

United States District Court
For the Northern District of California

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

E-FILED on 1/13/10

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

MANDANA D. FARHANG, an individual,

Plaintiff,

v.

INDIAN INSTITUTE OF TECHNOLOGY,
KHARAGPUR; TECHNOLOGY
ENTREPRENEURSHIP AND TRAINING
SOCIETY; PARTHA P. CHAKRABARTI;
PALLAB DASGUPTA; GURASHISH S.
BRAR; RAKESH GUPTA; PRAVANJAN
CHOUDHURY; SUBRAT PANDA;
ANIMESH NASKAR, and DOES 1 through
100, inclusive,

Defendants.

No. C-08-02658 RMW

ORDER DENYING PLAINTIFF'S MOTION
TO DISQUALIFY COUNSEL FOR
DEFENDANT

[Re Docket No. 29]

Plaintiff Mandana Farhang moves to disqualify counsel for defendant Indian Institute of Technology, Kharagpur ("IIT"), Orrick Herrington & Sutcliffe LLP ("Orrick"). For the reasons set forth below, the court denies the motion.

I. ANALYSIS

Ms. Farhang seeks disqualification of Orrick because Orrick previously represented her and allegedly obtained confidential information material to the instant case.¹

¹ The factual background to the current litigation and Orrick's prior representation of plaintiff is described in the court's October 27, 2009 order.

1 **A. Legal Standard**

2 Rule 3-310(E) of the State Bar Rules of Professional Conduct states that a member of the bar
3 "shall not, without the informed written consent of the client or former client, accept employment
4 adverse to the client or former client where, by reason of the representation of the client or former
5 client, the member has obtained confidential information material to the employment." Furthermore,
6 "it has long been recognized that knowledge obtained by one member of a firm of lawyers is
7 imputed to all the other members." *Rosenfeld Construction Co. v. Superior Court*, 235 Cal. App. 3d
8 566, 573 (1991). Because Rule 3-310(E) does not specifically address the instance where the
9 "tainted" attorneys (those attorneys who originally worked on the case and received confidential
10 information) have departed the firm, California courts have looked to the ABA Model Rules of
11 Professional Conduct when dealing with this circumstance. *Goldberg v. Warner/Chappell Music,*
12 *Inc.*, 125 Cal. App. 4th 752, 765 (2005); *Adams v. Aerojet-General Corp.*, 86 Cal. App. 4th 1324,
13 1337 (2001); *Dieter v. Regents of the Univ. of Cal.*, 963 F. Supp. 908, 912 (E.D. Cal. 1997). ABA
14 Model Rule 1.10(b) provides:

15 When a lawyer has terminated an association with a firm, the firm is not prohibited
16 from thereafter representing a person with interests materially adverse to those of a
17 client represented by the firm, unless: (1) the matter is the same or substantially
18 related to that which the formerly associated lawyer represented the client; and (2)
19 any lawyer remaining in the firm has [protected] information . . . that is material to
20 the matter.

21 Consequently, when the "tainted" attorney has departed the firm, the presumption of imputed
22 knowledge is rebutted when "the evidence establishes that no one other than the departed attorney
23 had any dealings with the client or obtained confidential information." *Goldberg*, 125 Cal. App. 4th
24 at 755. The firm seeking to rebut the presumption of imputed knowledge bears the burden of
25 showing that no attorney still at the firm has material confidential information. *Id.*

26 **B. The Court's Prior Findings**

27 After reviewing the papers and hearing the arguments of counsel, the court issued an initial
28 order on this disqualification motion on October 27, 2009. As set forth in its October 27, 2009
order, the court found that the current litigation is substantially related to Orrick's prior
representation of Ms. Farhang. However, none of the three attorneys who billed time to Ms.
Farhang's matter are still employed at Orrick. Because there was a factual gap as to whether any

1 attorney remaining at Orrick has protected information from the previous representation of Ms.
2 Farhang that is material to the current litigation, the court found that an evidentiary hearing on this
3 issue was necessary.

4 **C. Findings Pursuant to the Evidentiary Hearing**

5 On January 12, 2010, the court held an evidentiary hearing to enable a dispassionate
6 assessment of whether material confidential information was actually exchanged, directly or
7 indirectly, between Ms. Farhang and any attorney still working at Orrick. As discussed above,
8 Orrick has the burden of establishing that no current Orrick attorney has confidential information
9 material to the current litigation. *Goldberg*, 125 Cal. App. 4th at 755. After considering the
10 testimony of witnesses, submitted declarations and exhibits, and the arguments of counsel, the court
11 finds that Orrick has met its burden.

12 In her second declaration submitted to the court in support of her motion to disqualify
13 counsel, Ms. Farhang alleged that: (1) she had discussed confidential information with an attorney in
14 Orrick's Corporate Practice Group, and (2) Mr. Telfer, an attorney who worked on her case but is no
15 longer employed at Orrick, told her that he had shared her confidential information with other
16 members of the firm, including Jonathan Ocker, a current partner at Orrick and head of its
17 Compensation and Benefits Practice Group. Second Decl. of Mandana D. Farhang in support of the
18 Mot. to Disqualify Counsel ¶ 3. In addition, at the evidentiary hearing, counsel for Ms. Farhang
19 argued, for the first time, that confidential information had been shared with attorneys in Orrick's
20 Intellectual Property ("IP") Practice Group.

21 **1. Ms. Farhang's Alleged Discussion with a Corporate Attorney**

22 Ms. Farhang testified that she had spoken directly with a corporate attorney at Orrick
23 regarding the formation of a corporate entity called NEWCO; however, she was unable to recall the
24 name of the corporate attorney. In response to Ms. Farhang's concerns regarding her alleged
25 discussion of confidential information with a corporate attorney, an Orrick attorney testified that he
26 had personally interviewed every corporate attorney firm-wide who had been employed by Orrick at
27 the time Orrick represented Ms. Farhang and was still an employee at Orrick. None of these
28 employees recalled having ever heard of Ms. Farhang or having received any confidential

1 information relating to Orrick's representation of Ms. Farhang. In addition, Mr. Kaufman, the Orrick
2 attorney tasked with investigating the potential conflict issues raised in this case, testified that he had
3 performed a broad search for Ms. Farhang's name in Orrick's timekeeping database and had found no
4 mention of her name in the time entries of any attorney still at Orrick. Based on the testimony heard
5 at the evidentiary hearing and the declarations submitted to the court, the court finds that Orrick has
6 established that no corporate attorney still at Orrick has confidential information material to the
7 current litigation.

8 **2. Mr. Telfer's Alleged Consultation with Mr. Ocker**

9 Ms. Farhang testified that she believed that Mr. Telfer had consulted with Mr. Ocker during
10 Orrick's previous representation of her. As evidenced by two emails addressed to Mr. Telfer that
11 were submitted to the court under seal as Exhibits 4 and 5, she had expressed interest in knowing
12 what Mr. Ocker thought about a couple of issues relating to her agreement with Ikonodyne. Ms.
13 Farhang did not present any written evidence, such as a reply email from Mr. Telfer, showing that
14 Mr. Telfer had in fact consulted with Mr. Ocker regarding her matter. She did testify that her oral
15 conversations with Mr. Telfer had led her to believe that he had consulted with Mr. Ocker regarding
16 these issues. She conceded that she was not present during any such consultation; therefore, she did
17 not have firsthand knowledge as to whether Mr. Telfer actually consulted with Mr. Ocker.

18 In a supplemental declaration submitted to the court, Mr. Telfer stated, "In connection with
19 Mandana Farhang's representation, I may have consulted with another partner, Jonathan Ocker at
20 Orrick but due to the amount of time that has passed, I can not recollect that discussion."
21 Supplemental Decl. of James Telfer in support of Mot. to Disqualify Counsel ¶ 6. The court finds
22 this statement provides little help in determining whether Mr. Telfer actually communicated material
23 confidential information to Mr. Ocker since apparently Mr. Telfer cannot recall whether he did or
24 did not consult with Mr. Ocker.

25 Mr. Ocker testified that he and Mr. Telfer had never discussed Ms. Farhang's case and that he
26 had never been exposed to any information relating to Orrick's previous representation of Ms.
27 Farhang. He further testified that although he was the head of the practice group to which Mr.
28 Telfer had belonged, as a matter of practice, he did not routinely supervise and consult on matters on

1 which Mr. Telfer worked. In light of Ms. Farhang's lack of firsthand knowledge regarding whether
2 Mr. Telfer had actually consulted with Mr. Ocker, and Mr. Telfer's inability to remember whether he
3 had consulted with Mr. Ocker or not, the court finds that Mr. Ocker's testimony is sufficient to
4 establish that he did not receive any confidential information relating to Orrick's previous
5 representation of Ms. Farhang.

6 **3. Mr. Telfer's Alleged Consultation with IP Attorneys**

7 At the evidentiary hearing, counsel for Ms. Farhang argued, for the first time, that
8 confidential information had been shared with IP attorneys at Orrick. Ms. Farhang testified that she
9 had asked Mr. Telfer to consult with Orrick's IP attorneys on IP-related issues. Her testimony
10 regarding this request is corroborated to some extent by an email dated October 22, 2000 that was
11 submitted to the court under seal as Exhibit 6. That email expresses Ms. Farhang's interest in having
12 Orrick's "Intellectual Property guys" look at the portion of her employment agreement pertaining to
13 rights to technology. However, Ms. Farhang did not present any written evidence, such as a reply
14 email from Mr. Telfer or written advice from an IP attorney, showing that Mr. Telfer had in fact
15 consulted with any IP attorneys regarding her matter. She did testify that her oral conversations
16 with Mr. Telfer had led her to believe that he had consulted with IP attorneys regarding her
17 concerns. She conceded that she was not present during any such consultation; therefore, she did
18 not have firsthand knowledge as to whether Mr. Telfer actually consulted with any IP attorneys on
19 her behalf. She was also unable to identify by name any IP attorneys with whom Mr. Telfer may
20 have consulted on her matter. Further, her email expressing an interest in having IP attorneys look
21 at the technology portion of her employment agreement was sent toward the end of her relationship
22 with Orrick, and she acknowledged that the counsel who thereafter negotiated a settlement with
23 Ikonodyne did not look at her IP rights because they turned out not to be an issue.

24 Prior to the evidentiary hearing, Ms. Farhang submitted two separate declarations to the
25 court in support of her motion to disqualify counsel. Though she specifically alleged contact with a
26 corporate attorney and the sharing of information with Mr. Ocker, neither of these declarations
27 mention the possibility that her confidential information may have been shared with Orrick's IP
28 attorneys. Likewise, neither Mr. Telfer's initial declaration nor his supplemental declaration in

1 support of Ms. Farhang's motion to disqualify counsel mention any consultation with IP attorneys or
2 the possibility that confidential information was shared with Orrick's IP attorneys.

3 As mentioned above, Mr. Kaufman testified that he had performed a broad search for Ms.
4 Farhang's name in Orrick's timekeeping database and had found no mention of her name in the time
5 entries of any attorney still at Orrick – including IP attorneys. Based on the testimony heard at the
6 evidentiary hearing and the declarations submitted to the court, the court finds that Orrick has
7 established that no attorney still at Orrick, IP or otherwise, has confidential information material to
8 the current litigation.² Having rebutted the presumption of imputed knowledge, Orrick is not barred
9 from representing IIT in the current litigation.

10 **II. ORDER**

11 For the foregoing reasons, the court denies the motion to disqualify counsel for defendant
12 IIT. The parties are to confer regarding a hearing date for the pending motion to dismiss for lack of
13 personal jurisdiction, lack of subject matter jurisdiction, and pursuant to the doctrine of forum non
14 conveniens and are to contact the courtroom deputy, Jackie Garcia, (408) 535-7375, to set a hearing
15 date.

16
17
18 DATED: 1/13/10



RONALD M. WHYTE
United States District Judge

19
20
21
22
23
24
25
26 ² Ms. Farhang expressed concern that anyone at Orrick could have accessed her closed file at
27 Orrick. Although this is theoretically possible, there is no evidence anyone did, except for Mr.
28 Kaufman for the purpose of investigating Ms. Farhang's assertion of a conflict. Furthermore, having
reviewed the client file submitted by Orrick, which contains all the documents that Orrick still has
from its prior representation of Ms. Farhang, the court finds that it does not, by itself, contain any
confidential information that is material to the current litigation.

