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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

NEVRO CORP,
Plaintiff,
v.
BOSTON SCIENTIFIC CORPORATION, et
al.,
Defendants.

Case No. [16-cv-06830-VC](#) (MEJ)
DISCOVERY ORDER
Re: Dkt. No. 91

INTRODUCTION

Plaintiff Nevro Corp. (“Nevro”) and Defendants Boston Scientific Corporation and Boston Scientific Neuromodulation Corporation (together, “BSC”) filed a Joint Letter concerning Nevro’s ability to disclose certain confidential information to its in house counsel and Nevro’s request that BSC supplement certain records. Jt. Ltr., Dkt. No. 91. Having considered the parties’ positions, the relevant legal authority, and the record in this case, the Court issues the following order.

BACKGROUND

This patent infringement action concerns Nevro’s spinal cord stimulation (“SCS”) therapy, used to treat chronic pain. *See* Compl., Dkt. No. 1. “Traditional SCS therapy delivers ‘low frequency’ electrical pulse waveforms . . . to generate a sensation known as paresthesia.” *Id.* ¶ 3. Paresthesia, which is experienced as a tingling, numbness, buzzing, or pins-and-needles sensation, masks the patient’s pain. *Id.*

Nevro alleges it developed and patented the Senza system, “an SCS therapy that differs dramatically from traditional SCS therapy”: by using a “high frequency” electrical waveform, Nevro’s SCS therapy provides pain relief without generating paresthesia. *Id.* ¶ 5; *see id.* ¶ 19. On May 8, 2015, the U.S. Food and Drug Administration (“FDA”) approved Nevro’s Senza system

1 disclosure or discovery; (2) conditioning disclosure or discovery on specified terms; (3)
2 preventing inquiry into certain matters; or (4) limiting the scope of disclosure or discovery to
3 certain matters. Fed. R. Civ. P. 26(c)(1).

4 DISCUSSION

5 A. Disclosures to In House Counsel

6 Courts may not deny access to confidential information solely on the basis of counsel's in-
7 house or retained status. *U.S. Steel Corp. v. United States*, 730 F.2d 1465, 1467-68 (Fed. Cir.
8 1984). "Denial or grant of access . . . cannot rest on a general assumption that one group of
9 lawyers are more likely or less likely inadvertently to breach their duty under a protective order."
10 *Id.* at 1468. Rather, "the factual circumstances surrounding each individual counsel's activities,
11 association, and relationship with a party, whether counsel be in-house or retained, must govern
12 any concern for inadvertent or accidental disclosure." *Id.* Denial of access may be appropriate in
13 some instances; for example, "where in-house counsel are involved in competitive
14 decisionmaking, it may well be that a party seeking access should be forced to retain outside
15 counsel or be denied the access recognized as needed." *Id.*

16 Nevro seeks to disclose a "specific high level summary" of information that BSC
17 designated as "Confidential – Attorneys' Eyes Only" to Peter Socarras, Nevro's Senior Director of
18 Intellectual Property. *Jt. Ltr.* at 3. Socarras is presumably involved with Nevro's competitive
19 decision-making. *See id.* at 3 ("Nevro has five in-house counsel. . . . It does not have counsel
20 who can run this suit who is not involved in competitive decision-making."). Nevro argues
21 Socarras needs this information so Nevro can make strategic decisions about this lawsuit. *Id.* at 1.
22 BSC disputes the necessity of this disclosure and argues "Socarras is . . . the type of employee that
23 these [protective order] protections seek to exclude from access." *Id.* at 4.

24 In *Brown Bag Software v. Symantec Corp.*, the Ninth Circuit reviewed a protective order
25 that shielded the plaintiff's in-house counsel from viewing documents that contained the
26 defendant's trade secrets, but allowed an independent consultant access to them to advise the
27 plaintiff as to the documents' relevancy. 960 F.2d 1465, 1469-72 (9th Cir. 1992). The *Brown Bag*
28 Court noted that "proper review of protective orders in cases such as this requires the district court

1 to examine factually all the risks and safeguards surrounding inadvertent disclosure by any
2 counsel, whether in-house or retained.” *Id.* at 1470. The Ninth Circuit found the district court did
3 just that: it issued the protective order after conducting “a comprehensive evidentiary hearing.” *Id.*
4 at 1470. At the hearing, the district court heard testimony regarding both parties’ interest in the
5 confidential information. *Id.* at 1470-71. The district court also questioned the plaintiff’s in-house
6 counsel about his responsibilities. *Id.* at 1471. In house counsel testified that “he was responsible
7 for advising his employer on a gamut of legal issues, including contracts, marketing, and
8 employment.” *Id.* The district court thus “reasonably concluded that [in-house] counsel’s
9 employment would necessarily entail advising his employer in areas relating to [the defendant’s]
10 trade secrets.” *Id.* This “would place in-house counsel in the ‘untenable position’ of having to
11 refuse his employer legal advice on a host of contract, employment, and competitive marketing
12 decisions lest he improperly or indirectly reveal [the defendant’s] trade secrets.” *Id.* After
13 weighing the hardship a protective order may have on the plaintiff’s prosecutions of its claims, the
14 district court issued a protective order that the Ninth Circuit held “str[uck] a reasonable balance
15 between those interests by shielding [the plaintiff’s] in-house counsel from personal knowledge of
16 a competitor’s trade secrets, but allowing access to information through an independent
17 consultant.” *Id.* “The order did not arbitrarily distinguish [between] outside and in-house counsel.
18 Rather, in reaching its decision, the court considered the particular circumstances of [the
19 plaintiff’s] counsel then before it. The same considerations could have applied equally to outside
20 counsel.” *Id.*

21 At this point, the undersigned has little information about Socarras, other than his title and
22 the fact that he “oversees this litigation.” *Jt. Ltr.* at 2-3. Nevro does not describe Socarras’
23 responsibilities or duties or indicate to what degree he is involved in competitive decision-making.
24 Without such information, the undersigned cannot undertake the requisite factual inquiry to
25 balance the risk of inadvertent disclosure of BSC’s confidential information to competitors against
26 Nevro’s ability to make litigation decisions. *See Brown Bag*, 960 F.2d at 1470 (“[W]e must
27 balance the risk [the defendant] of inadvertent disclosure of trade secrets to competitors against the
28 risk to [the plaintiff] that protection of [the defendant’s] trade secrets impaired prosecution of [the

1 plaintiff's] claims."); *U.S. Steel*, 730 F.2d at 1468 ("Whether an unacceptable opportunity for
2 inadvertent disclosure exists . . . must be determined . . . by the facts on a counsel-by-counsel
3 basis, and cannot be determined solely by giving controlling weight to the classification of counsel
4 as in-house rather than retained.").

5 As such, the Court **ORDERS** Nevro to file a declaration detailing Socarras'
6 responsibilities as Nevro's in house counsel, including but not limited to, the extent of his
7 involvement in the competitive decision-making process. Nevro shall file its declaration no later
8 than **June 14, 2017**. BSC may respond to the declaration in no more than two pages by **June 21,**
9 **2017**.

10 **B. Supplementation**

11 Nevro seeks an order requiring BSC to provide certain ongoing supplementation. *Jt. Ltr.* at
12 3. It is undisputed that BSC has agreed to do so, and BSC represents it has already complied. *Id.*
13 at 3-4. Nevro nonetheless requests "an order that will state BSC's obligations precisely so that
14 there will be no dispute." *Id.* at 3. BSC does not explain why it refuses to sign a stipulation. *See*
15 *id.* at 3-5.

16 There is no indication Nevro is dissatisfied with BSC's supplementation thus far, nor does
17 Nevro provide a reason to believe BSC will not continue to abide by its agreement. Because there
18 appears to be no present controversy or dispute, the Court **DENIES** Nevro's request for an order
19 regarding supplementation. If a dispute arises, the parties may raise it at that time and in
20 accordance with the Court's Standing Order re: Discovery.

21
22 **IT IS SO ORDERED.**

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24 Dated: May 31, 2017

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27 MARIA-ELENA JAMES
28 United States Magistrate Judge