is fundamentally incompatible with Boehringer's argument that documents analyzing the possible impact of that agreement as part of a possible settlement are protected work product. (FTC Br. at 34-35.) These positions are not at all inconsistent.

The district court accorded work-product protection to attorney-directed and managed financial analyses of the co-promote because they were part of the analysis of a possible settlement and inextricably intertwined with settlement negotiations. It is not difficult to understand why parties engaged in contentious litigation would not otherwise be willing to do business with each other, and it is also easy to understand how those companies' attorneys would carefully evaluate a business deal arising through the prospect of settlement that could (and did) prompt an investigation from the FTC.

Moreover, "[n]othing in the Rule [26] states or suggests that documents prepared 'in anticipation of litigation' with the purpose of assisting in the making of a business decision do not fall within [the] scope [of the work product protection]." *Adlman*, 134 F.3d at 1198-99; *Fair Isaac Corp. v. Experian Info. Solns. 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”).

Those two propositions are complementary, not contradictory.

Third, to the extent that the FTC intends its imprecise arguments to apply to work-product documents beyond those associated with the co-promotion agreement, its claim is far too broad.

3. To the extent the FTC suggests that a different legal standard should apply, it is incorrect

The FTC concedes that documents prepared “because of” litigation are generally entitled to work-product protection. (FTC Br. at 33.) Nevertheless, in an apparent effort to overcome the district court's unassailable factual determinations, the FTC invokes the United States Supreme Court's recent decision in *FTC v. Actavis*, to suggest that in the context of patent litigation settlements, the privilege rules are different. In doing so, the FTC emphasizes that it relied on a financial analysis of a co-promote agreement in its *Actavis* complaint. (FTC Br. at 47-49.) However, there is no indication that the financial analysis in *Actavis* is privileged. More importantly, relevant precedent makes clear that the standard rules of the work-product doctrine apply regardless of the type of case at issue or the party requesting the documents.

Federal courts apply the same work-product standards regardless of the type of case in which the privilege dispute arises. *Upjohn*, 449 U.S. at 398 (holding that the work-product doctrine applies to an IRS summons: "Nothing in the language of the IRS summons provisions or their legislative history suggests an intent on the part of Congress to preclude application of the work-product doctrine."); *United States v. Torf*, 357 F.3d 900 (9th Cir. 2003) (applying usual work-product standard in investigation into violations of environmental laws); *EEOC. v. Lutheran Social Servs.*, 186 F.3d 959, 968-69 (D.C. Cir. 1999) (applying usual work-product standard in employment discrimination case). A court addressing privilege issues in this precise context did not suggest in any way that the rules of privilege somehow differ because the case involved antitrust claims regarding a patent litigation settlement. *King Drug Co. of Florence v. Cephalon, Inc.*, No. 2:06-cv-1797, 2011 WL 2623306 (E.D. Pa. July 5, 2011) (addressing the common interest and attorney-client privilege).

Federal courts also apply the same work-product standard regardless of whether the government is the party seeking the documents at issue. *Deloitte LLP*, 610 F.3d 129 (applying usual work-product standard in case brought by the DOJ); *Adlman*, 134 F.3d 1194 (same for case brought by the IRS). The FTC cites no authority holding or suggesting that the availability of work-product protection depends on the nature of the case or the parties involved, or that the work-product protection no longer exists for pharmaceutical companies settling patent litigation.

In *Swidler & Berlin*, 524 U.S. 399, the Supreme Court rejected a similar attempt to abrogate privilege based on the nature of the case. The case involved the government's attempt to obtain an attorney's notes of a meeting with Deputy White House Counsel, Vincent W. Foster, Jr., shortly before his suicide for the government's criminal investigation into certain White House firings. The Court reversed the D.C. Circuit, which had ruled that there was "a posthumous exception to the [attorney-client] privilege for communications whose relative importance to particular criminal litigation is substantial." *Id.* at 402. It noted that "there is no case authority for the proposition that the privilege applies differently in criminal and civil cases," and held that there should be no different standards for the application of privilege given the importance of encouraging clients to confide in and seek the advice of counsel. *Id.* at 408-11. Here, too, there should be no different work-product standard given the importance of protecting counsel's mental impressions and strategies from an adversary.

Taken to its logical conclusion, the FTC's argument would mean that a party cannot defend itself on the merits of an antitrust claim by asserting that the settlement had a valid economic justification without simultaneously waiving any privilege claim over documents created at the request of its lawyers to assist in analyzing settlement options. Such a position is meritless and conflicts with the *Actavis* decision itself, which never for a moment suggested an intent to affect a sea change in privilege analysis for antitrust cases. *See Actavis*, 133 S. Ct. at 2245 (Roberts, C.J., dissenting) (noting that evidence concerning a party's motivation may be embedded in legal advice from its attorney, "which would presumably be shielded from discovery").

Indeed, the FTC's argument also has no limiting principle. If adopted, the FTC's position could potentially apply to most industries, as litigation is common and settlement consequences are routinely examined by counsel in the course of developing legal positions and providing advice to their clients. This Court should reject the FTC's novel invitation to repudiate the well-established rules for privilege application. As in any other case, the standard rules of the attorney-client privilege and work-product doctrine apply here.

B. The FTC Fails To Persuasively Refute The District Court's Ruling That The Challenged Documents Are Opinion Work Product

The FTC is simply wrong when it claims that the documents are not opinion work product because they do not contain inputs from counsel. (FTC Br. at 27-33.)

The district court confirmed that record evidence with its own independent review and found that the financial analyses at issue were prepared using "information and frameworks provided by" attorneys. *Boehringer*, 286 F.R.D. at 109. The FTC has no basis to speculate that those analyses do not reflect counsel's mental impressions.

Thus, the FTC is wrong in suggesting that documents were merely requested by counsel and contain no more than "some inkling of a lawyer's mental impressions." (FTC Br. at 25.) The inapposite cases cited by the FTC involve circumstances totally different from those here. *In re San Juan DuPont Plaza Hotel Fire Ltd.*, 859 F.2d 1007, 1009 (1st Cir. 1988) (documents at issue were deposition exhibit lists requested to be provided in advance of depositions); *Simon* *v. G.D. Searle & Co.*, 816 F.2d 397 (8th Cir. 1987) (aggregate case reserve information in risk management documents); *United States v. Clemens*, 793 F. Supp. 2d 236 (D.D.C. 2011) (finding attorney notes and memoranda of witness interviews fact rather than opinion work product where the interviews were of a general nature, the government participated in the interviews, and the lawyers made efforts to confirm the accuracy of facts contained in them).

The FTC also relies on *In re Sealed Case*, 124 F.3d 230 (D.C. Cir. 1997), but that case was reversed by the U.S. Supreme Court in *Swidler & Berlin*, 524 U.S. 399. While the Supreme Court's holding focused on attorney-client privilege, there is no indication that the Court agreed with the Court of Appeals' work-product ruling. *See* 524 U.S. at 416 (O'Connor, J., dissenting) ("disagree[ing] with the Court of Appeals' notion that the context of an initial client interview affects the applicability of the work product doctrine").

The FTC argues that even if some documents are true "opinion" work product, the district court erred in its "categorical" conclusion that the label applies to all of the documents at issue. (FTC Br. at 23.) This complaint is unavailing.

To the extent FTC is arguing that the district court erred by ruling on only a sample of documents as opposed to each and every document at issue, the argument is waived. The FTC raised no objections to the *in camera* review process below, nor did it object to how the rulings on the sample were applied to the other documents at issue; until it was unsatisfied with the result of the process, the FTC agreed to it. (*See* FTC Br. at 16 (noting that the parties "mutually agreed on" a document sample).) *See also Marymount Hospital, Inc. v. Shalala*, 19 F.3d 658, 663 (D.C. Cir. 1994) ("Arguments not made below are deemed waived, and, absent 'exceptional circumstances' not present here, 'it is not our practice to entertain issues first raised on appeal.'") (quoting *Roosevelt v. E.I. DuPont de Nemours & Co.*, 958 F.2d 416, 419 & n.5 (D.C. Cir. 1992)).

Otherwise, the argument boils down to the FTC's bald assertion that the protected documents in the sample—created during the course of two active patent infringement lawsuits—simply cannot all reflect opinion work product. That speculation is unfounded. Both Boehringer and the district court have reviewed the documents and determined that they do in fact reflect attorney thought processes. To the extent that the FTC is implying that the district court was not careful in separating out opinion from fact work product as it reviewed the sample of documents, the court's written opinion belies that notion. The court undertook a careful document-by-document review. Where it found that documents were not privileged, the court ordered that they be produced. The documents that were ordered withheld from production all contain the mental impressions of Boehringer's counsel.

C. The FTC's Challenge To The Court's Substantial Need Determination Is Similarly Unavailing

The FTC challenges the court's determination that it failed to demonstrate a substantial need for the protected documents. The FTC's arguments lack merit. The court articulated and applied the correct legal standard and properly determined that the FTC failed to demonstrate a substantial need sufficient to vitiate Boehringer's privilege given the information the FTC already has about the settlements and the content of the withheld documents.

As an initial matter, because the court held that Boehringer's privileged documents contain virtually undiscoverable work product, it is irrelevant whether the FTC has made a showing of substantial need and undue hardship. Regardless, the FTC has failed to make a showing sufficient to overcome Boehringer's privilege claims.

The FTC argues that it has a substantial need and faces undue hardship because Boehringer's privileged documents are the only documents that would reveal Boehringer's contemporaneous assessment of the settlements and its intent in entering into them.[8] (FTC Br. at 49-52.) The FTC suggests that it has a substantial need for all of Boehringer's documents, but supports its claim with

[8] The FTC also argues that it lacks inputs and assumptions that went into the analyses, but the FTC does not articulate why such information is supposedly needed for reasons other than to show intent or Boehringer's contemporaneous, privileged assessments of the settlements.

arguments solely about Boehringer's financial analyses regarding possible settlement options prepared at the direction of counsel.

Moreover, given the content of the privileged documents and the non-privileged documents already in the FTC's hands, the FTC cannot demonstrate substantial need or undue hardship here.

1. The FTC can conduct a full investigation without Boehringer's opinion work product

Under *Actavis*, the focus of the inquiry into a patent litigation settlement is whether there are anticompetitive effects from the settlement agreement: "the basic question [is] that of the presence of significant unjustified anticompetitive consequences." *Actavis*, 133 S. Ct. at 2238. As the Supreme Court explained, "the likelihood of a reverse payment bringing about anticompetitive effects depends upon its size, its scale in relation to the payor's anticipated future litigation costs, its independence from other services for which it might represent payment, and the lack of any other convincing justification." *Id.* at 2237.

The FTC has ample evidence to assess whether the Mirapex and Aggrenox patent litigation settlements, including the co-promotion agreement, have any anticompetitive effects. *First*, the FTC has the final settlement agreements, including the co-promotion agreement,

Thus, the FTC can determine the cost to Boehringer and the value to Barr from the co-promotion agreement.

Second,

The FTC can assess this evidence in light of the costs of the co-promotion agreement to Boehringer.

Third,

From this information, the FTC can determine what the settlement agreements cost Boehringer compared to the value it receives in terms of lost profits and litigation costs avoided.

Fourth,

From all of this information provided to the FTC, it can evaluate any alleged anticompetitive effects of the litigation settlements under the framework articulated in *Actavis*.

2. The FTC has not demonstrated substantial need for evidence concerning intent

The FTC has further failed to show that it has a substantial need for documents allegedly demonstrating Boehringer's intent or that it faces undue hardship from failing to obtain such documents. As an initial matter, the court determined that "there are no smoking guns contained in [Boehringer's privileged] documents" and that they "are not in any way evidence of any conspiratorial intent to violate the law." *Boehringer*, 286 F.R.D. at 110. This is fatal to the FTC's claim of substantial need. Where the document does not contain the information sought by the requesting party, there can be no substantial need for it. *Adlman*, 134 F.3d at 1204 (holding no substantial need where the IRS claimed a need for the documents to show motive but the documents at issue did not reflect any motive); *Logan v. Commercial Union Ins. Co.*, 96 F.3d 971 (7th Cir. 1996) (holding in a bad faith insurance claim that no showing of substantial need had been made where the district court examined the work-product documents and concluded that they contained no possible evidence of bad faith).

In addition, the FTC either has or could have had witness testimony about Boehringer's reasons for entering into the settlement agreements.

Therefore, what the FTC really seeks is Boehringer's opinion work product either to impeach or corroborate the economic evidence it already has through Boehringer's non-privileged documents

as well as the work of the FTC's economists analyzing the effects of the settlement agreements on competition. That is wholly insufficient for a showing of substantial need or undue hardship. "It is the rare case where corroborative evidence can be thought 'necessary.' . . . [B]y definition, a party seeking corroborative evidence has already found a way to get the same information." *Dir., Office of Thrift Supervision*, 124 F.3d at 1308. And "if the desire to impeach a witness . . . is a sufficient showing of substantial need, the work product privilege would cease to exist; there is not a lawyer born who would not like to see opposing counsel's files in order to search for inconsistencies in opposing witnesses' potential testimony." *McPeek v. Ashcroft*, 202 F.R.D. 332, 339 (D.D.C. 2001); *see also Nesse v. Pittman*, 202 F.R.D. 344, 351 (D.D.C. 2001) (Facciola, M.J.) ("The absence of any such contradiction means that Blair has no need for the documents, let alone a substantial one.").

3. Boehringer is not withholding documents that it has asserted in a defense to liability

The FTC further argues that "Boehringer is withholding the very documents that it claims justify its conduct." (FTC Br. at 52.) This proceeding is a subpoena enforcement action to compel the production of additional documents, and not an inquiry on the merits of the settlements. The FTC has made no claim of anticompetitive conduct, and Boehringer has asserted no defenses or justifications. The FTC's argument puts the cart before the horse, and it cannot justify abrogating privilege based upon speculation about defenses a party may or may not raise in any potential action on the merits.

4. The FTC is not relieved of its burden to show substantial need simply because the privilege dispute arises in the context of an administrative subpoena

The FTC contends that because it has brought a petition to enforce a subpoena in an administrative investigation, the court's role is limited and it must accept the FTC's claim of substantial need based on the FTC's assertion that the documents are relevant to its investigation. (FTC Br. at 43-45.) Thus, the FTC argues that the court erred because it "did not and could not consider all the possible legal theories that the FTC had under consideration . . . [or] whether or not the withheld documents added to what the FTC did or did not know." (FTC Br. at 45.)

As the court correctly held, however, the work-product standard set forth in Federal Rule of Civil Procedure 26 applies in an administrative subpoena enforcement action. *Boehringer*, 286 F.R.D. at 106-07 (citing Fed. R. Civ. P. 81(a)(5) and *Linde*, 5 F.3d at 1513. The FTC conceded this point at oral argument. (*See* Dec. 9, 2011 Hearing Tr. at 15:21-16:22.) The fact that Boehringer's privilege claims arise in the context of an administrative subpoena does not mean that the court abdicates its role in determining whether the documents are privileged and does not alter the FTC's burden to demonstrate substantial need to overcome the work-product protection.

Linde, cited by the FTC, explicitly held that "[t]he 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." 5 F.3d at 1513. *FTC v. Texaco, Inc.*, 555 F.2d 862 (D.C. Cir. 1977), and *United States v. Morton Salt Co.*, 338 U.S. 632 (1950), do not hold otherwise; those cases concern parties' objections to the scope of administrative subpoenas and do not address privilege issues.

Additionally, for purposes of establishing substantial need to override the work-product protection, it is the FTC's burden to articulate its "substantial need" for the documents it seeks. *Deloitte LLP*, 610 F.3d at 135; *McPeek*, 202 F.R.D. at 339.[9] The FTC submitted to the district court its reasons for its purported substantial need to obtain the documents. The court rejected those arguments.

D. The FTC's Challenge To The District Court's Examination Of Two *In Camera* Affidavits Is Waived And Erroneous

The FTC's final argument is that the privilege rulings cannot stand because the district court considered two *in camera* affidavits of Boehringer attorneys as it

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[9] The FTC also claims that the court erred *to the extent* that it applied a heightened substantial need standard for discovering fact work product. (FTC Br. at 43 (emphasis added).) This is simply an attempt to relitigate the court's ruling that Boehringer's privileged documents constitute opinion work product, and has nothing to do with the standard applied by the court. The court articulated and applied the proper substantial need test to what it determined to be opinion work product. *See Boehringer*, 286 F.R.D. at 110; Section I.A, *supra*.

evaluated Boehringer's documents. The FTC's argument that consideration of the affidavits was improper fails for a variety of reasons.

First, the FTC has waived any challenge to the affidavits. The FTC, which was aware of the affidavits, never objected to the court's considering them, other than to complain that Ms. Taylor's affidavit was likely based on hearsay and/or contained argument and that Ms. Persky likewise appears to lack personal knowledge regarding a number of the documents. (Dkt. 59, Dec. 9, 2011 Hearing Tr. at 5-6.)[10] Thus, the FTC's objection to the *ex parte* and *in camera* nature of the affidavits is raised for the first time on appeal, and therefore, waived. *Marymount Hosp.*, 19 F.3d at 663; *see also McKnight v. Johnson Controls, Inc.*, 36 F.3d 1396, 1407 (8th Cir. 1994) ("An objection on one ground does not allow a party to argue on appeal that the evidence should have been excluded on different grounds."); *accord United States v. Savarese*, 686 F.3d 1, 12 (1st Cir. 2012).

Second, FTC is wrong on the merits. It was not only appropriate for the district court to consider the affidavits *in camera* and *ex parte*, but necessary. The affidavits reflect the privileged advice and work product of both inside and outside counsel. They contain the thought processes and considerations that prompted

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[10] The affidavits set forth the basis of each affiant's personal knowledge. (*See* Taylor Aff. ¶¶ 1-3; Persky Aff. ¶¶ 1-12.) Moreover, the district court is able to determine the reliability of the affidavits and whether they are based on personal knowledge.

Boehringer attorneys to request that the documents at issue be created and also set forth how the documents were used to assist the attorneys in advising Boehringer. If the affidavits had been disclosed to the FTC, they would have revealed the very privileged information that the *in camera* review was designed to protect. The district court had an obligation to avoid that result. *See, e.g.*, *United States v. Reynolds*, 345 U.S. 1, 7-8 (1953) (encouraging procedures for evaluating privilege that do not "force disclosure of the very thing the privilege was meant to protect").

The FTC argues that the court abused its discretion when it considered the *in camera* affidavits because there was not a sufficiently full public debate over the basis and scope of the privilege claim. (FTC Br. at 54-55.) That is incorrect. The only fact that the court even partially used the affidavits to confirm—that the privileged documents were "information [Boehringer's counsel needed] in order to provide her client . . . with legal advice regarding the potential settlement"—was clearly and publicly stated. *See Boehringer*, 286 F.R.D. at 106 (citing Dkt. 59, Dec. 9, 2011 Hearing Tr.). The situation is thus far removed from the facts of *Ellsberg v. Mitchell*, 709 F.2d 51, 63 (D.C. Cir. 1983), on which the FTC relies. In that case, the government offered "no public explanation whatsoever" of the privilege claim, let alone the proposition that the affidavits supported.

Citing *Lykins v. U.S. Department of Justice*, 725 F.2d 1455, 1465 (D.C. Cir. 1984), the FTC also argues that the adversarial process here was harmed because the district court considered the affidavits *ex parte.* (FTC Br. at 54-55.) In *Lykins*, this Court held that the district court should not have relied on *in camera* affidavits because "appellant was given no information concerning which [FOIA] exemptions were claimed for" a withheld report, nor other information such as "the circumstances surrounding the report's creation . . . or the identity of [its] author." 725 F.2d at 1465. That stands in sharp contrast to this case, where the specific documents described in the affidavits were also described in a privilege log, more specifically in correspondence with the FTC, and as the FTC's privilege challenge was briefed. Moreover, the FTC had ample opportunity to question witnesses in the investigational hearings about the general nature of the documents, and in fact cited certain portions of those investigational hearings to the district court. (The affidavits did not, as FTC speculates, contradict this testimony.) Perhaps most importantly, the district court did not blindly credit the affidavits, but instead found that "[t]he documents themselves establish the truth of" the claims within them. *Boehringer*, 286 F.R.D. at 109. The adversarial process was not harmed here.

The FTC further suggests that the district court abused its discretion by not producing a redacted form of the affidavits to the FTC. (FTC Br. at 55-56 (citing *Armstrong v. Exec. Office of the President*, 97 F.3d 575, 580 (D.C. Cir. 1996)).) But the FTC never asked the district court for a redacted form of the affidavits. And, as the FTC itself has successfully argued in the past, it is, at times, impossible to sever purely "factual" information when an affidavit describes why certain documents are privileged. *Mervin*, 591 F.2d at 826. In *Mervin*, this Court rejected appellant's argument that it was entitled to *ex parte* affidavits submitted by FTC personnel to defend its claim that certain documents were FOIA-exempt because they reflected FTC attorneys' work product. Similarly, the *ex parte* affidavits here discuss the very attorney thought processes that Boehringer was attempting to protect through the work-product privilege and thus the privileged and non-privileged portions cannot be separated. The district court was therefore correct when it did not order a redacted version of the affidavits be produced to the FTC.

CONCLUSION

The Court should affirm the District Court's September 27, 2012 Order.

Dated: August 28, 2013

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

I hereby certify that the foregoing brief complies with the word limit set forth in Fed. R. App. P. 32(a)(7)(B), because it contains 13,828 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(a)(7)(B)(iii) and D.C. Cir. R. 32(a)(1), as counted using the word-count function on Microsoft Word 2007 software.

Dated: August 28, 2013

/s/ Lawrence D. Rosenberg
Lawrence D. Rosenberg

Counsel for Boehringer Ingelheim Pharmaceuticals, Inc.

CERTIFICATE OF SERVICE

I hereby certify that, on this 28th day of August, 2013, I filed fifteen copies of the foregoing document with the Clerk of this Court by First Class U.S. Mail, and I electronically filed the original of the foregoing document with the Clerk of this Court by using the CM/ECF system, which will serve the following counsel for Respondents at their designated electronic mail addresses:

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I also served the above counsel with two copies of this brief via First Class U.S. Mail.

Dated: August 28, 2013

/s/ Lawrence D. Rosenberg
Lawrence D. Rosenberg

Counsel for Boehringer Ingelheim Pharmaceuticals, Inc.

ADDENDUM PURSUANT TO LOCAL RULE 32.1(C)

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

FAIR ISAAC CORPORATION and myFICO CONSUMER SERVICES, INC.

CIVIL NO. 06-4112 (ADM/JSM)

Plaintiffs,

v.

ORDER

EXPERIAN INFORMATION SOLUTIONS INC.; TRANS UNION, LLC; and VANTAGESCORE SOLUTIONS, LLC,

Defendants.

The above matter came on before the undersigned on September 24, 2008 on Defendants' Motion to Compel Plaintiffs to Provide Discovery of Non-Privileged Business Analyses Related to Business Agreements between Equifax and Fair Isaac [Docket No. 402].

Randall Tietjen, Esq. and Michael Collyard, Esq. appeared on behalf of plaintiffs; Mark A. Jacobson, Esq. and Bryan Gant, Esq. appeared on behalf of defendant Experian Information Solutions Inc.; John Scharkey, Esq. appeared on behalf of defendant Trans Union, LLC; and Justi Rae Miller, Esq. appeared on behalf of defendant VantageScore Solutions, LLC.

The Court, upon all of the files, records, proceedings herein, and for the reasons stated at the hearing, now makes and enters the following Order.

IT IS HEREBY ORDERED that:

Defendants' Motion to Compel Plaintiffs to Provide Discovery of Non-Privileged Business Analyses Related to Business Agreements between Equifax and Fair Isaac [Docket No. 402] is **DENIED**.

Dated: November 3, 2008

s/ *Janie S. Mayeron*
JANIE S. MAYERON
United States Magistrate Judge

MEMORANDUM

I. FACTUAL BACKGROUND

On October 6, 2006, plaintiff Fair Isaac Corporation ("Fair Isaac") commenced the above action against Equifax, Inc. ("Equifax") and the other defendants. On June 6, 2008, Fair Isaac and Equifax entered into a "Technology Development, Distribution and License Agreement" and a "Data License Agreement" as part of a settlement between Fair Isaac and Equifax. In the course of discovery, defendants were given copies of these agreements and the settlement agreement between Fair Isaac and Equifax. See July 8, 2008 Order [Docket No. 383]. Pursuant to these agreements, Fair Isaac was given access to Equifax consumer credit data and Equifax was given access to Fair Isaac's analytical products for its sale and distribution. See Declaration of Bryan Gant ("Gant Decl."), Exs. 2 (Technology Development, Distribution and License Agreement) and 3 (Data License Agreement). Fair Isaac's action against former defendants Equifax and Equifax Information Services LLC, was subsequently dismissed with prejudice, pursuant to a stipulation by the parties. See June 13, 2008 Order [Docket No. 362].

On June 10, 2008, Fair Isaac's CEO, Dr. Mark Greene, issued an email regarding the partnership with Equifax, which provided in relevant part:

> This partnership is significant for a number of reasons, but perhaps most important, it means that for the first time, Fair Isaac is assured of long-term access to consumer credit data for the development of new analytics/scoring products.
>
> This, in turn, will help accelerate the speed of innovation, enabling us to bring new products to the market more

> quickly, and assuring us of distribution for those products through the largest of the three US credit ratings agencies.

Gant Decl., Exs. 4, FIC1397275 (June 10, 2008 Greene email). Greene also represented via a press release and through the media that the partnership with Equifax would "drive rapid development and distribution of advanced analytical solutions," and that "[s]coring is one of the crown jewels of Fair Isaac, and it's been challenged of late because we didn't have good partners for providing data and distributing our scores. Now we do." Id., Exs. 4, FIC1297276 (Fair Isaac Press Release), 5 (June 11, 2008 Minneapolis Star Tribune Article). Further, Greene stated at an earnings conference call on July 23, 2008, that he felt "good about this Equifax partnership, which is off to a promising start. Id., Ex. 6 (Transcript of July 23, 2009 Earnings Conference Call). Notwithstanding these statements by CEO Greene, Fair Isaac's Chief Operating Officer, Michael Campbell, testified at his deposition that he was not satisfied with the agreements reached between Fair Isaac and Equifax, as there were no performance guarantees or assurances of trust between Fair Isaac and Equifax. Id., Ex. 7 at pp. 30-33 (Campbell Dep.).

During the depositions of Greene, Campbell, and Lisa Nelson (head of scoring for plaintiffs), it was revealed that Fair Isaac had conducted "scenario modeling," whereby projections were prepared that included what would have been the likely impact of a settlement with Equifax on VantageScore. Greene testified that Fair Isaac employees Nelson, head of scoring, and Keri Kramers-Dove, one of Nelson's associates, had conducted scenario modeling of its scoring business with and without the Equifax partnership prior to seeking approval from the Board for the Equifax settlement agreement. Gant Decl., Ex. 9 at pp. 241-44 (Greene Dep.). Greene indicated that the modeling projected that it was fairly likely Fair Isaac's business would suffer substantial double-digit declines in the absence of the Equifax deal, and Fair Isaac's business would be substantially stabilized, although not return it to "great growth," with the Equifax partnership. Id. at p. 242. This analysis, which was prepared with the involvement of Fair Isaac's General Counsel Mark Scadina, was delivered by Greene to the Board at a meeting in which Scadina was present. Id. at pp. 243. 257; see also Declaration of Mark Scadina ("Scadina Decl."), ¶¶ 2, 5. Campbell testified that "[e]verything I can recall along those lines [analysis of revenue flows and royalty rates] was done with attorneys involved, in and fact most of the time at their direction." Gant Decl., Ex. 7, p. 167 (Campbell Dep.).

Nelson testified that projections were performed regarding revenue and cost implications for Fair Isaac as it related to the possible partnership with Equifax. Gant Decl., Ex. 11 (Nelson Dep.) at pp. 120-21. According to Nelson, the projections were developed based on a request by Scadina and the Board of Directors to determine if the partnership would be a good "business deal" and that Scadina was very involved in the negotiations. Id. at pp. 121-22, 125. Both Greene and Campbell testified that Fair Isaac conducted joint estimates with Equifax of the projected revenue opportunities presented by the possible partnership. Id., Ex. 7 at p. 168 (Campbell Dep.); Ex. 10 at pp. 346-47 (Second Greene Dep.). Greene, Nelson and Campbell refused to answer further questions regarding the substance of the projections for the proposed Equifax agreement on basis that their answers would reveal attorney-client communications or attorney work-product. Id., Ex. 7 at p. 167, 180-81 (Campbell Dep.); Ex. 10 at pp. 331-37 (Second Greene Dep.); Ex. 11 (Nelson Dep.) at pp. 125,140.

Scadina stated in his Declaration that when Fair Isaac's Board of Directors was considering a potential settlement with Equifax, Kramers-Dove, Vice President of

Product Management at Fair Isaac, prepared at Scadina's request and under his guidance and direction, projections of scoring revenue that Fair Isaac might receive over a period of several years if it did or did not enter a settlement with Equifax. Scadina Decl., ¶¶ 2-3; see also Declaration of Keri Kramers-Dove ("Kramers-Dove Decl."), ¶¶ 2-3. These analyses took into account the reaction from the other defendant bureaus regarding the settlement and legal advice regarding the litigation. Scadina Decl., ¶ 3. According to Scadina, the projections were a part of a larger packet of legal advice and analysis that was prepared for, and that the Board of Directors, inside counsel and outside counsel considered, in deciding whether to enter into a settlement with Equifax. Scadina Decl., ¶ 4. The legal advice included discussions of the potential outcomes of the litigation, the anticipated costs of litigation, and issues related with only settling with one party; the discussions were confined to members of the Board, a limited number of high-level management personnel of the company, and in-house lawyers. Id. ¶¶ 4-5. Scadina represented that the revenue projections prepared by Kramers-Dove were not prepared in the ordinary course of business, but rather were prepared solely for assisting the Board in determining whether and on what terms to settle the litigation with Equifax. Id., ¶ 6. The only outside persons who saw or participated in the analyses and communications regarding the possible settlement with Equifax were outside counsel. Id. ¶ 5. Scadina also stated the following:

> Ms. Kramers-Dover was asked to develop the revenue projections as a critically important component of the company's overall discussion and analysis of its legal strategy in this lawsuit and the projections necessarily had to take into account legal advice regarding this lawsuit, the historical bureau agreements with Fair Isaac, and the desirability and feasibility of entering into a settlement with Equifax. This information was critical to the Board's decision of whether to settle this suit against Equifax, and involved a great deal of attorney-work product and legal advice.

> If the revenue projections that Ms. Kramers-Dove prepared at my direction or certain other analyses relating to the settlement with Equifax were to be disclosed to the defendants, Fair Isaac's attorney-work product, including the manner in which it would assess a potential settlement with the other defendants, would be revealed to the other defendants' counsel and this disclosure could be very damaging to Fair Isaac and the prospect of any additional settlement discussions with the remaining defendants.

Id., ¶¶ 7-8.

Kramers-Dove stated in her Declaration that the type of revenue projections she prepared for Scadina were not the type of projections that were normally prepared for Fair Isaac when it was considering a new agreement with a bureau, in that it took into account the further losses that Fair Isaac believed it might suffer from VantageScore if no settlement with Equifax was reached, the reaction by the other bureaus that a settlement with Equifax would prompt, and Scadina's legal advice in relation to the present litigation. Kramers-Dove Decl., ¶ 4. Kramers-Dove also indicated that in other situations involving the review or approval of the terms of a business arrangement with a bureau, the Board of Directors is not involved; in this case, Fair Isaac's Board of Directors participated in the discussions surrounding the arrangement with Equifax because it involved the settlement of the lawsuit with Equifax. Id., ¶ 5.

On June 17, 2008, defendants issued their Tenth Set of Request for the Production of Documents seeking the projections and analyses discussed during the depositions of Greene, Campbell, and Nelson:

> **Request 3:** All documents prepared by or on behalf of Fair Isaac analyzing, assessing or evaluating any actual or proposed agreement or amendment or addendum to any agreement related in any way to the settlement between Equifax and Fair Isaac announced on June 10, 2008 including but not limited to any documents containing strategy, forecasts, or projections for Fair Isaac's scoring

> business in light of any such actual or proposed agreements, amendments or addenda.
>
> **Plaintiffs' Response to Request 3:** Fair Isaac objects to this Request to the extent it seeks documents protected by the attorney-client privilege or the work-product doctrine. Fair Isaac objects to this request on the grounds that it is overbroad, unduly burdensome, vague and ambiguous.

Gant Decl., Exs. 8, 12; see also Memorandum of Law in Support of Defendants' Motion to Compel Plaintiffs to Provide Discovery of Non-Privileged Business Analyses Related to Business Agreements between Equifax and Fair Isaac ("Defs.' Mem.") at pp. 9-10.

Defendants now move this Court for an order compelling the production of documents responsive to Request No. 3. In particular, defendants have asked that the following documents be produced:

- the analyses of the impact of the Equifax deal on its scoring business and/or the scoring marketplace;
- the analysis (referred to herein and the "Projections") and related documents(s), about which CEO Dr. Mark Greene testified at his deposition;
- any joint analyses conducted by Equifax and Fair Isaac; and
- witnesses, including CEO Greene and the head of scoring Lisa Nelson, to testify concerning the above analyses.

See Defs.' Mem. at p. 4.

In response, Fair Isaac objected to the production of these documents on the grounds that any production of such documents is premature under this Court's Third Amended Pretrial Scheduling Order, which does not require the production of documents generated after February 18, 2008 until March 1, 2009. See Plaintiffs' Memorandum of Law in Opposition to Defendant's Motion to Compel Plaintiffs to Provide Discovery of Non-Privileged Business Analyses Related to Equifax ("Pls.' Mem.") at pp. 9-11. Fair Isaac also contended that the requested projections and other analyses are protected from disclosure under the work-product doctrine and the attorney-client privilege. Id. at pp. 11-21. Finally, to the extent that this Court grants relief as to Request No. 3, Fair Isaac asked that defendants not be allowed to re-depose Greene, Campbell, and Nelson regarding documents defendants have yet to see. Id. at pp. 21-22.

II. STANDARD OF REVIEW

Parties may obtain discovery regarding any matter, not privileged, that is relevant to the claim or defense of any party. See Fed. R. Civ. P. 26(b)(1) ("parties may obtain discovery regarding any matter, not privileged, that is relevant to the claim or defense of any party."); see also Minnesota Specialty Crops, Inc. v. Minnesota Wild, 210 F.R.D. 673, 675 (D. Minn. 2002) ("Generally, discovery may inquire into all information, not otherwise privileged, that is relevant to the subject matter of the action, provided that it is reasonably calculated to lead to the discovery of admissible evidence."). "The party asserting the attorney-client privilege or the work-product doctrine bears the burden to provide a factual basis for its assertions." Triple Five of Minnesota, Inc. v. Simon, 212 F.R.D. 523, 528 (D. Minn. 2002) (citing Hollins v. Powell, 773 F.2d 191, 196 (8th Cir. 1985)); see also In re Grand Jury Proceedings, 791 F.2d 663, 666 (8th Cir. 1986).

III. DISCUSSION

A. Production of Documents Under the Pretrial Scheduling Order

Fair Isaac has objected to the production of the documents sought by Request No. 3 on the grounds that any production of such documents is premature under this Court's Third Amended Pretrial Scheduling Order, which provides in relevant part that "[d]ocuments dated or created on or after February 16, 2008, and through December 1, 2008" shall be produced on March 1, 2009. January 14, 2008 Third Amended Pretrial Scheduling Order [Docket No. 267].

The parties do not dispute that documents related to the settlement with Equifax were generated after February 16, 2008. Nevertheless, defendants countered that they are entitled to immediate production of documents responsive to Request No. 3 based on this Court's June 27, 2008 Fourth Amended Pretrial Scheduling Order [Docket No. 374]. See Defendants' Reply Memorandum in Support of Motion to Compel Plaintiffs to Provide Discovery of Non-Privileged Business Analyses Related to Business Agreements between Equifax and Fair Isaac ("Defs.' Reply Mem.") at p. 2.

The Fourth Amended Pretrial Scheduling Order added the following language that bears on this dispute:

> Plaintiffs' response to the document requests that defendants served on June 17, 2008, shall be served on or before July 2, 2008, and any production of documents in response to those requests, subject to the plaintiffs' objections, shall be served on defendants on or before July 10, 2008.

July 27, 2008 Fourth Amended Pretrial Scheduling Order [Docket No. 374] (emphasis omitted). Based on to the plain language of the Fourth Amended Pretrial Scheduling Order, this Court concludes that Fair Isaac had an obligation to produce documents responsive to Request No. 3 on or before July 10, 2008; it cannot wait until March 2009 to produce responsive documents to the extent they are not protected by the work product doctrine or the attorney-client privilege.

B. Work Product Doctrine

Before this Court addresses the particular dispute presented by defendants' motion, it first examines the general principals of the work product doctrine that govern its analysis.

Fed. R. Civ. P. 26(b)(3) defines work product materials as: 1) documents and tangible things; 2) prepared in anticipation of litigation or for trial; and 3) by or for another party or by or for that other party's representative. See Onwuka v. Fed. Express Corp., 178 F.R.D. 508, 512 (D. Minn. 1997) (citing Fed. R. Civ. P. 26(b)(3)) (citations omitted). The "scope of the work-product protection is broader than that of the attorney-client privilege since items protected by the work-product doctrine are not confined to confidential communications between an attorney and a client, but extends protection to all 'documents and tangible things' that have been prepared in anticipation of litigation, or for trial." Onwuka, 178 F.R.D. at 512 (citation omitted). While historical facts are not protected from production, "when those facts are collated or categorized by legal counsel they may well be entitled to protection from disclosure under the work-product doctrine.'" Lumber v. PPG Industries, Inc., 168 F.R.D. 641, 646 (D. Minn. 1996) (citing Shelton v. American Motors Corp., 805 F.2d 1323, 1326 (8th Cir. 1986)); see also Maloney v. Sisters of Charity Hosp. of Buffalo, N.Y., 165 F.R.D. 26, 30 (W.D.N.Y. 1995) (finding statistical information and analysis prepared by employee at attorney's direction to aid in the evaluation of prospective employment discrimination or labor law claims anticipated from a reduction-in-force constituted work product). Further, as the Eighth Circuit has instructed, while there is no work product protection for documents prepared in the regular course of business even where litigation is anticipated, the work product doctrine will protect documents "prepared or obtained because of the prospect of litigation." Simon v. G.D. Searle & Co., 816 F.2d 397, 401 (8th Cir. 1987), cert. denied, 484 U.S. 917 (1987) (emphasis added) (quoting 8 C. Wright & A. Miller, Federal Practice and Procedure § 2024, at 198-99 (1970)); see also Lumber, 168 F.R.D. at 646 ("[T]he mere involvement of an attorney, in the ordinary business activities of a party, cannot legitimately shield those activities from discovery.") (citing Mission Nat'l Ins. Co. v. Lilly, 112 F.R.D. 160 (D. Minn. 1986)). Consequently, where a document is created because of litigation, it will not lose its protection "merely because it is created in order to assist with a business decision." United States v. Adlman, 134 F.3d 1194, 1202 (2d Cir. 1998) (citing among various authorities, 8 Wright, Miller, & Marcus, Federal Practice and Procedure, § 2024 (2d ed. 1994), and Simon, 816 F.2d at 401) (emphasis added); see also General Elec. Co. v. Johnson, No. Civ.A.00-2855(JDB), 2006 WL 2616187 at *11 (D.D.C. Sept. 12, 2006) ("With respect to a document that was generated for more than one purpose, the work-product doctrine will only apply if litigation played a substantial role in its creation.") (citations omitted); Boss Mfg. Co. v. Hugo Boss AG, No. 97 CIV. 8495 (SHS/MHD), 1999 WL 47324 at *1, 4 (S.D.N.Y., Feb. 1, 1999) (finding that documents which addressed both the settlement of a lawsuit with a third party and the renegotiation of an agreement between defendant and plaintiff for the purpose of permitting defendant to settle a suit with that third party, were governed by the work product rule because "their creation was motivated by actual or anticipated litigation.") (citing Adlman, 134 F.3d at 1202). Thus, the determination of whether "'the document can fairly be said to have been prepared . . . because of the prospect of litigation'" "really turns on whether it would have been prepared irrespective of the [litigation]." Adlman, 134 F.3d at 1202 (citing Wright & Miller, § 2024 at 343). Stated otherwise:

> If the district court concludes that substantially the same Memorandum would have been prepared in any event--as part of the ordinary course of business of undertaking the restructuring--then the court should conclude the Memorandum was not prepared because of the expected litigation and should adhere to its prior ruling denying the protection of the Rule.
>
> On the other hand, if the court finds the Memorandum would not have been prepared but for Sequa's anticipation of

> litigation with the IRS over the losses generated by the restructuring, then judgment should be entered in favor of Sequa.

Id.

Finally, courts have consistently held that while settlement agreements may be discoverable under certain circumstances, the processes and analyses used by a party to arrive at the settlement are protected by the work product doctrine, and it does not matter whether the analyses was performed by an attorney or an employee or agent of the party. See e.g, General Elec. Co., 2006 WL 2616187 at *11 (citations omitted) ("The term 'litigation' is interpreted broadly to encompass not only trials and other judicial proceedings, but also adversarial administrative matters, settlement negotiations, and the avoidance of anticipated litigation.") (emphasis added); Coltec Industries v. American Motorists Insurance Company, 197 F.R.D 368 (N.D. Ill. 2000) (finding evaluations of settlement demands based on legal advice of attorney which were prepared by account specialists and sent to vice-president to be privileged); International Marine Carriers, Inc., v. United States, No. 95 Civ. 10670 (JGK)(MHD), 1997 WL 160371 at * 2 (S.D.N.Y. Apr. 4, 1997) (finding that transmittal memorandum, an analysis and a spreadsheet prepared by an non-attorney at request of counsel and sent to counsel and client to assist in facilitating a possible settlement of anticipated litigation to be protected by the work product rule, and "the stated purpose of assisting the pursuit of settlement negotiations is fully consistent with the intended scope of the rule") (citations omitted); In re Subpoena Duces Tecum Served on Rosenman & Colin, No. M8-85 (RLE). 3:92 CV 00301-WWE, 1996 WL 527331 at *5 (S.D.N.Y. Sept. 16, 1996) ("Similarly, the attorneys' drafts, notes and research concerning the settlement are protected by the work product privilege and, if involving the client, may also be protected by the attorney-client privilege."); Koch Industries, Inc. v. Columbia Gas Transmission Corp., Civ. A. 89-2156, 1990 WL 72789 at *2 (E.D. La. May 29, 1990) ("Magistrate Chasez was not "clearly erroneous" when she granted Koch's protective order forbidding Columbia from the discovery of information used to determine whether to settle and the processes used by Koch to determine whether to settle. The information Koch considered important and the processes it used to settle the case are covered by the work product privilege."); Cook v. Boorstin, C.A. No. 82-0400 NHJ/PJA, 1987 WL 25446 at *1-2 (D.D.C. Nov. 19, 1987) (finding document containing financial data reflecting defendant's potential monetary liability prepared by client at attorney's direction to assist attorney in evaluation of potential exposure and for settlement discussions to be privileged).

Applying these precepts, this Court now turns to the motion at hand.

1. Projections and Analyses Prepared by Nelson and Kramers-Dove

Defendants asserted that the work product doctrine is inapplicable to the projections and analyses prepared by Nelson and Kramers-Dove because the analysis of business implications of entering into deals is nothing more than a routine business decision, and the admitted purpose of the analyses sought by Request No. 3 was to assess the business impact of entering into a business deal with Equifax. See Defs.' Mem. at p. 21. In response, Fair Isaac asserted that the projections and analyses sought by Request No. 3 qualify as attorney work-product because they were prepared at the direction of its inside counsel for the purpose of assisting in the possible settlement of pending litigation with Equifax. See Pls.' Mem. at pp. 14-18. Defendants countered that while an attorney's evaluation of the risks and benefits of litigation is attorney work product, an evaluation of a settlement offer itself involves only the payment of dollars or similar straightforward considerations. See Defs.' Reply at p. 3.

As a preliminary matter, this Court notes that projections and analyses of its scoring business and the underlying data compiled at the request of attorney Scandia may enjoy the protection from disclosure under the work product doctrine. See e.g. In re Grand Casinos, Inc., 181 F.R.D. at 622 (quoting Lumber, 168 F.R.D. at 646) ("'Plaintiffs may lawfully assert a privilege as to a chart or other compilation of facts, that was specifically generated to respond to a specific request from legal counsel. . . .'"). More importantly, however, defendants' arguments ignore the record. The projections and analyses sought by defendants were not compiled merely at the request of Scadina; they also involved an assessment of the other defendants' reaction to a settlement with Equifax, and Scadina's legal advice regarding the litigation. See Scadina Decl, ¶ 3; Kramers-Dove Decl., ¶ 4. Further, unlike the facts presented in Simon and other cases relied upon by defendants, the projections and analyses performed by Nelson and Kramers-Dove at the behest of Scadina were developed for one reason and one reason only: because of the instant litigation. Specifically, they were prepared to assist the Board of Directors in determining whether and on what terms to settle the litigation with Equifax, and were a part of a larger packet of legal advice and analysis considered by the Board, senior management, inside counsel and outside counsel regarding the potential outcomes of the litigation, the anticipated costs of litigation, and issues related with only settling with one party. See Scadina Decl., ¶¶ 3-5. These revenue projections were not prepared in the ordinary course of business, but rather were created solely to assist the Board in determining whether and on what terms to settle the litigation with Equifax. Id., ¶ 6; Kramers-Dove Decl., ¶¶ 4-5. The only outside persons who saw or participated in the analyses and communications regarding the possible settlement with Equifax were outside counsel. See Scadina Decl., ¶ 5. But for the litigation and the proposed settlement of the suit between Fair Isaac and Equifax, there is nothing before this Court to suggest that projections and analyses would have been generated by Nelson and Kramers-Dove.

The fact that the settlement contemplated a business resolution – as opposed to a payment of money or some other form of settlement – does not convert the analyses of the solution into a routine or ordinary business decision. Nor does the fact that the analyses or projections created by Nelson and Kramers-Dove were numbers or compilations suggest that what they constitute are historical facts underlying the suit. To the contrary, the record before this Court is unequivocal that the various projections and analyses constitute "settlement facts" that were generated as a result and because of the litigation.

At the end of the day, the dispute between the parties involves their ability to conduct business in the scoring industry. However, that ability is in part, being played out through the present litigation. Important to the successful resolution of this litigation is the ability of adversarial parties to resolve disputes through settlement and to devise, if they so choose, a business solution as opposed to some other form of resolution. If this Court were to order production of the projections and analyses that were requested by an attorney from his client's agents in order to assist decision-makers in their evaluation of a settlement of pending litigation, such an order would serve to impede an attorney's ability to advise their clients in the settlement context for fear of adversarial scrutiny. See In re Green Grand Jury Proceedings, 492 F.3d 976, 980 (8th Cir. 2007) (concluding that the work product doctrine serves to "assist the client in obtaining complete legal advice" and "establish a protected area in which the lawyer can prepare his case free from adversarial scrutiny."). This the Court will not do. Given the facts in this case, this Court concludes that the projections and analyses prepared by Nelson and Kramer-Dove were prepared or obtained because of litigation, as opposed to being generated in the regular course of business, and therefore, are appropriately characterized as attorney work product.

Having concluded that the Nelson and Kramer-Dove projections and analyses qualify as attorney work product does not end the analysis.

> There are two kinds of work product-ordinary work product and opinion work product. Ordinary work product includes [photographs and] raw factual information. See Gundacker v. Unisys Corp., 151 F.3d 842, 848 n. 4 (8th Cir. 1998). Opinion work product includes counsel's mental impressions, conclusions, opinions or legal theories. See id. at n. 5. Ordinary work product is not discoverable unless the party seeking discovery has a substantial need for the materials and the party cannot obtain the substantial equivalent of the materials by other means. See Fed. R. Civ. P. 26(b)(3). In contrast, opinion work product enjoys almost absolute immunity and can be discovered only in very rare and extraordinary circumstances, such as when the material demonstrates that an attorney engaged in illegal conduct or fraud. See In re Murphy, 560 F.2d 326, 336 (8th Cir. 1977).

Baker v. General Motors Corp., 209 F.3d 1051, 1054 (8th Cir. 2000); see also In re Green Grand Jury, 492 F.3d at 980 (same).

While Fair Isaac attempts to characterize the work product at issue as opinion work product (see Pls.' Mem. at p. 18), this Court is reticent to conclude on this record that the projections and analyses, by non-lawyers, constitute a reflection of an attorney's or other representative's mental impressions, conclusions, opinions, or legal theories concerning the litigation, where all that this Court has before it are the general statements of Scadina and Kramer-Dove that these projections "took into account"

Scadina's legal advice and an assessment of the defendant bureaus' reaction to a settlement with Equifax. See Scadina Decl, ¶ 3; Kramers-Dove Decl., ¶ 4. However, even assuming that these projections and analyses only constituted "ordinary" or "fact work product," this Court finds that defendants have not met the requirements to obtain the information.

Defendants claim that they have substantial need of the revenue projections and analyses, uniquely in the possession of Fair Isaac, because they are "highly relevant" to Fair Isaac's claim in its Second Amended Complaint that it will be driven from the scoring industry due to a lack of access to credit data and distribution. See Defs.' Mem. at p. 22. According to defendants, it is unfair for Fair Isaac's witnesses to contend that the agreement with Equifax will not prevent harm to Fair Isaac's scoring business while at the same time not producing the facts, including the projections that the witnesses considered in entering into the agreement with Equifax. Id. at pp. 22-23. In other words, defendants' assertion of substantial need is that the documents are "highly relevant" and could provide useful impeachment material as to Greene, Campbell and Nelson. In opposition, Fair Isaac submitted that defendants' experts, armed with Fair Isaac's agreements with Equifax, have all of the data necessary to perform their own analysis of what Fair Isaac's revenue might be under the agreements. See Pls.' Mem. at pp. 18-19.

The fact that the projections and analyses are relevant to the dispute is neither here nor there in deciding whether defendants have met the "good cause" standard to require production. See Fed. R. Civ. P. 26(b) 1970 advisory committee's notes ("As to trial-preparation materials, however, the courts are increasingly interpreting "good cause" as requiring more than relevance. When lawyers have prepared or obtained the materials for trial, all courts require more than relevance; so much is clearly commanded by Hickman.") The presumption is that the information is indeed relevant; the issue is whether the work product doctrine precludes its disclosure. Further, the desire to gather what defendants speculate will be impeaching evidence does not alone overcome the protections of the work product doctrine.[1] See Banks v. Wilson, 151 F.R.D. 109, 114 (D. Minn. 1993). Most critically, defendants have not provided this Court with any evidence to refute Fair Isaac's assertion that defendants' experts have all of the data necessary to perform their own analysis of what Fair Isaac's revenue might be under the agreement with Equifax. In other words, defendants have not shown this Court, through competent evidence, that they cannot perform their own analyses of the possible scoring revenues that Fair Isaac will obtain as a result of the agreement with Equifax without use of Fair Isaac's work product. As the Advisory Committee Notes observe: "the requirement of a special showing for discovery of trial preparation materials reflects the view that each side's informal evaluation of its case should be protected, that each side should be encouraged to prepare independently, and that one side should not automatically have the benefit of the detailed preparatory work of the other side." Fed. R. Civ. P. 26(b) 1970 advisory committee's notes; see also FMC Corp. v. Vendo Co., 196 F. Supp.2d 1023, 1048 (E.D. Cal. 2002) ("There is a strong policy against permitting a non-diligent party from free-riding off the opponent's industry and diligence.") (citing Ager v. Jane C. Stormont Hospital, 622 F.2d 496, 502

[1] This Court notes that defendants have access to the emails, press releases and representations to shareholders made by Greene touting the benefits of the agreement with Equifax, all of which they will be able to use for impeachment purposes. See Gant Decl., Exs. 4, FIC1397275 (June 10, 2008 Greene Email), FIC1297276 (Fair Isaac Press Release); 5 (June 11, 2008 Minneapolis Star Tribune Article); 6 (Transcript of July 23, 2009 Earnings Conference Call).

(10th Cir. 1980) (noting that "the structure of rule 26 was largely developed around the doctrine of unfairness designed to prevent a party from building his own case by means of his opponent's financial resources, superior diligence and more aggressive preparation")); In re Shell Oil Refinery, 132 F.R.D. 437, 443 (E.D. La. 1990) (applying Rule 26(b)(4)(B)'s "intended purposes of protecting trial strategy and preventing one party from having a free ride at the expense of the other party"); Wolt v. Sherwood, 828 F. Supp. 1562, 1568 (D. Utah 1993) ("The rule is designed to promote fairness by precluding unreasonable access to an opposing party's diligent trial preparation.")).[2] For all of these reasons, this Court finds that defendants have not met their burden of showing substantial need of the projections and analyses for the preparation of their case, and that they are unable without undue hardship to obtain the substantial equivalent of the information in the materials by other means.

In sum, this Court concludes that the projections and analyses sought by defendants through Document Request No. 3 qualifies for protection from production under the work product doctrine and defendants have not met their burden to obtain this information.[3] Therefore, defendants' motion to compel is denied.[4] As a result of this

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2 In some sense, what Nelson and Kramers-Dove were asked to create by Scadina is not unlike what a consulting expert is often asked to do during the course of litigation. As defendants well know, the product of a party's consulting expert, including an in-house consulting expert, cannot be obtained, except "on showing exceptional circumstances under which it is impracticable for the party to obtain facts or opinions on the same subject by other means." See Fed. R. Civ. 26(b)(4)(B)(ii); In re Shell Oil Refinery, 132 F.R.D. at 441 (applying Rule 26(b)(4)(B) to non-testifying in-house experts).

3 Given that this Court has found that the documents sought by Request No. 3 are protected from disclosure under the work product doctrine, it does not reach the issue of whether the documents are also protected by the attorney-client privilege. Nevertheless, while Fair Isaac provided this Court very little information regarding Scadina's communications with Kramers-Dove that lead to the development of the projections and analyses, the evidence this Court has before it – that the projections

ruling, this Court also denies defendants' motion to compel as it relates to their request to re-depose Nelson, Campbell, and Greene of Fair Isaac regarding documents responsive to Request No. 3.

2. Joint Estimates

Both Greene and Campbell testified that Fair Isaac conducted joint estimates with Equifax of the future revenue opportunities presented by the possible partnership. Gant Decl., Ex. 7 at p. 168 (Campbell Dep.); Ex. 10 at pp. 346-47 (Second Greene Dep.). While defendants stated that they were seeking these joint estimates (Defs. Mem. at p. 4), the only support for this request was their conclusory statement in a footnote that "any argument that such analyses are privileged or work product is frivolous." See Defs.' Mem. at p. 12 n. 13. Fair Isaac never addressed this request or

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and analyses were prepared at the request of Scadina, involved his legal advice regarding the suit, and were presented to the Board of Directors as part of a privileged communication involving the Board, inside and outside counsel regarding possible settlement with Equifax – suggests that the projections and analyses may very well be subject to the attorney-client privilege.

[4] Defendants asked for an in camera inspection of documents and order compelling a privilege log from Fair Isaac. However, these requests for relief were not requested in either in defendants' motion to compel or in their proposed order to the Court. Regardless, this Court does not find that an in camera inspection is necessary for this Court to make a proper ruling given the adequate description of the withheld documents provided in the materials supporting and opposing defendants' motion to compel. As to defendants' request for a privilege log, this Court reminds plaintiffs of their obligation to supplement their privilege log within 15 days after the date documents responsive to the Defendants' Ten Set of Requests for Production of Documents were due to be served. See Fifth Amended Pretrial Scheduling Order ("For any documents withheld on the basis of privilege in response to document requests served after the date of this Order, the withholding party must produce a supplemental privilege log for those related documents within 15 days after the documents responsive to the requests were served.") [Docket No. 400]. This language has been in place since January 14, 2008. See Third Amended Pretrial Scheduling Order [Docket No. 267].

"argument" in their responsive submission.[5] Lacking any discussion or analysis by either side on these joint estimates (e.g., why it is or is not privileged or protected, or why the sharing of the information by competitors does or does not amount to a waiver,[6] or the applicability of Rule 408 of the Federal Rules of Evidence),[7] this Court denies defendants' request for the information.

C. Document Request No. 2 from Defendants' Tenth Set of Request for the Production of Documents

Defendants asserted for the first time in their reply memorandum of law that while Fair Isaac had at one point agreed to respond to Document Request No. 2 from Defendants' Tenth Set of Request for the Production of Documents, they have since decided to withhold documents responsive to this request. See Reply at p. 6. Defendants acknowledged that they had not asked for an order compelling documents responsive to Request No. 2 in their Motion to Compel and that their proposed order to the Court also made no such mention for such relief. See Reply at p. 7. Given that this issue is not properly before this Court and it does not have an adequate record before it

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5 This Court finds that defendants have not complied with Local Rule 37.2, which addresses discovery motions and states that in motions involving document requests the moving party's memorandum must set forth shall set forth "a concise recitation" of why the response or objection is improper.

6 Compare, Kiln Underwriting LTD., v. Jesuit High School of New Orleans, NO. CIV. A. 06-04350, CIV. A. 06-05060, CIV. A. 06-05057, 2008 WL 4190991 at *8 (E.D. La. Aug. 27, 2008) (concluding that while a nonsettling party may discover a settlement agreement between two parties, it cannot discover those communications between the settling parties leading up to the settlement agreement, "which may be protected by the work product or attorney-client privilege doctrines."), with In re Chrysler Motors Corp. Overnight Evaluation Program Litigation, 860 F.2d 844, 846 (8th Cir. 1988) ("Disclosure to an adversary waives the work product protection as to items actually disclosed, even where disclosure occurs in settlement.") (citations omitted).

7 Fed. R. Evid. 408(a)(2) prohibits the use of "conduct or statements made in compromise negotiations regarding the claim."

to proceed on such a request, it cannot grant any relief to defendants as to the production of documents that may be responsive to Request No. 2.

J.S.M.