

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

CAVE CONSULTING GROUP, INC.,  
Plaintiff,  
v.  
OPTUMINSIGHT, INC.,  
Defendant.

Case No. [15-cv-03424-JCS](#)

**ORDER REGARDING DISCOVERY  
LETTER BRIEF**

Re: Dkt. No. 209

**I. INTRODUCTION**

In accordance with the procedures set by this Court for raising discovery disputes, Plaintiff Cave Consulting Group, Inc. (“CCGroup”) and OptumInsight, Inc. have met and conferred in person and filed a joint letter brief raising six issues. *See generally* Joint Letter (dkt. 209). The Court heard argument on November 3, 2017, and now resolves those disputes as follows.<sup>1</sup>

**II. DISPUTE REGARDING THE PREVIOUS DISCOVERY ORDER**

**A. Procedural Background**

On October 25, 2016, the Court issued an order granting in part and denying in part CCGroup’s motion to compel documents based on waiver of the attorney-client privilege and the work product doctrine. *See generally* Order Re Mot. to Compel (dkt. 138).<sup>2</sup> The Court held that OptumInsight’s predecessor Symmetry, Inc. waived attorney-client privilege as to certain topics by offering in a USPTO reexamination proceeding its attorney’s affidavit regarding the conception date of U.S. Patent No. 5,835,897 (the “897 patent”) and whether Symmetry’s 1994 response to a

---

<sup>1</sup> The parties have consented to the jurisdiction of the undersigned magistrate judge for all purposes pursuant to 28 U.S.C. § 636(c).  
<sup>2</sup> *Cave Consulting Grp., Inc. v. OptumInsight, Inc.*, No. 15-cv-3424-JCS, 2016 WL 6216696 (N.D. Cal. Oct. 25, 2016), *amended and superseded* by 2016 WL 7475820. Citations herein to this Court’s previous orders refer to the pagination of the versions in the Court’s ECF docket.

1 request for proposal (“RFP”) from Aetna constituted an invalidating offer for sale. *Id.* at 16. The  
2 Court determined that the waiver continued as to documents created and communications  
3 occurring after the date of disclosure, and that it applied to OptumInsight after its merger with  
4 Symmetry in 2007, but set a cutoff date of April 28, 2014 to allow OptumInsight to defend itself  
5 fairly and effectively in the case at hand. *Id.* at 16, 18–19.

6 With respect to work product protection, the Court relied on the Federal Circuit’s  
7 explanation of how waiver applies to that doctrine: “[W]ork product waiver is not a broad waiver  
8 of all work product related to the same subject matter like the attorney-client privilege. Instead,  
9 work-product waiver only extends to “factual” or “non-opinion” work product concerning the  
10 same subject matter as the disclosed work product.” *Id.* at 13 (quoting *In re EchoStar Commc’ns*  
11 *Corp.*, 448 F.3d 1294, 1302 (Fed. Cir. 2006)). Applying that rule to the case at hand, the Court  
12 held as follows:

[Work product] protection is waived by Symmetry’s disclosure of  
the process by which [its counsel] Rosenbaum reached his legal  
conclusion that the ’897 patent was not subject to a statutory bar as a  
result of the Aetna RFP Response and “decided to file the  
information . . . in the . . . Information Disclosure Statement.” *See*  
Brophy Decl. Ex. B (Rosenbaum Aff.) ¶¶ 5–8. Where Symmetry  
presented its counsel’s investigation and legal conclusion as a sword  
to persuade the USPTO to rule in its favor in the reexamination, it  
cannot also rely on the work product doctrine as a shield to bar  
discovery of documents prepared or gathered during that  
investigation and that serve as a basis for that legal conclusion, nor  
other material related to the same subject matter. *Cf. EchoStar*, 448  
F.3d at 1304 (discussing waiver of work product protection where a  
client asserts an advice of counsel defense). Such waiver is limited  
to the same scope as the attorney-client privilege waiver discussed  
above, including the cutoff date of April 28, 2014. Moreover, work  
product protection is waived only as to “‘factual’ or ‘non-opinion’  
work product”; there is no waiver as to counsel’s “mental  
impressions, conclusions, opinions, or legal theories.” *See id.* at  
1302 (citation omitted).

13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24 *Id.* at 18 (ellipses in original). The parties’ present dispute focuses on the last sentence of the  
25 passage above, addressing the distinction between “fact” and “opinion” work product.

26 OptumInsight moved for reconsideration of that order, or in the alternative for leave to file  
27 an interlocutory appeal. The Court denied that motion as to reconsideration but granted leave to  
28 appeal, and issued an amended order identical to the first order on the motion to compel except for

1 the addition of a paragraph finding the matter suitable for interlocutory appeal pursuant to 28  
2 U.S.C. § 1292. *See* Order Denying Leave to File Mot. for Reconsideration (dkt. 160);<sup>3</sup> Am. Order  
3 Re Mot. to Compel (dkt. 161)<sup>4</sup> at 22. The Federal Circuit disagreed with this Court’s conclusion  
4 that § 1292 applied and therefore dismissed the appeal, but noted that its dismissal was without  
5 prejudice to OptumInsight petitioning for mandamus. *See Cave Consulting Grp., Inc. v.*  
6 *OptumInsight, Inc.*, No. 2017-108 (Fed. Cir. Feb. 24, 2017) (unpublished, available in the record  
7 of this case at dkt. 168). OptumInsight subsequently petitioned for mandamus, arguing primarily  
8 that this Court erred in applying Symmetry’s waiver to OptumInsight after the two companies  
9 merged, and although the Federal Circuit held mandamus review to be appropriate, it held that this  
10 Court did not abuse its discretion and therefore declined to grant relief. *In re OptumInsight, Inc.*,  
11 No. 2017-116, 2017 U.S. App. LEXIS 13483 (Fed. Cir. July 20, 2017) (available in the record of  
12 this case at dkt. 200). The Federal Circuit’s order does not address the scope of waiver of work  
13 product protection separately from waiver of attorney-client privilege, nor does it address the  
14 distinction between “fact” and “opinion” work product. *See id.*

15 **B. Present Arguments**

16 In the joint letter now before the Court, CCGroup argues that “OptumInsight contends that  
17 it is entitled to continue withholding all post-merger attorney-client communications because those  
18 documents constitute opinion work product,” a position that CCGroup contends conflicts with  
19 OptumInsight’s prior representations regarding the vast scope of documents affected by the  
20 Court’s previous order. Joint Letter at 1. Based on *EchoStar*, CCGroup argues that OptumInsight  
21 should be required to produce its attorneys’ opinion letters and similar documents so long as they  
22 were disclosed to the client (OptumInsight), treating only documents maintained internally by  
23 OptumInsight’s counsel and not disclosed to OptumInsight as “opinion” work product exempt  
24 from the disclosure requirement. *Id.* at 1–2.

25 OptumInsight asserts that it in fact produced “approximately 1400 previously-privileged  
26

27 <sup>3</sup> *Cave Consulting Grp., Inc. v. OptumInsight, Inc.*, No. 15-cv-3424-JCS, 2016 WL 7475581 (N.D.  
Cal. Dec. 29, 2016).

28 <sup>4</sup> *Cave Consulting Grp., Inc. v. OptumInsight, Inc.*, No. 15-cv-3424-JCS, 2016 WL 7475820 (N.D.  
Cal. Dec. 29, 2016).

1 pages” before the Court issued its order and “more than 500 additional pages” in response to the  
2 Court’s order—of a total production of more than 1.4 million pages—and that CCGroup has not  
3 challenged any specific privilege log entries for documents that OptumInsight continues to  
4 withhold. *Id.* at 2. OptumInsight contends that “the Court’s citation of *Echostar* [sic] [does not]  
5 overrule[] decades of law establishing the lines between factual and opinion work product,” and  
6 that “*EchoStar* does not change . . . Ninth Circuit law.” *Id.* at 2–3.<sup>5</sup> Specifically, OptumInsight  
7 relies on the Ninth Circuit’s decision in *Republic of Ecuador v. Mackay*, 742 F.3d 860 (9th Cir.  
8 2014), where that court stated that “[o]pinion work product” represents the core types of work  
9 product protected under *Hickman*, namely an attorney’s mental impressions, conclusions, opinions  
10 or legal theories developed in anticipation of litigation” and that such work product “is virtually  
11 undiscoverable.” Joint Letter at 2 (quoting *Republic of Ecuador*, 742 F.3d at 869 n.3).

### 12 C. Analysis

13 As stated in the Court’s previous order, waiver of work product protection “occurs only  
14 ‘where disclosure of the otherwise [protected] documents is made to a third party, and that  
15 disclosure enables an adversary to gain access to the information.’” Am. Order Re Mot. to  
16 Compel at 13 (quoting *Nidec Corp. v. Victor Co. of Japan*, 249 F.R.D. 575, 578 (N.D. Cal.  
17 2007)). In such circumstances, “work-product waiver only extends to “factual” or “non-opinion”  
18 work product concerning the same subject matter as the disclosed work product.” *Id.* (quoting  
19 *EchoStar*, 448 F.3d at 1302).

20 The distinction between “fact work product” and “opinion work product” is perhaps most  
21 commonly applied in the context of Rule 26(b)(3) of the Federal Rules of Civil Procedure, which  
22 codifies work product protection but allows for discovery of protected material on a showing of  
23 substantial need, so long as the court “protect[s] against disclosure of the mental impressions,  
24

---

25 <sup>5</sup> OptumInsight appears to argue now that Ninth Circuit rather than Federal Circuit law applies to  
26 this dispute, despite having previously argued successfully to the Federal Circuit that Federal  
27 Circuit law governs the waiver doctrines at issue, *see In re OptumInsight*, 2017 U.S. App. LEXIS  
28 13483, at \*5, after earlier failing to persuade this Court that Ninth Circuit law applied, *see Opp’n*  
to Mot. to Compel (dkt. 129) at 3; Am. Order Re Mot. to Compel at 13 n.6. The Court continues  
to hold that Federal Circuit law applies, although, once again, it is not apparent that the outcome  
would differ under Ninth Circuit law.

1 conclusions, opinions, or legal theories of a party’s attorney or other representative concerning the  
 2 litigation.” Fed. R. Civ. P. 23(b)(3). The “virtually undiscoverable” language on which  
 3 OptumInsight now relies from *Republic of Ecuador* derives from a case considering that doctrine,  
 4 and holding that opinion work product is “virtually undiscoverable” based on a showing of need.  
 5 *See Dir., Office of Thrift Supervision v. Vinson & Elkins, LLP*, 124 F.3d 1304, 1307 (D.C. Cir.  
 6 1997) (citing Fed. R. Civ. P. 26(b)(3); *Upjohn Co. v. United States*, 449 U.S. 383, 401–02 (1981));  
 7 *see also Upjohn*, 449 U.S. at 401–02 (also considering the types of documents that can be obtained  
 8 based on a showing of need); *Republic of Ecuador*, 742 F.3d at 869 n.3 (quoting *United States v.*  
 9 *Deloitte LLP*, 610 F.3d 129, (D.C. Cir. 2010) (also considering the substantial need test and in turn  
 10 quoting *Vinson & Elkins*)).<sup>6</sup> It is not clear from *Republic of Ecuador* and similar authorities that  
 11 the same rule holds true where a party has waived work product protection as to certain subject  
 12 matter.

13 A divide between fact and opinion work product has also been adopted in cases, like here,  
 14 considering the scope of waiver. *EchoStar*, cited and relied on by this Court’s previous order, was  
 15 one such case, stating that “work-product waiver only extends to ‘factual’ or ‘non-opinion’ work  
 16 product concerning the same subject matter as the disclosed work product.” *See* 448 F.3d at 1302.  
 17 The Federal Circuit derived that test from a Fourth Circuit case, which described its reasoning as  
 18 follows:

19 We think that when there is subject matter waiver, it should not  
 20 extend to opinion work product for two reasons.

21 First and most generally, opinion work product is to be accorded  
 22 great protection by the courts. While certainly actual disclosure of  
 23 pure mental impressions may be deemed waiver, and while  
 24 conceivably there may be indirect waiver in extreme circumstances,  
 25 we think generally such work product is not subject to discovery.  
 26 While, as we recognized in *Duplan*, the Supreme Court’s reasoning  
 in [*United States v. Nobles*, 442 U.S. 225 (1975),] necessarily  
 implies that the privilege derived from the work product doctrine is  
 not in all cases absolute, *see Duplan [Corp. v. Deering Milliken,*  
*Inc.*, 540 F.2d 1215, 1223 (4th Cir. 1976)], the plain language

---

27 <sup>6</sup> *Republic of Ecuador* itself considered Rule 26(b)(3)’s clause providing that it is “subject to Rule  
 28 26(b)(4),” which in turn relates to information provided to expert witnesses—an issue distinct  
 from both the waiver doctrine at issue here and the substantial need test considered in cases like  
*Upjohn*, *Deloitte*, and *Vinson & Elkins*. *See Republic of Ecuador*, 742 F.3d at 868–71.

1 of Fed. R. Civ. P. 26(b)(3) suggests especial protection for opinion  
work product . . . .

2 Secondly, the underlying rationale for the doctrine of subject matter  
3 waiver has little application in the context of a pure expression of  
4 legal theory or legal opinion. As we noted in *Duplan*, the Supreme  
5 Court applied the concept in *Nobles*: [“]where a party sought to  
6 make affirmative testimonial use of the very work product which  
7 was then sought to be shielded from disclosure.[”] 540 F.2d at  
8 1223. There is relatively little danger that a litigant will attempt to  
use a pure mental impression or legal theory as a sword and as a  
shield in the trial of a case so as to distort the factfinding process.  
Thus, the protection of lawyers from the broad repercussions of  
subject matter waiver in this context strengthens the adversary  
process, and, unlike the selective disclosure of evidence, may  
ultimately and ideally further the search for the truth.

9 *In re Martin Marietta Corp.*, 856 F.2d 619, 626 (4th Cir. 1988); *see EchoStar*, 448 F.3d at 1302  
10 (citing *Martin Marietta*). The Fourth Circuit went on to hold that the party asserting the privilege  
11 had the burden to establish that documents it withheld contained opinion work product, and that  
12 documents should be produced with “pure legal theories, impressions, or opinions” redacted.  
13 *Martin Marietta*, 856 F.2d at 626. For example, as discussed in a footnote of that opinion,  
14 protection was waved as to transcripts of audit interviews as well as “notes and memoranda on  
15 these interviews . . . summarizing in substance and format the interview results,” but redaction  
16 would be appropriate for hypothetical “marginal notations on such documents such as: ‘This  
17 person does not appear to be credible; let’s not call him as a witness if we have to go to trial on  
18 this one.’” *Id.* at 626 n.2.

19 In *EchoStar*, the Federal Circuit applied the rule from *Martin Marietta* in the context of  
20 waiver through assertion of an advice-of-counsel defense, identifying three categories of work  
21 product at issue:

- 22 (1) documents that embody a communication between the attorney  
23 and client concerning the subject matter of the case, such as a  
24 traditional opinion letter; (2) documents analyzing the law, facts,  
25 trial strategy, and so forth that reflect the attorney’s mental  
26 impressions but were not given to the client; and (3) documents that  
discuss a communication between attorney and client concerning the  
subject matter of the case but are not themselves communications to  
or from the client.

27 *EchoStar*, 448 F.3d at 1302. The court quickly disposed of this first category, indicating that its  
28 finding of a waiver of attorney-client privilege resolved the issue as to work product protection as

1 well. *See id.* (stating only “as to the first category, we already noted in section A that when a party  
2 relies on the advice-of-counsel as a defense to willful infringement the party waives its attorney-  
3 client privilege for all communications between the attorney and client, including any  
4 documentary communications such as opinion letters and memoranda,” before moving on to the  
5 other two categories of work product). Later, in the context of addressing why the second  
6 category (opinions not disclosed to the client) were not discoverable, the court further explained  
7 its holding as to the first category:

8           Upon waiver of attorney-client privilege, communicative  
9 documents, such as opinion letters, become evidence of a non-  
10 privileged, relevant fact, namely what was communicated to the  
11 client, *see Nobles*, 422 U.S. at 239 n. 14, 95 S.Ct. 2160 (“[W]here ...  
12 counsel attempts to make a testimonial use of [work-product]  
13 materials the normal rules of evidence come into play with respect  
14 to . . . production of documents.”); however, counsel’s legal  
15 opinions and mental impressions that were not communicated do not  
16 acquire such factual characteristics and are, therefore, not within the  
17 scope of the waiver.

18           *Id.* at 1303–04. As a result, the only category that the *EchoStar* court characterized as “so-called  
19 ‘opinion’ work product” was the “second category of work product, which is never communicated  
20 to the client.” *Id.* at 1303. The court held that the third category was discoverable because even  
21 where such documents do not specifically recount what was communicated to the client, work  
22 product that “references a specific communication to the client . . . will aid the parties in  
23 determining what communications were made to the client and protect against intentional or  
24 unintentional withholding of attorney-client communications from the court,” although it  
25 instructed the parties to “take special care to redact” from such documents “legal analysis that was  
26 not communicated.” *Id.* at 1304.

27           Although the waiver in *EchoStar* was based on assertion of an advice-of-counsel defense,  
28 which CCGroup does not claim OptumInsight has asserted here, the rule as stated in that case does  
not rely on the reason for the waiver, only the fact that attorney-client privilege had been waived.  
*See id.* at 1303 (“Upon waiver of attorney-client privilege, communicative documents, such as  
opinion letters, become evidence of a non-privileged, relevant fact, namely what was  
communicated to the client . . .”). This Court is bound by the Federal Circuit’s statement of the

1 rule. *See* Am. Order Re Mot. to Compel at 13 n.6 (holding that Federal Circuit law governs  
2 waiver of privilege and work product protection in this case). Moreover, this framework comports  
3 with the fairness rationale of subject matter waiver, because it “prevent[s] a party from using the  
4 advice he received as both a sword, by waiving privilege to favorable advice, and a shield, by  
5 [thereafter] asserting privilege”—or work product protection—“to unfavorable advice.” *See*  
6 *EchoStar*, 448 F.3d at 1303. The opinions of counsel that Symmetry voluntarily disclosed in the  
7 reexamination proceeding regarding the conception date of the ’897 patent and related topics  
8 “ought in fairness to be considered together” with other opinions of counsel that Symmetry or  
9 post-merger OptumInsight received on those subjects. *See* Fed. R. Evid. 502(a)(3). As in  
10 *EchoStar*, the waiver of privilege as to those topics brings such opinions—to the extent actually  
11 communicated to the client—within the scope of “fact” work product and within the scope of  
12 waiver of that protection.

13           Accordingly, in addition to the documents produced thus far based on the waiver of  
14 attorney client privilege, OptumInsight shall produce documents covered by the first and third  
15 categories of work product detailed in *EchoStar*. Moreover, the *EchoStar* opinion, like the parties’  
16 present arguments, primarily addresses categories of documents that contain at least some form of  
17 opinions of counsel. The discussion above should not be taken to undermine OptumInsight’s  
18 obligation to produce a fourth category of documents that could be called “pure” fact work  
19 product—i.e., material that does not reveal attorneys’ opinions or mental impressions—regardless  
20 of whether such work product has been disclosed to a client. *See* Am. Order Re Mot. to Compel at  
21 18 (holding that OptumInsight waived work product protection as to fact work product related to  
22 the topics at issue). The Court further notes that the distinction between fact and opinion work  
23 product often requires redaction of counsel’s opinions and impressions from documents that also  
24 contain factual material. *See, e.g., EchoStar*, 448 F.3d at 1304; *Martin Marietta*, 856 F.2d at 626  
25 & n.2.

26           If OptumInsight has not yet produced documents, or portions thereof, that are subject to  
27 discovery based on the reasoning of this order, the order granting the motion to compel, and the  
28 order denying reconsideration, it must do so no later than November 17, 2017.

1     **III.     RULE 502(d) ORDER**

2             In an effort to “prevent CCGroup from arguing that efforts by OptumInsight to provide  
3 documents . . . and testimony implicated by the Court’s waiver order expand the scope of the  
4 waiver,” OptumInsight seeks an order under Rule 502(d) of the Federal Rules of Evidence. Joint  
5 Letter at 3. That Rule provides that a “federal court may order that the privilege or protection is  
6 not waived by disclosure connected with the litigation pending before the court—in which event  
7 the disclosure is also not a waiver in any other federal or state proceeding.” Fed. R. Evid. 502(d).  
8 OptumInsight asks the Court to enter the following order: “Disclosure of documents or testimony  
9 relating to the subject matter of the Court’s Amended Order Regarding Motion to Compel, Doc.  
10 161, does not effect a further waiver of attorney-client privilege, work product protection, or other  
11 recognized privilege or protection.” Joint Letter at 3. OptumInsight contends that such an order is  
12 particularly important for deposition testimony, where “perfect split-second line-drawing is  
13 difficult, and predicting witness’s answers is even more difficult.” *Id.*

14             CCGroup “has no objection to OptumInsight’s proposed order as it relates to document  
15 production,” but “cannot agree that deposition testimony cannot result in a further waiver because  
16 it cannot predict what that testimony might be.” *Id.* CCGroup asserts, however, that it “has no  
17 intention to use OptumInsight’s attempts at good faith compliance with the Court’s Motion to  
18 Compel Order to expand the scope of the waiver.” *Id.*

19             Based on the parties’ representations and concerns, the Court hereby ORDERS that  
20 disclosure of documents or testimony relating to one of the seven topics listed at page 16, lines 10  
21 through 15, of the Court’s December 29, 2016 order does not effect a further subject matter waiver  
22 of attorney-client privilege, work product protection, or other recognized privilege or protection,  
23 so long as such disclosure is made in a good faith effort to comply with OptumInsight’s existing  
24 waiver of privilege recognized by the Court. However, any such disclosure is a waiver as to the  
25 document or testimony actually disclosed, subject to the clawback provision of Rule 26. In case  
26 of a dispute as to whether OptumInsight or its witnesses disclosed documents or testimony in good  
27 faith, the burden would be on CCGroup to demonstrate that such disclosure was not made in good  
28 faith.

1 **IV. CCGROUP’S CLAWBACK REQUEST**

2 CCGroup seeks to claw back four copies of two email chains related to CCGroup’s  
3 discussions with counsel regarding its competitors. Joint Letter at 3–5; *see also id.* Ex. X (copies  
4 of the email chains at issue, lodged with the Court but not filed in the record). OptumInsight does  
5 not dispute that attorney-client privilege and/or work product protection apply to those documents,  
6 but “seeks leave to submit them to Judge Davila for his review,” based on the theory that the  
7 emails demonstrate CCGroup knowingly presented false testimony to the jury in *Cave Consulting*  
8 *Group, LLC v. OptumInsight, Inc.*, case number 11-cv-0469-EJD (“*Cave P*”). Joint Letter at 3–4.  
9 In the parties’ joint letter, OptumInsight specifically states that it “does not ask this Court to  
10 decide [the] issue now” of whether the emails demonstrate knowing presentation of false  
11 testimony. *Id.* at 3.

12 The Federal Rules of Civil Procedure allow a party to claw back inadvertently produced  
13 privileged or protected material:

14 If information produced in discovery is subject to a claim of  
15 privilege or of protection as trial-preparation material, the party  
16 making the claim may notify any party that received the information  
17 of the claim and the basis for it. After being notified, a party must  
18 promptly return, sequester, or destroy the specified information and  
19 any copies it has; must not use or disclose the information until the  
20 claim is resolved; must take reasonable steps to retrieve the  
21 information if the party disclosed it before being notified; and may  
22 promptly present the information to the court under seal for a  
23 determination of the claim. The producing party must preserve the  
24 information until the claim is resolved.

20 Fed. R. Civ. P. 26(b)(5)(B). OptumInsight has not cited any doctrine or legal authority that would  
21 permit it to decline to return privileged communication inadvertently produced in this case and  
22 present those documents to the judge presiding over a separate case, and has chosen not to ask this  
23 Court to decide whether any exception to the applicable privileges apply. OptumInsight is  
24 therefore ORDERED to destroy all copies of the material at issue in its possession.

25 **V. CCGROUP’S RULE 30(b)(6) DEPOSITION NOTICE**

26 The parties disputed the appropriate scope of the Rule 30(b)(6) deposition notice that  
27 CCGroup served on OptumInsight. Joint Letter at 5–7. At the hearing, the Court instructed the  
28 parties to meet and confer to resolve this issue. The parties conferred in the courthouse after the

1 hearing and represented to the Court that these disputes have been resolved.

2 **VI. PRE-2011 DOCUMENTS**

3 OptumInsight objects to producing documents that predate 2011 in response to certain of  
4 CCGroup’s requests for production related to damages, on the basis that “CCGroup admits that it  
5 was neither sued nor directly threatened with OptumInsight’s patents before January 2011,” and  
6 cannot bring an antitrust claim based on OptumInsight’s mere possession of allegedly invalid or  
7 unenforceable patents. Joint Letter at 8–9 (citing, *e.g.*, *Cygnus Therapeutic Sys. v. ALZA Corp.*,  
8 92 F.3d 1153 (Fed. Cir. 1996)). OptumInsight is aware of no case “in which a competitor who has  
9 neither been sued nor threatened with a patent has been permitted to assert antitrust claims,” and  
10 argues that if CCGroup had asserted such a claim, “OptumInsight could have moved to dismiss it”  
11 at the pleading stage. *Id.*

12 CCGroup argues that its Second Amended Complaint sufficiently puts OptumInsight on  
13 notice of two theories of damages: damages resulting from OptumInsight’s assertion of patents  
14 against CCGroup beginning in 2011, and damages resulting from OptumInsight’s advertisement  
15 of its patents and assertion of them against other parties, “which prevented CCGroup from  
16 competing on an equal footing” even before 2011. *Id.* at 7.

17 CCGroup’s *Walker Process* antitrust claim includes a broad assertion of damages for  
18 “anticompetitive harm [CCGroup] has suffered as a result of OptumInsight’s unlawful acquisition  
19 and maintenance (or attempted acquisition and maintenance) of a monopoly in the Grouper  
20 Software Market,” distinct from damages for CCGroup’s fees and costs as a result of the 2011  
21 enforcement action. *See* SAC ¶ 586. CCGroup alleges that “OptumInsight was able to obtain [or]  
22 maintain or . . . posed a dangerous probability of obtaining, a monopoly in the market for episode  
23 grouper software” as a result of its *and Symmetry’s* enforcement of patents “improperly obtain[ed]  
24 . . . from the USPTO.” *Id.* ¶ 37. Symmetry merged into OptumInsight and ceased to exist in  
25 2007, well before OptumInsight filed its first action against CCGroup in 2011. *Id.* ¶ 5. CCGroup  
26 also alleges that “OptumInsight was by far the dominant competitor” in the market for episode of  
27 care grouper software “from 2005 until at least the end of 2014,” and that it “obtained its dominant  
28 position”—apparently in 2005—“by advertising, threatening to enforce, and enforcing a portfolio

1 of patents.” *Id.* ¶¶ 30–31. Taken together, these allegations put OptumInsight on notice of  
2 CCGroup’s theory that OptumInsight (and its predecessor Symmetry) monopolized or attempted  
3 to monopolize the grouper software market through improper patent enforcement beginning before  
4 2011.

5 OptumInsight could have, but did not, move to dismiss that theory of the Second Amended  
6 Complaint for lack of standing to bring a *Walker Process* claim based on enforcement against  
7 third parties, or for failure to include sufficient factual allegations regarding such enforcement  
8 actions to plausibly support the claim. With respect to the former, the Court declines to resolve  
9 issues of standing and the viability of CCGroup’s theory on a discovery motion, although  
10 OptumInsight may bring such arguments at summary judgment. With respect to the sufficiency of  
11 the factual allegations, the time for an *Iqbal* or *Twombly* challenge has passed. The scope of  
12 discovery therefore includes CCGroup’s theory that it was harmed by OptumInsight’s attempted  
13 monopolization through enforcement of invalid, unenforceable, or fraudulently obtained patents  
14 before 2011.

15 **VII. DEPOSITION OF PLAINTIFF’S ATTORNEY RICHARD BROPHY**

16 OptumInsight seeks to depose CCGroup’s lead counsel Richard Brophy, primarily to test  
17 the issue of whether CCGroup and its attorneys were sufficiently diligent in discovering  
18 OptumInsight’s alleged fraudulent behavior, which OptumInsight contends relates to the  
19 timeliness of CCGroup’s present claims. Joint Letter at 10. OptumInsight notes that at least four  
20 of its own trial attorneys will be deposed by CCGroup. *Id.*

21 CCGroup argues that to overcome the presumption against depositions of an opposing  
22 party’s attorney, OptumInsight must show that ““(1) no other means exist to obtain the  
23 information, (2) the information sought is relevant and nonprivileged, and (3) the information is  
24 crucial to the preparation of the case.”” *Id.* (quoting *FTC v. DIRECTV, Inc.*, No. 15-cv-01129-  
25 HSG (MEJ), 2016 WL 1741137, at \*2 (N.D. Cal. May 3, 2016)). The test stated in *DIRECTV*  
26 originates from the Eighth Circuit’s decision in *Shelton v. American Motors Corp.*, 805 F.2d 1323,  
27 1327 (8th Cir. 1986), and has been widely adopted in this district. *See DIRECTV*, 2016 WL  
28 1741137, at \*2 (collecting cases); *Chao v. Aurora Loan Servs., LLC*, No. C 10-3118 SBA (LB),

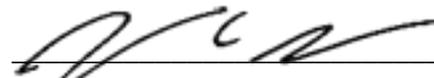
1 2012 WL 5988617, at \*3 (N.D. Cal. Nov. 26, 2012) (same). OptumInsight does not offer an  
2 alternative standard. *See* Joint Letter at 10.

3 CCGroup argues that OptumInsight has not met its burden to show that no other means  
4 exist to obtain the information it seeks regarding CCGroup’s diligence, noting that OptumInsight  
5 has not pursued the issue through interrogatories or a Rule 30(b)(6) deposition. *Id.* OptumInsight  
6 argues that Brophy would be an appropriate witness on the subject because he was CCGroup’s  
7 lead counsel in *Cave I* and conducted the document review that CCGroup claims revealed fraud by  
8 OptumInsight. *Id.* According to OptumInsight, Brophy’s “testimony is more relevant than that of  
9 multiple OptumInsight attorneys.” *Id.* CCGroup contends that OptumInsight “never disputed”  
10 that its own attorneys were subject to deposition, and the fact that one party’s attorneys are being  
11 deposed does not in itself justify deposing the opposing party’s attorney. *Id.*

12 Although Brophy’s testimony might well be relevant to issues in this case, including  
13 CCGroup’s diligence, relevance is not enough to depose an opponent’s attorney. OptumInsight  
14 neither addresses the “no other means” standard for compelling attorney testimony nor offers an  
15 alternative legal standard. Moreover, at the hearing, CCGroup agreed that it would not present  
16 substantive testimony by Brophy in this matter, and OptumInsight represented that its concerns  
17 were resolved by that agreement. OptumInsight has not met its burden to take Brophy’s  
18 deposition under the *Shelton* standard, and the Court DENIES OptumInsight’s request to do so.

19 **IT IS SO ORDERED.**

20 Dated: November 6, 2017

21   
22 \_\_\_\_\_  
23 JOSEPH C. SPERO  
24 Chief Magistrate Judge  
25  
26  
27  
28