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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91219477
Party	Plaintiff Barclays Capital Inc. and Barclays PLC
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Date	08/27/2019
Attachments	Barclays Evidentiary Objections.pdf(1830810 bytes )

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In re Application Serial Nos. 85868892, 86298069 and 86081143  
Filed: March 6, 2013 (85868892), June 2, 2014 (86298069) and October 2, 2013 (86081143)  
For Mark: LEHMAN BROTHERS  
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September 30, 2014 (86081143)

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BARCLAYS CAPITAL INC. and BARCLAYS PLC,	:	
	:	
Opposers,	:	Consolidated
v.	:	Opposition Nos. 91219477 (Parent)
	:	91219478
TIGER LILY VENTURES LTD,	:	
	:	
Applicant.	:	
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TIGER LILY VENTURES LTD,	:	
	:	
Opposer,	:	Opposition No. 91219549
v.	:	
	:	
BARCLAYS CAPITAL INC. and BARCLAYS PLC,	:	
	:	
Applicants.	:	
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**BARCLAYS' EVIDENTIARY OBJECTIONS  
IN OPPOSITION NOS. 91219477 AND 91219478**

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## **BARCLAYS' EVIDENTIARY OBJECTIONS**

Barclays PLC and Barclays Capital Inc. (collectively, "Barclays"), as Opposers in Opposition Nos. 91219477 and 91219478, submit the following objections to the trial evidence submitted by Applicant Tiger Lily Ventures, Ltd. ("Tiger Lily").

### **1. Tiger Lily's Reliance on State and Foreign Trademark Registrations**

Tiger Lily's Second Notice of Reliance (120 TTABVUE, amended by 134 TTABVUE) references and attaches: (1) a New York State trademark registration for the mark LEHMAN BROTHERS issued on February 3, 2017, owned by third party LBW LLC (120 TTABVUE 5-6); (2) a Chinese trademark registration for the mark LEHMAN BROTHERS issued on June 14, 2017, owned by Tiger Lily (120 TTABVUE 7-8); and (3) a French trademark registration for the mark LEHMAN BROTHERS issued on January 30, 2015, owned by third party M. David Tordjman (120 TTABVUE 9-12). Tiger Lily also sought to introduce the Chinese and French trademark registrations referenced above during the cross-examination of Alexander L. Greenberg, in house counsel for Barclays. Greenberg Dep. Tr. at 200, 222-223, & Exs. E, H (115 TTABVUE 38-41, 45; 116 TTABVUE 201, 223-224).

It is well-settled that third party foreign and state registrations are not evidence of actual use of a mark and thus are immaterial to the issues of likely confusion, likely dilution and false suggestion of a connection. *See* T.B.M.P. § 704.03(b)(1); *Kraft, Inc. v. Balin*, 209 USPQ 877, 880 (TTAB 1981); *Plak-Shack, Inc. v. Continental Studios of Georgia, Inc.*, 204 USPQ 242, 246 (TTAB 1979); *Societe Anonyme Marne et Champagne v. Myers*, 250 F.2d 374, 116 USPQ 153, 156 (CCPA 1957). As such, they should be stricken.

### **2. Tiger Lily's Reliance on Internet Articles Offered for the Truth of the Matter Contained Therein**

Tiger Lily's Third Notice of Reliance (121 TTABVUE, as amended by 135 TTABVUE) concerns various Internet materials, the vast majority of which purportedly concern the activities of the Lehman

Brothers financial institution and Barclays. As represented by Tiger Lily in its original Third Notice of Reliance:

- a) The internet materials attached hereto as Exhibit 17 and listed below, which consist of representative articles from websites featuring the demise of Lehman Brothers bank, the death of the banking business, the legacy of the institution and are relevant to the purposeful abandonment of the LEHMAN BROTHERS mark, and the uncorrected commercial impression conveyed to and held by the public, especially as to whether it is an active company offering products or services.
- b) The internet materials attached hereto as Exhibit 18 and listed below, which consist of representative materials from websites reporting or commenting upon Barclays Capital Inc.'s ("BCI") or its affiliates' rebranding away from the LEHMAN BROTHERS mark and are relevant to the purposeful abandonment and alienation of the LEHMAN BROTHERS mark by BCI.
- c) The internet materials attached hereto as Exhibit 19 and listed below, which consist of representative materials from websites describing the sale of the former Lehman Brothers business to Stifel are relevant to the purposeful abandonment of the LEHMAN BROTHERS mark by BCI, the relinquishment by contract of any rights in any product or service offerings by the former Lehman Brothers bank and BCI's alienation of any rights in the Lehman Brothers mark.
- d) The internet materials attached hereto as Exhibit 20 and listed below, which consist of representative materials from websites describing the sale of the former Lehman Brothers business or assets to Bloomberg are relevant to the purposeful abandonment of the LEHMAN BROTHERS mark by BCI, the relinquishment by contract of any rights in any product or service offerings by the former Lehman Brothers bank and BCI's alienation of any rights in the Lehman Brothers mark.

(121 TTABVUE 2-6).

Although Tiger Lily was required to amend these descriptions pursuant to the Board's February 5, 2019 Order on Barclays' motion to strike (132 TTABVUE 6-7), Tiger Lily ostensibly seeks to rely on the articles in Exhibits 17-20 (121 TTABVUE 8-208) for the truth of the matter asserted therein, including to show the purported alleged fact of "abandonment" of the LEHMAN BROTHERS marks by Lehman Brothers and Barclays (Exhibits 17-22 (121 TTABVUE 8-252)); the purported fact of Barclays' "rebranding" of the LEHMAN BROTHERS mark (Exhibit 18 (121 TTABVUE 25-36)); and the purported fact of "relinquishment by contract of any rights in any product or service offerings by the former Lehman Brothers bank" (Exhibits 19-20 (121 TTABVUE 64-208)). It is well-established that "printed publications made of record by notice of reliance under 37 C.F.R. § 2.122(e) are admissible and probative only for what

they show on their face, not for the truth of the matters contained therein.” T.B.M.P. § 704.08(a). *See, e.g., Exxon Corp. v. Fill-R-Up Systems, Inc.*, 182 USPQ 443, 445 (TTAB 1974) (articles from trade publications not admissible to show that information therein is true); *General Mills Inc. v. Fage Dairy Processing Industry SA*, 100 USPQ2d 1584, 1592 (TTAB 2011) (as to matter submitted under notice of reliance, Board “not considering them for the truth of the matter asserted therein, inasmuch as the statements therein constitute hearsay”). As such, the Board should strike Exhibits 17-20 in Tiger Lily’s Third Notice of Reliance as hearsay to the extent Tiger Lily seeks to rely on these articles for the truth of the matter contained therein.

**3. Exhibit 26 to Tiger Lily’s Fourth Notice of Reliance**

The Board already has stricken Exhibit 26 to Tiger Lily’s Fourth Notice of Reliance (122 TTABVUE 4-14), which is a copy of Barclays’ written responses to Tiger Lily’s document requests. *See* February 5, 2019 Order (132 TTABVUE 8-9).

**4. Exhibit 27 to Tiger Lily’s Fifth Notice of Reliance**

Tiger Lily’s Fifth Notice of Reliance (123 TTABVUE, as amended by 137 TTABVUE) references and attaches as Exhibit 27 documents filed by Tiger Lily with the United States District Court for the Southern District of New York concerning the cross-examination oral deposition of paralegal Ignacio V. Duran, whose testimony declaration Barclays submitted during its trial period (123 TTABVUE 5-63). The declaration of Mr. Duran, who formerly served as a paralegal at the firm of Barclays’ outside counsel, was submitted to authenticate documents gathered and Internet and Lexis-Nexis searches performed by Mr. Duran. During the unnecessarily lengthy cross-examination of Mr. Duran, counsel for Barclays properly objected to numerous questions by Tiger Lily’s counsel that sought to invade the attorney-work product immunity and/or attorney-client privilege, including questions concerning why Mr. Duran performed certain searches, internal communications among Barclays’ outside legal team concerning legal strategy and how the search results and documents appended to Mr. Duran’s declaration ultimately would be used

in Barclays' trial brief. Tiger Lily then sought to compel Mr. Duran's answers to those questions before the district court. *See Tiger Lily Ventures Ltd. v. Barclays Capital Inc.*, Case No. 1:17-mc-00499-GBD-KNF (S.D.N.Y.). The Court ultimately denied Tiger Lily's motion to compel on the grounds the Court lacked jurisdiction to hear the matter. *See Tiger Lily Ventures Ltd. v. Barclays Capital Inc.*, 2018 U.S. Dist. LEXIS 85726 (S.D.N.Y. May 22, 2018); *Tiger Lily Ventures Ltd. v. Barclays Capital, Inc.*, 2018 U.S. Dist. LEXIS 76068 (S.D.N.Y. May 2, 2018).

Exhibit 27 in Tiger Lily's Fifth Notice of Reliance consists of Tiger Lily's own notice of motion, memorandum of law, declaration and exhibits submitted with respect to the motion, as well as the Court's order denying the motion (123 TTABVUE 5-63).

It is well-settled that a party cannot offer the legal arguments of its own counsel as facts in the case, via notice of reliance or otherwise. *See T.M.B.P.* §§ 704.06(b); 704.07; *Saul Zaentz Co. v. Bumb*, 95 USPQ2d 1723, 1725 n.7 (TTAB 2010) (assertions in brief not evidence unless supported by evidence introduced at trial or except as admission against interest); *Brooks v. Creative Arts by Calloway, LLC*, 93 USPQ2d 1823, 1826-27 (TTAB 2009). Moreover, official records are admissible via notice of reliance solely for what they show on their face or as an admission against interest. *See Brooks*, 93 USPQ2d at 1824 ("even if the Board's file copies were submitted as official records under notice of reliance they would not be competent to prove the truth of the matter asserted in those documents, and would merely show that the documents had been filed"). Yet Tiger Lily appears to be asking the Board to accept as truth the legal arguments made by its own counsel before the District Court. Tiger Lily's own legal arguments concerning an evidentiary dispute are not underlying evidence in a case that can be submitted via a notice of reliance. As such, the Board should strike Exhibit 27 and all references thereto.

##### **5. Declaration of Chaim Aaron James Green**

Tiger Lily has submitted the trial declaration of Chaim Aaron James Green, a director of Tiger Lily (124 TTABVUE). Mr. Green makes several unfounded statements of lay opinion about public perception of the LEHMAN BROTHERS mark and the financial institution Lehman Brothers, including:

- “[LEHMAN BROTHERS] had become a complete pariah and it had absolutely no goodwill left in it at all” (¶ 3 (124 TTABVUE 3));
- “the name LEHMAN BROTHERS for banking is particularly toxic” (¶7 (124 TTABVUE 4));
- “It seems that the American media agreed that Barclays are being ridiculous” (¶13 (124 TTABVUE 5));
- “Never once has there been an instance of confusion in the market” (¶16 (124 TTABVUE 6)).

Such testimony should be rejected as inadmissible speculative lay opinion under Fed. R. Evid. 602, 701. *See Tyco Healthcare Group LP v. Kimberly-Clark Corp.*, 463 F. Supp. 2d 127, 131 (D. Mass. 2006) (striking portion of declaration regarding declarant’s personal opinion regarding likely confusion); *iMedica Corp. v. Medica Health Plans*, Opposition No. 91159617 (TTAB June 7, 2007) (43 TTABVUE 15) (not precedential) (“As far as Mr. Booher's testimony regarding the meaning of ‘i’ based on his experience, that testimony . . . is not admissible to the extent that it is submitted to show how the consuming public in general regards the term ‘i’ because Mr. Booher has not been qualified to provide testimony on how the consuming public in general regards the term ‘i’ or on the definition of ‘i’”). *See also Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 216 USPQ 579, 583 (9th Cir. 1982) (“Overland’s employees are not qualified to testify as to what their customers are thinking when using the term ‘Coke’”).

Mr. Green also makes unsupported and speculative statements and hyperbole *not* based on personal knowledge concerning Lehman Brothers’ activities and Barclays’ use of the LEHMAN BROTHERS mark, including:

- “[Barclays] had not used the [LEHMAN BROTHERS] mark at all” (¶6 (124 TTABVUE 3));
- “I found that Barclays had rebranded away from LEHMAN BROTHERS, renamed all its indexes and had not used the name at all either in the US or the UK since 2008.” (¶6 (124 TTABVUE 3));
- “Barclays were not maintaining the LEHMAN BROTHERS trademarks at all and had let them all lapse through lack of use” (¶7 (124 TTABVUE 4));
- “[Barclays] were not using the LEHMAN BROTHERS mark, had no plans to use it and they were seeking to bully a smaller businessman” (¶11 (124 TTABVUE 5));

- Barclays' domain name registrations are in "bad faith" (§11 (124 TTABVUE 5));
- "In 2015 [Barclays] sold the main Lehman Brothers business to Stifel along with the rest of their wealth division" (§12 (124 TTABVUE 5));
- "[LEHMAN BROTHERS] . . . is "defunct" (§16 (124 TTABVUE 6));
- "Barclays has made no new commercial offering using the Lehman Brothers mark other than activities pertaining to winding down the former bank" (§17 (124 TTABVUE 6)).

Mr. Green states he purportedly conducted "research" but does not provide any foundation or basis for what research he conducted, the specific materials consulted or the source of the purported results thereof. As such, the testimony should be stricken as lacking foundation and personal knowledge. *See Fed. R. Evid. 602; Coach Services, Inc. v. Triumph Learning LLC*, 96 USPQ2d 1600, 1603 (TTAB 2010) (sustaining objection to records to the extent witness lacked personal knowledge), *aff'd in part, vacated in part, and remanded*, 668 F.3d 1356, 101 USPQ2d 1713 (Fed. Cir. 2012); *I.C.E. Mktg. Corp. v. Neutrogena Corp.*, Cancellation No. 92043193 (TTAB June 16, 2009) (71 TTABVUE) (not precedential) (not considering Petitioner's invoices as to which witness lacked personal knowledge).

Mr. Green also makes personal opinions about ultimate issues in the proceedings, including that "Barclays had abandoned the [LEHMAN BROTHERS] mark" (§7 (124 TTABVUE 4)). Such testimony also should be stricken. *See Alcatraz Media Inc. v. Chesapeake Marine Tours Inc.*, 107 USPQ2d 1750, 1755 (TTAB 2013) ("we have disregarded any opinion testimony regarding the ultimate disposition of the claims asserted herein").

The following testimony should be stricken by the Board as hearsay under Fed. R. Evid. 801 as out of court statements offered for the truth of the matter asserted:

- "Once the branding crystallized, everybody that I spoke to concerning the brand embraced the concept and never once was it suggested that we might be confused with the defunct bank." (§10 (124 TTABVUE 4));
- "Stifel has raised no objection to the whisky" (§12 (124 TTABVUE 5)).



Mr. Green also makes numerous unsupported statements about Barclays purported fines by regulatory agencies and alleged financial wrongdoings, which are wholly immaterial to any issue in these proceedings and should be stricken under Fed. R. Evid. 401.

**6. Cross-Examination of Ignacio V. Duran**

Barclays incorporates by reference its objections made on the record during Tiger Lily's cross-examination of Barclays' trial witness Ignacio V. Duran (117-118 TTABVUE).

Barclays also takes this opportunity to preemptively respond to Tiger Lily's likely objection to Barclays' assertion of attorney-client privilege and work product immunity during the cross-examination.

Mr. Duran, a former paralegal at the law firm representing Barclays in these proceedings, submitted a declaration to identify and authenticate the exhibits to his declaration, which consisted of the results of Internet and Lexis searches conducted by Mr. Duran. Mr. Duran did not provide testimony regarding his opinions or the effect of any of the public database searches referenced in or exhibits attached to his declaration, the meanings of any of the exhibits or the reasons any of the exhibits were being proffered. Despite the limited nature of Mr. Duran's declaration, which was essentially to authenticate documents and searches that are not permitted via notice of reliance, Tiger Lily spent several hours cross-examining Mr. Duran. *Cf. Kate Spade LLC v. Thatch, LLC*, Opposition No. 91216585 (TTAB March 22, 2018) (113 TTABVUE 7-8) (not precedential):

An authenticating witness does not testify as to her own knowledge, independent of the documents to be introduced, but testifies only as to the actions taken to acquire the documentary evidence made admissible by her testimony. See Federal Rule of Evidence 901(a) ("To satisfy the requirement of authenticating or identifying an item of evidence, the proponent must produce evidence sufficient to support a finding that the item is what the proponent claims it is.") . . .

given the nature of [the paralegal's] testimony in authenticating documents, it would appear that any cross examination may be very short and limited.

During this lengthy cross-examination that went well beyond the proper subject of examination, Tiger Lily repeatedly sought to elicit testimony concerning the reasons for and privileged communications regarding Barclays' and/or Mr. Duran's selection of documents attached to the Mr. Duran's trial declaration

as well as Mr. Duran's opinion regarding the relevance of those documents. Just by way of example, while questioning Mr. Duran about the steps taken by Mr. Duran to collect information to include in his trial declaration, Tiger Lily's counsel asked Mr. Duran, "So, therefore, what were your instructions to go out and find?" Duran Tr. at 84 (117 TTABVUE 85). At a later stage of the deposition, Tiger Lily's counsel commented that Mr. Duran "provided a lot of documentation" in his declaration and asked, "Was part of the tactic, just so I know, just try to provide as much as you possibly could?" Duran Tr. at 108 (117 TTABVUE 109). Tiger Lily's counsel then asked "Is it your contention that this evidence supports Barclays' opposition...." Duran Tr. at 111 (117 TTABVUE 112). Then, Tiger Lily's counsel pointed to a portion of one of the exhibits attached to Mr. Duran's declaration and asked Mr. Duran, "What does that...got to do with this case?" Duran Tr. at 116 (117 TTABVUE 117). Barclays objected to these questions as improperly seeking privileged and/or work product information.

Counsel for Tiger Lily also inquired repeatedly whether Mr. Duran was "given a choice" by his then-employer to decline serving as a witness in the Consolidated Opposition. Duran Tr. at 9-17 (117 TTABVUE 10-18). Mr. Duran essentially answered this question by testifying that the reason he was selected to submit the declaration was "[b]ecause it was my job." Duran Tr. at 7 (117 TTABVUE 8). Barclays objected to further questioning which necessarily implicated internal law firm communications and strategy.

Barclays' objections were proper because the testimony that Tiger Lily seeks to compel is comprised of information that is protected by the work product doctrine.

The work product doctrine shields a witness from having to testify about communications with attorneys that would reveal the attorneys' mental impressions of the litigation. *In re Sealed Case*, 856 F.2d 268, 273 (D.C. Cir. 1988) (refusing to compel SEC to provide deposition response that would have required testimony from SEC attorneys on their mental impressions of witness interviews conducted in connection with insider trading investigation) (citing *Hickman v. Taylor*, 329 U.S. 495, 510 (1947)). This rule arises out of an intent "to preserve a zone of privacy in which a lawyer can prepare and develop legal theories and strategies with an eye toward litigation, free from unnecessary intrusion by his adversaries." *United States*

*v. Adlman*, 134 F.3d 1194, 1196 (2d Cir. 1998); *see also* 6-26 Moore's Federal Practice - Civil § 26.70 (2017). The protection afforded by the work product doctrine extends not only to lawyers, but to paralegals and others working on a party's legal team with whom opinion work product is shared. *Fine v. Facet Aerospace Prods. Co.*, 133 F.R.D. 439, 445 (S.D.N.Y. 1990); *see also United States v. Nobles*, 422 U.S. 225, 238–39 (1975) (“It is ... necessary that the [work product] doctrine protect material prepared by agents for the attorney as well as those prepared by the attorney himself”).

The degree of protection afforded under the work product doctrine is dependent upon whether the work product is “ordinary [or fact]” or “opinion” work product. *Loftis v. Amica Mut. Ins. Co.*, 175 F.R.D. 5, 11 (D. Conn. 1997). Opinion work product, “which shows the mental impressions, conclusions, opinions or legal theories of an attorney or other representative,” is the most highly protected category of work product and should be protected from disclosure to an adverse party unless a “highly persuasive” showing is made. *Adlman*, 134 F.3d. at 1204; *see also In re Grand Jury Subpoena Dated July 6, 2005*, 510 F.3d 180, 183 (2d Cir. 2007). Fact work product, by contrast, “encompass[es] factual material, including the result of a factual investigation,” *In re Grand Jury Subpoena Dated July 6, 2005*, 510 F.3d at 183, and may be discovered only “upon a showing of substantial need and inability to obtain the equivalent without undue hardship.” *Upjohn Co. v. United States*, 449 U.S. 383, 400 (1981). A mere showing of “substantial need” for the information and inability to obtain the equivalent without undue hardship is not enough to warrant disclosure of opinion work product. *Upjohn*, 449 U.S. at 401.

In this case, the testimony which Tiger Lily sought to elicit is opinion work product formed as part of Barclays' trial preparations. Almost all of the testimony to which Tiger Lily appears to claim an entitlement concerns Mr. Duran's understanding of the reasons *why* certain documents were selected to be attached to his trial declaration, *how those documents ultimately would be used* in these proceeding and *communications among Barclays' legal team* preparing his trial testimony declaration. This information goes to the “mental impressions, conclusions, opinions or legal theories of an attorney or other representative,” and therefore is protected from disclosure unless Tiger Lily can advance a “highly persuasive” showing to overcome that protection. *Adlman*, 134 F.3d at 1204; *see also McDaniel v.*

*Freightliner Corp.*, 2000 U.S. Dist. LEXIS 3497, at \*21 (S.D.N.Y. Mar. 22, 2000) (information regarding attorney's selection of particular documents to use in connection with case protected as opinion work product); *Gucci Am., Inc. v. Guess?, Inc.*, 271 F.R.D. 58, 77 (S.D.N.Y. 2010) (emails discussing gathering of evidence in anticipation of litigation protected by work product doctrine). Tiger Lily cannot make a "highly persuasive" showing to overcome the opinion work product immunity here.

Moreover, the Board's rules clearly provide that a party need not explain the relevance of any document submitted via trial testimony until that party files its trial brief after all testimony is complete. *See* T.B.M.P. § 801.01 ("After the close of all testimony periods in an inter partes proceeding before the Board, the parties are allowed time in which to file briefs on the case. The brief is a party's opportunity to present, in a systematic and coherent manner, and in a form which is permanent and can be referred to, a discussion of the facts in light of the law, its strongest affirmative arguments, and a rebuttal of its adversary's arguments") (citing 37 C.F.R. § 2.128). Tiger Lily's questions not only sought to impermissibly invade the opinion work product immunity but also circumvent the orderly trial procedures of the Board.

It also is important to note that Mr. Duran was permitted to answer numerous questions about the mechanics of the searches he performed and what the documents and searches showed on their faces. Mr. Duran also was permitted, over objection, to testify about his personal impression of the documents, even though such testimony is irrelevant and went well beyond the scope of Mr. Duran's declaration, which nearly exclusively merely authenticated Internet documents and searches. *See, e.g.*, Duran Tr. at 41-60, 73-76, 82-86, 109-63 & 168-71 (117 TTABVUE 42-61, 74-77, 83-87, 110-164, 169-172).

Moreover, contrary to Tiger Lily's insistence that it is entitled to information about surveys that may or may not have been conducted (a topic well beyond the scope of Mr. Duran's declaration), expert disclosures are governed by Rule 26, which does not require disclosure of information from non-testifying experts. *See* Fed. R. Civ. P. 26(b)(4)(D); *see also Jewel Cos. v. GranJewel Jewelers & Distributors, Inc.*, 1975 U.S. Dist. LEXIS 13160 (M.D. Fla. Jan. 1, 1975) (unless submitted by testifying witness at trial, survey was deemed work product).

Nor has Barclays waived its claim of work product immunity by producing Mr. Duran as a witness. Merely because a party chooses to disclose the “existence” of certain documents or searches (e.g., fact work product) does not mean that the party has waived immunity concerning “why” the documents were selected or the searches were conducted (e.g., opinion work product). *See Shinnecock Indian Nation v. Kempthorne*, 652 F. Supp. 2d 345, 367-69 (E.D.N.Y. 2009) (“even assuming *arguendo* that there was partial disclosure of non-opinion work product in the second document (which there was not), there is no authority supporting the proposition that such a finding may overcome the heightened protections of opinion work product to compel full disclosure thereof”); *see also Bank of Am., N.A. v. Terra Nova Ins. Co.*, 212 F.R.D. 166, 175 (S.D.N.Y. 2002) (“[T]here is no indication that Terra Nova disclosed anything other than ‘fact’ work product . . . . This suggests that Terra Nova made an affirmative effort to protect the confidentiality of the ‘opinion’ work product of its attorneys. Accordingly, Terra Nova will not be compelled to produce any ‘opinion’ work product”); *Bernstein v. Bernstein*, 1993 U.S. Dist. LEXIS 6979, at \*2 (E.D.N.Y. May 24, 1993) (“The testimony . . . revealed essentially factual (and non-privileged) information regarding these conversations and not mental impressions . . . . Such factual testimony does not operate as a waiver by plaintiffs of all information regarding these three witnesses, particularly documents containing mental impressions . . . .”); *Koumoulis v. Indep. Fin. Mktg. Grp., Inc.*, 295 F.R.D. 28, 39 (E.D.N.Y. 2013) (“courts have been reluctant to hold that implied waiver of non-opinion work product extends to opinion work product”).

Barclays at no time voluntarily disclosed any opinion work product. That its witness authenticated searches and documents from public databases did not constitute a waiver of counsel’s mental impressions about the documents and litigation strategies, including the reasons Barclays selected the documents and searches and how those documents and searches ultimately would be used in Barclays’ trial briefs. If the converse were true, then opinion work product would be waived every time a lawyer reviewed and produced documents during discovery. There is no rationale for any claim of waiver.

In short, Tiger Lily's objections to Barclays' assertion of work product immunity are without merit. And Tiger Lily now has full opportunity to make any arguments in response to Mr. Duran's declaration and exhibits in response to Barclays' timely trial brief.

Moreover, the Board should disregard all testimony of Mr. Duran elicited on cross-examination that went beyond the scope of his direct testimony by declaration, which was limited to authenticating documents and searches from the Internet and Lexis databases. *See Kate Spade*, Opposition No. 91216585 (TTAB March 22, 2018) (113 TTABVUE 7-8) (not precedential). Such testimony includes Duran Tr. at 24-27, 30-33, 49-52, 62-64, 70, 74-76, 78-82, 87, 107-109, 111-115, 147, 223-224 (117 TTABVUE 25-28, 31-34, 50-53, 63-65, 71, 75-77, 79-83, 88, 108-110, 112-116, 147, 224-225).

#### **7. Cross-Examination of Alexander L. Greenberg**

Barclays incorporates by reference its objections made on the record during Tiger Lily's cross-examination of Barclays' trial witness Alexander L. Greenberg (114-116 TTABVUE). During the unnecessarily contentious and argumentative cross-examination, counsel for Tiger Lily repeatedly:

- called for the witness to make legal conclusions (Greenberg Tr. at 19, 20, 29, 32, 62, 69-70, 71, 75, 86, 94, 136 152, 173, 174, 179, 184, 187, 189, 230, 238, 250, 251, 253, 260, 262, 270, 303, 304 (116 TTABVUE 20, 21, 30, 33, 63, 70-71, 72, 76, 87, 95, 137, 153, 174, 175, 179, 185, 188, 190, 231, 239, 251, 252, 254, 261, 263, 271, 304, 305));
- sought to elicit testimony concerning to privileged information and legal strategy (Greenberg Tr. at 51, 65, 79, 84, 85, 94, 175, 176, 184, 189, 190, 194, 195 (116 TTABVUE 52, 66, 80, 85, 86, 95, 176, 177, 185, 190, 191, 195, 196));
- himself testified, rather than propounding questions to the witness (Greenberg Tr. at 17, 121, 127, 203, 212 (116 TTABVUE 18, 122, 128, 204, 213));
- called for the witness to speculate (Greenberg Tr. at 56, 71, 200, 201, 232, 278, 291, 292, 297, 299 (116 TTABVUE 57, 72, 201, 202, 233, 279, 292, 293, 298, 300));

- assumed facts not in evidence (Greenberg Tr. at 93, 94, 95, 139, 142, 204, 213, 294, 305 (116 TTABVUE 94, 95, 96, 140, 143, 205, 214, 295, 306));
- asked questions without proper foundation (Greenberg Tr. at 240, 250, 262, 297, 300, 301, 305 (116 TTABVUE 241, 251, 263, 298, 301, 302, 306)); and
- improperly sought to elicit expert disclosures (Greenberg Tr. at 62-63 (116 TTABVUE 63-64)).

**8. Reservation of Rights**

Barclays reserves its right: (1) to raise additional objections to Tiger Lily's evidence after Tiger Lily's proffered use of such evidence is made clear in its trial brief; (2) to reply to any arguments Tiger Lily makes in response to the foregoing objections; and (3) to respond to any evidentiary objections made by Tiger Lily in or with its trial brief.

Dated: New York, New York  
August 27, 2019

Respectfully submitted,  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on August 27, 2019, I caused a true and complete copy of the foregoing *BARCLAYS' EVIDENTIARY OBJECTIONS IN OPPOSITION NOS. 91219477 AND 91219478* to be sent by electronic mail to Tiger Lily's Attorney and Correspondent of Record, Robert Garson, Esq. of Garson Segal Steinmetz Fladgate LLP at [rg@gs2law.com](mailto:rg@gs2law.com) and, [recordroom@gs2law.com](mailto:recordroom@gs2law.com)

Dated: New York, New York  
August 27, 2019

\_\_\_\_\_  
/Eric J. Shimanoff/  
Eric J. Shimanoff



## Non-USPQ Cases

## [Tiger Lily Ventures Ltd. v. Barclays Capital Inc.](#)

United States District Court for the Southern District of New York

May 22, 2018, Decided; May 22, 2018, Filed

17 Misc. 499 (GBD) (KNF)

### Reporter

2018 U.S. Dist. LEXIS 85726 \*; 2018 WL 2316727

TIGER LILY VENTURES LTD., Plaintiff, -against-  
BARCLAYS CAPITAL INC., Defendant.

**Prior History:** [Tiger Lily Ventures Ltd. v. Barclays Capital, Inc., 2018 U.S. Dist. LEXIS 76068 \(S.D.N.Y., May 2, 2018\)](#)

### Core Terms

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deposition, notice, subpoena, attendance, lack of jurisdiction, motion to compel, Trademark, questions, novo

**Counsel:** [\*1] For Tiger Lily Ventures Ltd., Plaintiff: Robert David Garson, LEAD ATTORNEY, Garson, Segal, Steinmetz LLP, New York, NY.

For Barclays Capital Inc., Defendant: Eric Joseph Shimanoff, LEAD ATTORNEY, Cowan, Liebowitz, & Latman, PC, New York, NY.

**Judges:** GEORGE B. DANIELS, United States District Judge.

**Opinion by:** GEORGE B. DANIELS

### Opinion

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#### MEMORANDUM DECISION AND ORDER

GEORGE B. DANIELS, United States District Judge:

Plaintiff Tiger Lily Ventures Ltd. ("Tiger Lily") has filed applications with the United States Patent and Trademark Office ("USPTO") to use the LEHMAN BROTHERS mark in connection with beer, spirits, and

bar and restaurant services. (Mem. in Supp. of Mot. to Compel ("Mem."), ECF No. 11, at 2.) Defendant Barclays Capital Inc. ("Barclays"), the owner by assignment of the LEHMAN BROTHERS name and trademark, filed an opposition with the USPTO's Trademark Trial and Appeal Board ("TTAB") contesting Tiger Lily's applications. (*Id.*; see also Mem. in Opp'n to Mot. to Compel ("Opp'n"), ECF No. 15, at 1.)

Barclays's submissions to the TTAB included, among other things, the trial declaration of Ignacio Duran, a "former attorney/paralegal of Barclays' external counsel." (Mem. at 3.) On April 5, 2017, Tiger Lily served counsel [\*2] for Barclays with a notice of testimonial cross-examination for Duran's deposition.<sup>1</sup> (Mem. at 5; see also Notice of Deposition, Deck of Robert Carson dated Dec. 19, 2017, Ex. 1, ECF No. 12-1.) The notice identified Duran as an "Associate Attorney at [the] Davidson Law Group PC., 15 Glen Street, Suite 302A[,], Glen Cove, NY." (See Notice of Deposition at 1.) The notice also "invited [Duran] to attend" a deposition at the law offices of Tiger Lily's counsel, located at 164 West 25th Street, New York, New York. (*Id.* at 1-2.) As requested, Duran attended the deposition. (Mem. at 4.) However, on the timely objections of counsel, he refused to answer certain questions, citing attorney-client privilege and the work-product doctrine. (*Id.* at 4-5; Opp'n at 1, 4.) Invoking this Court's miscellaneous jurisdiction, Tiger Lily now moves to compel Duran to respond to the deposition questions that he refused to answer. (Mem. at 14.)

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<sup>1</sup> Although Tiger Lily claims that the notice of deposition was issued "in accordance with [35 U.S.C. § 24](#) and [\[Federal Rule of Civil Procedure\] 45](#)," (Mem. at 5), the notice itself indicates that it was issued "pursuant to [Rule 2.123](#), [37 C.F.R. § 2.123](#), and the Federal Rules of Civil Procedure." (See Notice of Deposition at 1.)

Before this Court is Magistrate Judge Kevin Nathaniel Fox's May 2, 2018 Report and Recommendation ("Report," ECF No. 18), recommending that this Court dismiss Tiger Lily's motion to compel for lack of jurisdiction. (*Id.* at 6.) Magistrate Judge Fox advised the parties that failure to file timely [\*3] objections to the Report would constitute a waiver of those objections on appeal. (*Id.* at 6-7.) Tiger Lily filed a timely objection to the Report. (See Pl.'s Obj., ECF No. 19.)

Having reviewed the Report *de novo*, this Court ADOPTS the Report in full and DISMISSES Tiger Lily's motion to compel for lack of jurisdiction.

## I. LEGAL STANDARD

A court "may accept, reject, or modify, in whole or in part, the findings or recommendations" set forth within a magistrate judge's report. [28 U.S.C. § 636\(b\)\(1\)\(C\)](#). The court must review *de novo* the portions of a magistrate judge's report to which a party properly objects. *Id.* On *de novo* review, it is sufficient that the court "arrive at its own, independent conclusions regarding those portions to which objections were made." *Manolov v. Borough of Manhattan Cmty. Coll.*, 952 F. Supp. 2d 522, 526 (S.D.N.Y. 2013) (citations omitted).

Portions of a magistrate judge's report to which no objections or merely general objections are made are reviewed for clear error. See *Owusu v. N.Y. State Ins.*, 655 F. Supp. 2d 308, 313 (S.D.N.Y. 2009) ("[O]bjections that are merely perfunctory responses argued in an attempt to engage the district court in a rehashing of the same arguments set forth in the original [papers] will not suffice to invoke *de novo* review.") (citation omitted); *Molefe v. KLM Royal Dutch Airlines*, 602 F. Supp. 2d 485, 487 (S.D.N.Y. 2009) ("When a party makes only conclusory or general objections, or simply [\*4] reiterates the original arguments, the Court will review the Report strictly for clear error."). Clear error is present only when "upon review of the entire record, [the court is] left with the definite and firm conviction that a mistake has been committed." [United States v. Snow](#), 462 F.3d 55, 72 (2d Cir. 2006) (citation omitted).

## II. TIGER LILY'S MOTION TO COMPEL DURAN'S DEPOSITION TESTIMONY IS DISMISSED FOR LACK OF JURISDICTION

Tiger Lily contends that it may seek an order from this Court compelling Duran to answer questions at his

deposition because he was served with a notice of testimonial cross-examination "in accordance with [35 U.S.C. § 24](#) and [Fed. R. Civ. P. 45](#)." (Mem. at 5.) The Report recommends that this Court dismiss Tiger Lily's motion to compel for lack of jurisdiction because Duran's deposition notice was not, in fact, issued pursuant to [35 U.S.C. § 24](#). (Report at 5-6). In light of Tiger Lily's objections, this Court reviews the Report *de novo*.

[Title 35, Section 24 of the United States Code](#) provides, in pertinent part:

The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent and Trademark Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear [\*5] and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent and Trademark Office.

[35 U.S.C. § 24](#). The statute provides further that "[a] judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify." *Id.* [Rule 45 of the Federal Rules of Civil Procedure](#) similarly provides for court-ordered compliance with a subpoena issued by the clerk of court in which the action is pending. See [Fed. R. Civ. P. 45\(a\), \(g\)](#).

Here, it is undisputed that Duran's attendance at the deposition was not compelled by a subpoena issued by the Clerk of this Court pursuant to either [35 U.S.C. § 24](#) or [Rule 45](#). (See Notice of Deposition at 1; Mem. at 5; Opp'n at 7.) Thus, as the Report correctly concluded, there is no basis in law or fact for this Court to issue an order compelling Duran to attend and give testimony at a deposition. (Report at 5-6); see [Rosenruist-Gestao E Servicos LDA v. Virgin Enters.](#), 511 F.3d 437, 445 (4th Cir. 2007) ("If a party to an *inter partes* proceeding [\*6] wishes to take the trial testimony of an adverse party or an official of an adverse party who is unwilling to appear [and give testimony] voluntarily, then the examining party must secure attendance of the deponent *by subpoena*." (emphasis added); see also TBMP §

707.03(d) (motions in federal court to compel deposition testimony may not be sought absent a subpoena issued pursuant to [35 U.S.C. § 24](#) or [Rule 45](#)). Tiger Lily claims that notwithstanding its failure to obtain a subpoena pursuant to [35 U.S.C. § 24](#) or [Rule 45](#), Duran's noticed deposition "should be deemed to have been taken pursuant to subpoena for the purposes of [35 U.S.C. §24](#)." (Reply, ECF No. 17, at 6.) However, as the Report notes, Tiger Lily cites no factual or legal support for that proposition, (Report at 5), and such a finding would clearly be contrary to the text of the statute.

Moreover, the notice for Duran's deposition unequivocally states that it was served pursuant to [37 C.F.R. § 2.123](#), which provides for objections raised at depositions noticed thereunder to be decided at the final TTAB hearing. (See Notice of Deposition at 1); [37 C.F.R. § 2.123\(j\)](#) (objections to "any declaration, affidavit, or deposition, or part thereof . . . may not be considered until [the] final hearing"); TBMP § 707.03(d) (absent a subpoena, "[t]here is no mechanism [\*7] for obtaining from the Board, prior to final hearing, a ruling on the propriety of an objection to a question propounded during a testimony deposition"); [Health-Tex Inc. v. Okabashi \(U.S.\) Corp., 18 U.S.P.Q.2d 1409, 1990 TTAB LEXIS 76, 1990 WL 354604, at \\*2 \(T.T.A.B. June 15,1990\)](#) (objections concerning a deponent's refusal to answer questions in connection with oral depositions under [Rule 2.123](#) are not considered until final hearing). Accordingly, the Report properly concluded that since Duran's attendance at the deposition was on notice rather than by subpoena, this Court is without jurisdiction to enter an order compelling Duran to answer questions at the deposition.<sup>2</sup>

### III. CONCLUSION

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<sup>2</sup> Tiger Lily objects to the Report's conclusion that, because the notice served on counsel for Barclays called for the deposition of an individual located in Glen Cove, New York, which is beyond the territorial confines of this District, the Clerk of this Court would have lacked authority to issue a subpoena for Duran's deposition pursuant to [35 U.S.C. § 24](#). (Pl.'s Obj. at 6-7.) More specifically, Tiger Lily claims that Duran's deposition was conducted in this District, and that, at a minimum, he was subject to the subpoena power of this Court on that day. (*Id.*) Even if that is correct, it is undisputed that Tiger Lily failed to secure Duran's attendance at the deposition with a subpoena issued pursuant to either [35 U.S.C. § 24](#) or [Rule 45](#). Because Duran attended the deposition on a purely voluntary basis, this Court cannot compel him to give testimony he does not wish to provide.

Tiger Lily's objections are OVERRULED and its motion to compel, (ECF No. 10), is DISMISSED for lack of jurisdiction.

The Clerk of Court is directed to close the motion and this case accordingly.

Dated: New York, New York

May 22, 2018

/s/ George B. Daniels

GEORGE B. DANIELS

United States District Judge

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## [Tiger Lily Ventures Ltd. v. Barclays Capital, Inc.](#)

United States District Court for the Southern District of New York

May 2, 2018, Decided; May 2, 2018, Filed

17-MC-499 (GBD) (KNF)

### Reporter

2018 U.S. Dist. LEXIS 76068 \*

TIGER LILY VENTURES LTD., Plaintiff, -against-  
BARCLAYS CAPITAL INC., Defendant.

**Subsequent History:** Adopted by, Motion dismissed by, Objection overruled by [Tiger Lily Ventures Ltd. v. Barclays Capital Inc., 2018 U.S. Dist. LEXIS 85726 \(S.D.N.Y., May 22, 2018\)](#)

### Core Terms

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subpoena, Notice, Testimonial, deposition, Cross-Examination, work product, asserts

**Counsel:** [\*1] For Tiger Lily Ventures Ltd., Plaintiff: Robert David Garson, LEAD ATTORNEY, Garson, Segal, Steinmetz LLP, New York, NY.

For Barclays Capital Inc., Defendant: Eric Joseph Shimanoff, LEAD ATTORNEY, Cowan, Liebowitz, & Latman, PC, New York, NY.

**Judges:** KEVIN NATHANIEL FOX, UNITED STATES MAGISTRATE JUDGE.

**Opinion by:** KEVIN NATHANIEL FOX

### Opinion

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#### REPORT AND RECOMMENDATION

#### INTRODUCTION

The plaintiff filed an application with the United States Patent and Trademark Office ("USPTO") for the mark Lehman Brothers for intended use in connection with

certain "beer" and "spirits." The defendant opposed the plaintiff's application with the USPTO's Trademark Trial and Appeal Board ("TTAB") and submitted a trial declaration, dated February 10, 2017, by Ignacio V. Duran ("Duran"), "a former attorney/paralegal of Barclays' external counsel." Thereafter, the plaintiff requested a "testimonial deposition on oral cross-examination," of "Ignacio V. Duran, Associate Attorney at, Davidson Law Group PC, 15 Glen Street, Suite 302A Glen Cove, NY 11542," "pursuant to [Rule 2.123, 37 C.F.R. § 2.123](#), and the Federal Rules of Civil Procedure," by serving a "Notice of Testimonial Cross-Examination" on the defendant's attorney, dated April 5, 2017.

Before the Court is the plaintiff's [\*2] motion, made "pursuant to [Fed. R. Civ. P. 37\(a\)\(2\)](#) for an order directing Ignacio Duran to answer certain oral questions propounded to deponent in his deposition previously noticed. This motion is based on the ground that deponent, without justification, failed and refused to answer such questions," at "the testimonial deposition on oral cross-examination," conducted on November 28, 2017.

#### PLAINTIFF'S CONTENTIONS

The plaintiff contends that it "may request the court to compel a witness to a TTAB proceeding to answer" because, "in accordance with [35 U.S.C. § 24](#) and [Fed. R. Civ. P. 45](#), Plaintiff served Defendant's counsel, Cowan, Liebowitz & Latman PC with a Notice of Testimonial Cross-Exa[m]ination for the testimonial deposition of Ignaioco V. Duran," which was "taken at the offices of Garson, Segal, Steinmetz, Fladgate, LLP," in New York, New York. According to the plaintiff, the office where the deposition was taken "is located in the

jurisdiction of the Southern District of New York. Therefore it is undisputed that under TBMP § 404.9,<sup>1</sup> that [sic] the Plaintiff's Motion to Compel the Defendant to Answer is properly before this Court."

The plaintiff asserts that the answers it seeks are "central to the issues in the TTAB Proceeding," and the defendant

abused [\*3] protection provided by the work product privilege by objecting or instructing Duran not to answer Tiger Lily's questions by: (a) failure to state the basis for the objection or instruction; (b) failure to provide a privilege log; (c) asserting a work product privilege when Barclay waived such privilege; (d) preventing Tiger Lily from obtaining information to [sic] which Tiger Lily has a substantial need; and (e) mischaracterizing Duran's compilation of evidence as work product.

Moreover, the defendant "conflates attorney client privilege with work product immunity" and it waived any work product protection "by presenting Duran as a witness" and because "instructions on the creation of the exhibits are not core work product." The plaintiff asserts it has substantial need for answers designated as work product by the defendant.

## DEFENDANT'S CONTENTIONS

The defendant contends that a federal court "does not have jurisdiction to determine a motion to compel testimony in connection with a TTAB proceeding, unless the testimony is being taken pursuant to a subpoena issued by the Court under [35 U.S.C. § 24](#) and [Fed. R. Civ. P. 45](#)." According to the defendant, "no such subpoena has ever been issued in connection with the testimony [\*4] of Mr. Duran" by this court; thus, this court has no jurisdiction over the instant motion.

The defendant asserts that the information sought by the plaintiff is shielded from disclosure under the opinion-work-product doctrine because it was created "as part of Barclays' trial preparation," and the plaintiff failed to show any factual support for its assertion of "substantial need" for the information requested to

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<sup>1</sup> The plaintiff uses an acronym, "TBMP" in its memorandum of law, without identifying the words from which the acronym is derived. The Court assumes that the plaintiff's acronym TBMP stands for "Trademark Trial and Appeal Board Manual of Procedure," which is neither binding on nor applicable to actions in federal courts.

overcome the work product protection. The defendant maintains that it did not waive work product protection "concerning 'why'" the information requested was selected by the defendant. The defendant contends that the plaintiff "conflates discovery with trial testimony," and the rules on which the plaintiff relies, in support of this motion, govern discovery and are not applicable to a motion to compel trial testimony.

## PLAINTIFF'S REPLY

The plaintiff asserts that, in connection with the defendant's lack of jurisdiction argument, the defendant "elevates form far above substance, *a fortiori* since the reserve position of this Court would be, in consequence, to issue a [Fed. R. Civ. P. 45](#) subpoena with direction to answer the questions previously posed." According to the plaintiff, "a deposition attended [\*5] pursuant to notice rather than subpoena should be deemed to have been taken pursuant to subpoena for the purposes of [35 U.S.C. § 24](#)." The plaintiff contends that the defendant "seeks to draw a false impression between fact work product and opinion work product. Due to the fact that none of this work product preexisted, was never kept in the ordinary course of business by Barclay or opposing counsel, there is no fact work product."

## LEGAL STANDARD

The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent and Trademark Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. ... A judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify. No witness shall be deemed guilty of contempt for disobeying such subpoena unless his fees [\*6] and traveling expenses in going to, and returning from, and one day's attendance at the place of examination, are paid or tendered him at the time of the service of the subpoena; nor for refusing to disclose any secret matter except upon appropriate order of the court which issued the subpoena.

[35 U.S.C. § 24.](#)**APPLICATION OF LEGAL STANDARD**

Although the plaintiff asserted in its motion that, "in accordance with [35 U.S.C. § 24](#) and [Fed. R. Civ. P. 45](#), Plaintiff served Defendant's counsel, Cowan, Liebowitz & Latman PC with a Notice of Testimonial Cross-Examination for the testimonial deposition of Ignacio V. Duran," in its reply, the plaintiff admitted that its "Notice of Testimonial Cross-Examination" was not served pursuant to [35 U.S.C. § 24](#) because it asserted that "a deposition attended pursuant to notice rather than subpoena should be deemed to have been taken pursuant to subpoena for the purposes of [35 U.S.C. § 24](#)," without citation to any authority in support of its assertion. The Court finds that plaintiff's April 5, 2017 "Notice of Testimonial Cross-Examination," Docket Entry No. 12-1, was not issued pursuant to [35 U.S.C. § 24](#) because it was not issued by "[t]he clerk of this court "upon the application" of the plaintiff for a "witness residing or being within" this [\*7] district, the Southern District of New York. Since: (1) only "[a] judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify," [35 U.S.C. § 24](#); and (2) the plaintiff's "Notice of Testimonial Cross-Examination," dated April 5, 2017, was not issued pursuant to [35 U.S.C. § 24](#), no jurisdiction exists over the instant motion.

The plaintiff's contention that "a deposition attended pursuant to notice rather than subpoena should be deemed to have taken pursuant to subpoena for the purposes of [35 U.S.C. § 24](#)" is baseless and meritless because the April 5, 2017 "Notice of Testimonial Cross-Examination," issued by the plaintiff's attorney, noticed the deposition of "Ignacio V. Duran, Associate Attorney at, Davidson Law Group PC, 15 Glen Street, Suite 302A Glen Cove, NY 11542," and Glen Cove, New York, is not located within the Southern District of New York. Thus, even assuming that, on April 5, 2017, rather than issuing a Notice of Testimonial Cross-Examination, the plaintiff made an application to the Clerk of Court for the Southern District of New York to issue a subpoena [\*8] for "Ignacio V. Duran, Associate Attorney at, Davidson Law Group PC, 15 Glen Street, Suite 302A Glen Cove, NY 11542," the Clerk of Court for this district would have been without authority to issue a subpoena for such a witness because that witness was not "residing or being within such district," as required by [35 U.S.C. § 24](#). Moreover, [Rule 45 of the Federal Rules of Civil](#)

[Procedure](#) governing the form, content, notice, service and enforcement of a subpoena served on a non-party, provides certain procedural and due process protections not provided by other Rules of Federal Civil Procedure, including [Rule 30](#). The plaintiff does not contend that it complied with the requirements of [Rule 45 of the Federal Rules of Civil Procedure](#). The Court finds that no basis exists for the deposition of "Ignacio V. Duran, Associate Attorney at, Davidson Law Group PC, 15 Glen Street, Suite 302A Glen Cove, NY 11542," to "be deemed to have been taken pursuant to subpoena for the purposes of [35 U.S.C. § 24](#)," because the Clerk of Court for this judicial district would have had no authority, at the time the plaintiff issued its Notice of Testimonial Cross-Examination, to issue a subpoena pursuant to [35 U.S.C. § 24](#), given that Glen Cove, New York, is not within the confines of this judicial district.

**RECOMMENDATION**

For the foregoing reasons, I recommend [\*9] that the motion, Docket Entry No. 10, be dismissed for lack of jurisdiction.

**FILING OF OBJECTIONS TO THIS REPORT AND RECOMMENDATION**

Pursuant to [28 U.S.C. § 636\(b\)\(1\)](#) and [Rule 72\(b\) of the Federal Rules of Civil Procedure](#), the parties shall have fourteen (14) days from service of this Report to file written objections. See also [Fed. R. Civ. P. 6](#). Such objections, and any responses to objections, shall be filed with the Clerk of Court, with courtesy copies delivered to the chambers of the Honorable George B. Daniels, 500 Pearl Street, Room 1310, New York, New York, 10007, and to the chambers of the undersigned, 40 Centre Street, Room 425, New York, New York, 10007. Any requests for an extension of time for filing objections must be directed to Judge Daniels. **Failure to file objections within fourteen (14) days will result in a waiver of objections and will preclude appellate review.** See [Thomas v. Arn, 474 U.S. 140, 106 S. Ct. 466, 88 L. Ed. 2d 435 \(1985\)](#); [Cephas v. Nash, 328 F.3d 98, 107 \(2d Cir. 2003\)](#).

Dated: New York, New York

May 2, 2018

Respectfully submitted,

/s/ Kevin Nathaniel Fox

KEVIN NATHANIEL FOX

UNITED STATES MAGISTRATE JUDGE

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## [Tyco Healthcare Group LP v. Kimberly-Clark Corp.](#)

United States District Court for the District of Massachusetts

December 6, 2006, Decided

Civil Action No. 06-11809-JLT

### Reporter

463 F. Supp. 2d 127 \*; 2006 U.S. Dist. LEXIS 88245 \*\*

Tyco Healthcare Group LP and Tyco Healthcare Retail Group, Inc., Plaintiffs, v. Kimberly-Clark Corporation, Kimberly-Clark Worldwide, Inc., Kimberly-Clark Global Sales, Inc., Defendants.

### Core Terms

wings, FLEXI-WINGS, trademark, marks, consumers, Flex, packaging, generic, infringement, similarity, Comfort, pads, consumer confusion, products, descriptive, tabs, brands, brand name, maxi, preliminary injunction, irreparable harm, factors, parties, merits, motion to strike, portions, generic term, fair use, advertising, sponsorship

### Case Summary

#### Procedural Posture

Plaintiff businesses sued defendant competitors, alleging trademark infringement and unfair competition. The competitors denied the allegations and submitted affidavits prepared by a corporate official who claimed that customers were not confused by competing products the parties sold. The businesses filed a motion to strike the affidavits and a motion for a preliminary injunction.

#### Overview

The businesses claimed that their competitors infringed a registered trademark one of the businesses held when they used the term "Comfort Flex Wings" to describe the features of feminine hygiene products they sold. The competitors noted that they held a registered trademark in the name "Comfort-Flex," and they submitted an affidavit prepared by a corporate officer which claimed that consumers would not be confused by use of the


term "Comfort Flex Wings." The court found that information in the officer's affidavit that attested to final conclusions of law regarding the term "wings" and the likelihood of confusion among consumers was not helpful, and it struck those portions of the affidavit. However, the court found that the businesses were not entitled to a preliminary injunction prohibiting the competitors from selling their product. The evidence did not support the businesses' claim that the competitors use of the term "Comfort Flex Wings" created a similarity in the names of the products that confused consumers, the term "wings" was a generic term used in the feminine hygiene industry, and the competitors had simply made fair use of that term with their own trademark.

#### Outcome

The court allowed the businesses' motion to strike portions of the affidavit the competitors filed, but denied the businesses' motion for a preliminary injunction.

### LexisNexis® Headnotes

Evidence > ... > Lay Witnesses > Opinion  
Testimony > General Overview

**HNT** If a witness is testifying as a lay witness, she may give testimony that is rationally based on her perception, helpful to a clear understanding of the case, and not based on technical knowledge. [Fed. R. Evid. 701.](#)

Evidence > ... > Lay Witnesses > Opinion

[Testimony > General Overview](#)

[HN2](#) [↓] Lay opinion of consumers' mental impressions is problematic. Meaningful opinion about consumer impressions requires some scientific, technical, or statistical basis in fact.

[Civil Procedure > Remedies > Injunctions > Preliminary & Temporary Injunctions](#)

[Trademark Law > ... > Equitable Relief > Injunctions > Preliminary Injunctions](#)

### [HN3](#) [↓] **Preliminary & Temporary Injunctions**

To obtain a preliminary injunction, the moving party must establish (1) it is substantially likely to succeed on the merits of its claim; (2) absent the injunction, there is a significant risk of irreparable harm; (3) the balance of hardships weighs in its favor; and (4) the injunction will not harm the public interest. When the likelihood of success on the merits is great, the moving party can show somewhat less in the way of irreparable harm and still garner preliminary injunctive relief. In a trademark case, the primary consideration for the court is likelihood of success on the merits.

[Civil Procedure > Remedies > Injunctions > Preliminary & Temporary Injunctions](#)

[Evidence > Inferences & Presumptions > Presumptions](#)

[Trademark Law > ... > Equitable Relief > Injunctions > Preliminary Injunctions](#)

### [HN4](#) [↓] **Preliminary & Temporary Injunctions**

Irreparable harm is presumed in a trademark case if there is a likelihood of success on the merits.

[Trademark Law > Subject Matter of Trademarks > Terms Requiring Secondary Meaning > General Overview](#)

[Trademark Law > Subject Matter of Trademarks > Terms With Inherent](#)

[Distinctiveness > Suggestive Terms](#)

[Trademark Law > ... > Eligibility for Trademark Protection > Distinctiveness > General Overview](#)

[HN5](#) [↓] A trademark is valid where the mark is either (1) descriptive and has secondary market meaning, (2) suggestive, (3) fanciful, or (4) arbitrary. A trademark is invalid where it is descriptive and has no secondary meaning, or where it is a generic word for a product. The essential distinction is, therefore, in distinguishing suggestive marks from descriptive marks. A term is suggestive if it requires imagination, thought, and perception to reach a conclusion as to the nature of goods. A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities, or characteristics of the goods.

[Trademark Law > ... > Infringement Actions > Defenses > Genericness](#)

### [HN6](#) [↓] **Genericness**

Generic marks are terms which name a particular class of goods or answer the question, "What do you call it?"

[Trademark Law > ... > Eligibility for Trademark Protection > Distinctiveness > Evidence of Distinctiveness](#)

[Trademark Law > Subject Matter of Trademarks > Terms With Inherent Distinctiveness > Suggestive Terms](#)

### [HN7](#) [↓] **Evidence of Distinctiveness**

Judges must consider a mark in its entirety, with a view toward what the purchasing public would think when confronted with the mark as a whole.

[Trademark Law > ... > Similarity of Marks > Appearance, Meaning & Sound > General Overview](#)

[HN8](#) [↓] Similarity of marks should be determined on the total effect of the mark, not a comparison of their features. A change or addition of words where the same operable words are used will not avoid a finding of similarity.

Trademark Law > ... > Similarity of  
Marks > Appearance, Meaning & Sound > General  
Overview

[HN9](#) [↓] In analyzing the similarities of sight, sound, and meaning between two marks, a court must look to the overall impression created by the marks and not merely compare individual features.

Trademark Law > ... > Consumer  
Confusion > Circuit Court Factors > 1st Circuit Court

Trademark Law > ... > Similarity of  
Marks > Appearance, Meaning &  
Sound > Appearance

#### [HN10](#) [↓] 1st Circuit Court

The United States Court of Appeals for the First Circuit has recognized that sponsorship confusion can constitute actionable trademark infringement. The existence of this theory of liability does provide an avenue for finding confusion despite the presence of different brand names. It does not, however, mean that a court must find such confusion. In fact, the presence of an additional brand name is merely relevant to whether a likelihood of confusion exists. An additional brand name does not excuse infringement, but it should be considered as a factor in determining the likelihood of either actual or sponsorship confusion.

Trademark Law > Likelihood of Confusion > General  
Overview

[HN11](#) [↓] A trademark suit alleges a violation of an abstract right to a trademark by an infringing product. Unlike in a patent suit, however, trademark infringement cannot be considered abstractly and without reference to the plaintiff's use of the product. The factors for determining confusion require consideration of the actual use of the mark in commerce.

Trademark Law > ... > Defenses to  
Incontestability > Fair Use > General Overview

[HN12](#) [↓] A use is fair where a descriptive portion of an otherwise distinctive trademark is used to describe a

product rather than to appropriate goodwill. Specifically, when a plaintiff has chosen a mark with some descriptive qualities, he cannot altogether exclude some kinds of competing uses even when the mark is properly on the register.

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[HN13](#) [↓] A use need not be free of confusion to be fair.

**Counsel:** [\*1] For Kimberly-Clark Corporation, Defendant: Jeffrey A. Handelman, LEAD ATTORNEY, Howard S. Michael, LEAD ATTORNEY, Brinks Hofer Gilson & Lione, Chicago, IL; John P. Iwanicki, LEAD ATTORNEY, Dale A. Malone, LEAD ATTORNEY, Banner & Witcoff, Boston, MA.

For Tyco Healthcare Group LP, Plaintiff: Timothy D. Johnston, LEAD ATTORNEY, Joseph F. Shea, LEAD ATTORNEY, Rachel J. Sherman, LEAD ATTORNEY, Nutter, McClennen & Fish, LLP, Boulevard Boston, MA.

**Judges:** Joseph L. Tauro, United States District Judge.

**Opinion by:** Joseph L. Tauro

## Opinion

[\*130] MEMORANDUM

December 6, 2006

TAURO, J.

### **Background**

The following facts are not in dispute. Plaintiff Tyco Healthcare Group LP ("Tyco") holds a registered trademark in the name "FLEXI-WINGS" which it licenses to Proctor & Gamble for use on Always brand maxi pads. The term "FLEXI-WINGS" indicates a feature of the maxi pad whereby flexible tabs protrude from the sides of the pad to provide added protection. Plaintiffs intend to license the name "FLEXI-WINGS" for use on other brands as well. Defendant Kimberly-Clark Corporation ("K-C") holds a registered trademark in the name "Comfort-Flex." K-C and its subsidiaries use this trademark in conjunction [\*\*2] with the phrase "wings"

on its Kotex brand maxi pads, thus advertising them as having "Comfort Flex Wings." Always and Kotex maxi pads are competing products sold in the same channels of trade.

Tyco admits that K-C has a right to the use of the term "Comfort Flex," but contends that the use of the phrase "Comfort Flex Wings" infringes Tyco's trademark in "FLEXI-WINGS."

Plaintiffs allege consumer confusion and irreparable harm. Defendants respond that the term "FLEXI-WINGS" is invalid as descriptive or generic, that the terms are not confusingly similar, and that, in any event, their use of the word "wings" is fair. Plaintiffs bring state and federal claims of trademark infringement and unfair competition, but concede that the federal trademark claim is dispositive of all claims. Plaintiffs seek a Preliminary Injunction enjoining Defendants from using the combination "Comfort Flex Wings." Also pending before the court are two Tyco motions to strike portions of affidavits submitted by K-C.

## Discussion

In order to verify that no improperly adduced evidence is considered in the court's ruling on the Motion for a Preliminary Injunction, the motions to strike should be considered [<sup>\*\*3</sup>] first.

### *Motion to Strike Affidavit in Opposition to Motion*

In their opposition to the Motion for Preliminary Injunction, Defendants submitted an Affidavit in which their Director of Marketing for Feminine Care, Anne Jones, averred, among other things, that (1) "wings" is a generic term, (2) Tyco's use of "wings" is a generic use, (3) in her opinion, the product packaging and [<sup>\*131</sup>] grouping of products in stores eliminates the risk of consumer confusion, and (4) consumers act with care in purchasing these goods. <sup>1</sup> Plaintiffs charge that these statements are unsupported, not based on personal knowledge, and not qualified as expert opinion. Defendants respond by acknowledging that she is not an expert, but argue that her lay opinion is probative. Defendants submitted a supplemental affidavit attesting to her experience and personal knowledge of the industry.

<sup>1</sup> Aff. of Anne M. Jones, Paper # 13-1.

[HN1](#)<sup>(↑)</sup> If a witness is testifying as a lay witness, she may give testimony that is rationally based on her perception, [<sup>\*\*4</sup>] helpful to a clear understanding of the case, and not based on technical knowledge. <sup>2</sup> To the extent that Jones's affidavit attests to final conclusions of law regarding "wings" level of genericity and the likelihood of confusion, it is not helpful since the court must weigh the evidence and make its own determinations on these issues.

The portions of P 4, P 6, P 11, and P 12 which conclude that "wings" is a generic term are stricken. The remaining portions of these paragraphs that provide information about industry practices and product names are admissible and are not stricken.

Additionally, in portions of P 18 and P 19, Ms. Jones asserts that the layout of stores prevents consumer confusion and that consumers tend to act with care in considering these goods. [HN2](#)<sup>(↑)</sup> Lay opinion of consumers' mental impressions is problematic. <sup>3</sup> Meaningful opinion about consumer impressions requires some scientific, technical, or statistical basis in fact. The affidavit lacks [<sup>\*\*5</sup>] this basis, and these portions are also stricken.

Plaintiffs' Motion to Strike Affidavit in Opposition to Motion is ALLOWED IN PART AND DENIED IN PART.

K-C opposes Tyco's motion to strike with a supplemental affidavit from Ms. Jones. Tyco has since filed a Motion to Strike Opposition to Motion, asking to strike a number of portions of this affidavit. The court considered only P 14 of the supplemental affidavit in its ruling. Tyco has not moved to strike that paragraph. This motion is therefore DENIED AS MOOT.

### *Plaintiffs' Motion for Preliminary Injunction*

[HN3](#)<sup>(↑)</sup> To obtain a preliminary injunction, the moving party must establish "1) it is substantially likely to succeed on the merits of its claim; 2) absent the injunction there is 'a significant risk of irreparable harm'; 3) the balance [<sup>\*\*6</sup>] of hardships weighs in its favor; and

<sup>2</sup> Fed. R. Evid. 701.

<sup>3</sup> See e.g., Coca-Cola Co. v. Overland, Inc., 692 F.2d 1250, 1255 (9th Cir. 1982) ("Overland's employees are not qualified to testify as to what their customers are thinking when using the term 'Coke.'").

4) the injunction will not harm the public interest." <sup>4</sup> When the likelihood of success on the merits is great, the moving party can show somewhat less in the way of irreparable harm and still garner preliminary injunctive relief. <sup>5</sup> In a trademark case, the primary consideration for the court is likelihood of success on the merits. <sup>6</sup>

In this case, the Plaintiffs allege substantial irreparable harm from consumer confusion, but provide no direct evidence [\*132] of lost sales or specific harm. Even so, [HN4](#) irreparable harm is presumed in a trademark case if there is a likelihood of success on the merits. <sup>7</sup> K-C argues that any inference of irreparable harm should be rebutted by Tyco's six month delay after K-C began using the "Comfort Flex Wings" mark before it filed the Complaint. Tyco responds that only [\*\*7] a few months passed from when it learned of the alleged infringement to when it began the legal process necessary to file a civil suit. This minor delay is not sufficient evidence to rebut an inference of irreparable harm.

Defendants aver that factor three tilts in their favor, as they would incur substantial hardship, including millions of dollars in costs, if they are forced to repackage and re-advertise. <sup>8</sup> Plaintiffs dispute these figures and assert that any additional costs would be warranted as appropriate consequences for Defendants' infringement. Weighing these arguments, the court finds that neither party has made a showing on any of the last three factors that would be sufficient to tip the scales. As with most trademark cases, the deciding factor will be the likelihood of success on the merits.

[\*\*8] To succeed on the merits, Plaintiff must show (1) that it has a valid mark and (2) that defendant's infringing use is likely to result in consumer confusion. <sup>9</sup>

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<sup>4</sup> [I.P. Lund Trading ApS v. Kohler Co.](#), 163 F.3d 27, 33 (1st Cir. 1998).

<sup>5</sup> [EEOC v. Astra](#), 94 F.3d 738, 743 (1st Cir. 1996).

<sup>6</sup> [Id.](#)

<sup>7</sup> [Camel Hair & Cashmere Inst., Inc. v. Assoc. Dry Goods Corp.](#), 799 F.2d 6, 14 (1st Cir. 1986).

<sup>8</sup> Affidavit of Anne M. Jones, Paper # 13-1, P 20.

<sup>9</sup> [Borinquen Biscuit Corp. v. M.V. Trading Corp.](#), 443 F.3d 112, 117 (1st Cir. 2006).

Tyco's mark is registered with the Patent and Trademark Office. Plaintiffs are therefore entitled to a presumption of validity. <sup>10</sup> [HN5](#) A trademark is valid where the mark is either (1) descriptive and has secondary market meaning, (2) suggestive, (3) fanciful, or (4) arbitrary. <sup>11</sup> A trademark is invalid where it is descriptive and has no secondary meaning, or where it is a generic word for a product. <sup>12</sup> The essential distinction is, therefore, in distinguishing suggestive marks from descriptive marks. "A term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of goods. A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods." <sup>13</sup> [\*\*9] To overcome the presumption that the mark is distinctive, Defendants must present sufficient evidence that the mark is descriptive or generic. <sup>14</sup>

The preliminary evidence indicates that the term "wings" is generic when applied in the current context. [HN6](#) Generic marks are terms which name a particular class of goods or answer the question, "What do you call it?" <sup>15</sup> K-C has presented evidence that many companies use the term "wings" to describe tabs protruding from the sides of sanitary pads. <sup>16</sup> K-C has also submitted patents demonstrating the standard industry usage of the [\*133] term "wings" to describe these tabs. <sup>17</sup> These patents include patents obtained and owned by the Plaintiffs which refer [\*\*10] to wings in a generic manner. <sup>18</sup> Additionally, the Complaint itself

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<sup>10</sup> [Id.](#)

<sup>11</sup> [Id. at 116.](#)

<sup>12</sup> [Id.](#)

<sup>13</sup> [Attrezzi, LLC v. Maytag Corp.](#), 436 F.3d 32, 38 n.3 (1st Cir. 2006) (quoting [Equine Techs., Inc. v. Equitechnology, Inc.](#), 68 F.3d 542, 544 (1st Cir. 1995)).

<sup>14</sup> [Borinquen Biscuit](#), 443 F.3d at 117.

<sup>15</sup> See 1-2 Anne Gilson Lalonde, [Trademark Protection and Practice § 2.02](#) (2006).

<sup>16</sup> Supplemental Affidavit of Anne M. Jones, Paper # 19, Exhibit A, P 14.

<sup>17</sup> Affidavit of Anne M. Jones, Paper # 13-1, P 6.

<sup>18</sup> [Id.](#)

acknowledges the tabs are commonly called wings.<sup>19</sup> Plaintiffs argue that "wings" are defined as flying instruments, and that the term is at least suggestive when used to refer to plastic tabs. This argument misses the point. However the term was once used, the operable question is what the term means in today's marketplace. Considering the evidence submitted regarding current industry usage, it appears likely that the term is generic.

Defendants further argue that the term "flexi" is short for "flexible" which simply describes an attribute of the product. Defendants submit that combining a descriptive term and a generic term cannot<sup>[\*\*11]</sup> create an inherently distinctive term. The Federal Circuit has ruled that the compound word "Screenwipe" is not distinctive as applied to products used to wipe computer screens, noting that "the terms remain as generic in the compound as individually. . . ." <sup>20</sup> Plaintiffs respond by pointing to a case where a district court analyzed a compound word, "Wite-Out" as a whole to find it was suggestive as it could indicate any number of products, from solvent, to paint, to correction products.<sup>21</sup> Plaintiffs argue that "FLEXI-WINGS" taken as a whole could similarly suggest a number of products, not just tabs on sanitary pad.

The case law supports Plaintiffs' analysis. When the First Circuit found "Equine Technologies" to be suggestive with respect to horse shoes, that court noted that <sup>[\*\*12]</sup> [HNZ](#) judges must "consider the mark in its entirety, with a view toward 'what the purchasing public would think when confronted with the mark as a whole.'" <sup>22</sup> Rather than dissect the mark into its component pieces, this court will instead evaluate whether it is suggestive or descriptive as a whole.

It is not clear that "FLEXI-WINGS" is suggestive. Unlike "Wite-Out," which describes a process that can be accomplished using an ink correction product, "FLEXI-WINGS" describes an attribute of the product itself. Nonetheless, considering the presumption of validity

and the rule against dissecting marks, "FLEXI-WINGS" is likely more than the sum of its parts. While "wings" itself generically describes the tabs protruding from maxi pads, the term "FLEXI-WINGS," taken as a whole, requires some imagination to know that it applies to tabs on maxi pads. Unlike "Screenwipe," the conjoined term "FLEXI-WINGS" could apply to a number of products, and thus requires some imagination <sup>[\*\*13]</sup> to understand. Despite its non-distinctive components, the term "FLEXI-WINGS" is sufficiently suggestive to support a finding that it is likely valid.

Assuming that "FLEXI-WINGS" is a valid mark, the Plaintiffs must then proceed to prove a likelihood of consumer confusion. This assessment is based on <sup>[\*134]</sup> eight factors: (1) the similarity of the marks; (2) the similarity of the goods; (3) the relationship between the parties' channels of trade; (4) the relationship between the parties' advertising; (5) the class of prospective purchasers; (6) evidence of actual confusion; (7) the defendant's intent in adopting its mark; and (8) the strength of plaintiff's mark.<sup>23</sup> The first, second, and eighth of these factors are the most important in this case.

[HNZ](#) Similarity of the marks themselves should be determined on the total effect of the mark, not a comparison of the features.<sup>24</sup> Defendants contend that the proximity and <sup>[\*\*14]</sup> succession of "flex" and "wings" in the two marks renders them similar. A change or addition of words where the same operable words are used will not avoid a finding of similarity.<sup>25</sup> <sup>[\*\*15]</sup> This principle is illustrated by a prior opinion of this court that held that the spread out use of the letters E and MC in the product "HP SureStore E MC256" could infringe the trademark "EMC," where both marks were used to market computer storage disks.<sup>26</sup> In that case, the court also ruled that the presence of the HP mark in the infringing product name did not eliminate the similarity.

<sup>19</sup> [Compl.](#), Paper # 1, at P 5.

<sup>20</sup> [In re Gould Paper Corp.](#), 834 F.2d 1017, 1019 (Fed. Cir. 1987).

<sup>21</sup> [BIC Corp. v. Far Eastern Source Corp.](#), No. 99 Civ. 11385, 2000 U.S. Dist. LEXIS 18226, at\*8-9 (S.D.N.Y. December 17, 2000).

<sup>22</sup> [Equine Technologies](#), 68 F.3d at 544.

<sup>23</sup> [Volkswagenwerk Aktiengesellschaft v. Wheeler](#), 814 F.2d 812, 817 (1st Cir. 1987).

<sup>24</sup> [Id.](#)

<sup>25</sup> See e.g., [Beacon Mut. Ins. Co. v. OneBeacon Ins. Group](#), 376 F.3d 8, 18 (1st Cir. 2004) (finding the parties names similar).

<sup>26</sup> [EMC Corp. v. Hewlett-Packard Co.](#), 59 F. Supp. 2d 147, 149 (D. Mass. 1999) (Tauro, J.).

<sup>27</sup> Applying a parallel analysis here, the marks themselves are similar. A consumer who went to the store with the intention of getting the package with "flexi-wings," could accidentally buy the package labeled with the phrase "comfort flex wings." It is likely, as Tyco insists, that the ultimate fact-finder could conclude that the conjunction of the "flex" prefix and the word "wings" renders the marks similar.

Defendants respond that whatever the similarity in the words, the packages and brand names are so different that there could be no risk of consumer confusion. The actual maxi pads offered by the parties are very similar, but the exterior packaging is not. It is undisputed that Always and Kotex are distinct brands with very different packages. <sup>28</sup> The difference in packaging and appearance means that the second factor favors K-C.

This finding is consistent with precedent. In one case, the First Circuit ruled that although "Alpa" and "Alpha" are similar, the difference in major brand names precluded a finding that "Pignoid Alpa" was similar to "Polaroid SX-70 Land Camera Alpha 1." <sup>29</sup> Specifically, the court held, "in certain circumstances [\*\*16] otherwise similar marks are not likely to be confused where used in conjunction with the clearly displayed name and/or logo of the manufacturer." <sup>30</sup> Similarly, the Eighth Circuit has noted that a difference in overall packaging can preclude a finding that consumers were likely to confuse Kellogg's Apple Raisin Crisp with General Mill's Oatmeal Raisin Crisp. <sup>31</sup>

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<sup>27</sup> *Id.*

<sup>28</sup> *see Complaint*, Paper # 1, Exhibit B & Exhibit E.

<sup>29</sup> *Pignons S. A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d 482, 487 (1st Cir. 1981).

<sup>30</sup> *Id.*

<sup>31</sup> *General Mills, Inc. v. Kellogg Co.*, 824 F.2d 622, 627 (8th Cir. 1987) ("Rather, [HN9](#) [↑] in analyzing the similarities of sight, sound, and meaning between two marks, a court must look to the overall impression created by the marks and not merely compare individual features. Acknowledging that there are some similarities between the marks, the district court nevertheless found, after comparing the respective color schemes, lettering styles, and box designs, that the two marks likely are different enough to avoid consumer confusion. In properly focusing on the total effect conveyed by both marks, the district court did not clearly err in finding no confusing similarity between them.").

[\*\*17] [\*135] In response, Plaintiffs note that tacking a different major brand name onto another party's mark does not preclude a finding of infringement, and that doing so would undermine trademark law. <sup>32</sup> [\*\*18] Plaintiffs argue that consumers may know that the brands are separate but that consumers might take the similar marks as indicating that there is some license arrangement or sponsorship arrangement between Tyco and K-C. [HN10](#) [↑] The First Circuit has recognized that this sort of sponsorship confusion can constitute actionable trademark infringement. <sup>33</sup> The existence of this theory of liability does provide an avenue for finding confusion despite the presence of different brand names. It does not, however, mean that this court must find such confusion. In fact, even the case cited by the Plaintiffs recognizes that the presence of an additional brand name "is merely relevant to whether a likelihood of confusion exists." <sup>34</sup> An additional brand name does not excuse infringement, but it should be considered as a factor in determining the likelihood of either actual or sponsorship confusion. <sup>35</sup>

[\*\*19] "FLEXI-WINGS" and "Comfort Flex wings" are somewhat similar. But, the fact that these marks are used on totally different packages with different major brand names means that the eighth factor, the strength

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<sup>32</sup> *See e.g., T & T Mfg. Co. v. A. T. Cross Co.*, 449 F. Supp. 813, 822 (D.R.I. 1978).

<sup>33</sup> *Attrezzi, LLC v. Maytag Corp.*, 436 F.3d 32, 38 (1st Cir. 2006) (discussing a claim of "'reverse' confusion, by which Attrezzi LLC might be harmed by purchasers misperceiving that Maytag -- because of its use of the term Attrezzi in its own advertising -- was the source or sponsor of Attrezzi LLC's goods and services.")

<sup>34</sup> *T & T Mfg. Co.*, 449 F. Supp. at 822.

<sup>35</sup> Plaintiffs argue that they may apply the "FLEXI-WINGS" mark to different packages and brands in the future, and that the difference in overall packaging should not be considered at all. This argument is unpersuasive at present. Tyco is correct in that [HN11](#) [↑] a trademark suit alleges a violation of an abstract right to a trademark by an infringing product. Unlike in a patent suit, however, trademark infringement cannot be considered abstractly and without reference to the Plaintiff's use of the product. *See e.g., Pignons S. A.*, 657 F.2d at 487. The factors for determining confusion require consideration of the actual use of the mark in commerce. This court must therefore determine the current likelihood of confusion, and should not speculate as to how that likelihood could change in the future.

of the mark, is important. If customers shop for "the one with the flexi-wings" instead of for Always or Kotex, the different brand names would certainly not prevent confusion. If instead, the "FLEXI-WINGS" mark does not strongly influence the consumer's buying decision, it is highly unlikely that consumers would confuse Always and Kotex brand maxi pads.

Plaintiffs insist that the "FLEXI-WINGS" mark is strong. Plaintiffs suggest that their long-standing licensing of the mark to Proctor & Gamble shows that the mark has worth and recognition. Furthermore, they aver that they devote substantial advertising dollars to bolster the mark. Although the mark may have some value, Plaintiffs fail to produce sufficient evidence that consumers shop for the "FLEXI-WINGS" feature and not for the brand. Tyco has suggested that the competing marks could lead to sponsorship confusion, but has not yet adduced evidence showing that the "FLEXI-WINGS" mark is sufficiently strong that consumers [\*136] would [\*\*20] believe that a sponsorship relationship exists between what are clearly competing brands. In other words, although the marks are similar, Plaintiffs provide no evidence that the "FLEXI-WINGS" trademark is strong enough that the difference in the packaging of the goods would fail to prevent consumer confusion.

The remaining factors are not dispositive. Factors three through five address the similarities in the competing products' channels of trade, channels of advertising, and classes of purchasers. The parties agree that the goods are offered to the same class of customers in identical stores. Defendants argue, albeit without support from scientific customer surveys, that this proximity in the marketplace allows consumers to make more discerning decisions. But, Plaintiffs are likely correct that this proximity could increase the risk of confusion. Nonetheless, considering the above finding regarding the strength of the mark, a consumer, even if presented with the products side by side on a store shelf, would not likely confuse the two products, or their sponsors.

The parties agree that no evidence of actual confusion exists at this time. This absence of evidence is not fatal to Plaintiffs [\*\*21] as the competing marks have coexisted in stores for only a matter of months.<sup>36</sup> This factor, therefore, carries relatively little weight.

As to Defendants' intent, Plaintiffs submit no direct evidence of intent to appropriate goodwill. Plaintiffs

argue that the similarity of the marks coupled with the Defendants' failure to comply with Plaintiffs' cease and desist demands shows bad intent. Considering these preliminary findings, it seems likely that the Defendants simply acted in good faith to defend and exploit their legal rights.

Considering the eight factors, especially the lack of cause to believe that any similarity in the names would lead to confusion between the actual products, it is unlikely that Tyco will be able to prevail on the merits. This conclusion alone compels the court to deny Plaintiffs' motion for a preliminary injunction. In the alternative, it also appears that K-C would be entitled to a fair use defense. [HN12](#)<sup>37</sup> A use is fair where [\*\*22] a descriptive portion of an otherwise distinctive trademark is used to describe a product rather than to appropriate goodwill.<sup>37</sup> Specifically, "when a plaintiff has chosen a mark with some descriptive qualities, he cannot altogether exclude some kinds of competing uses even when the mark is properly on the register."<sup>38</sup>

As described above, the term "wings" itself has become a generic term in the feminine hygiene industry used to refer to the protruding tabs on the side of the sanitary pad. Using the word "wings" to describe such tabs would likely be a fair use. Plaintiffs incorporated the word "wings" into the "FLEXI-WINGS" mark, which, by virtue of its non-dissectability, appears to be a valid mark. But, just because dissection should not be used to invalidate Plaintiffs' mark, it does not follow that Plaintiffs should be able to lock up the term "wings" altogether. It is thus [\*\*23] possible for a business to make fair use of the terms "wings."

In this case, Defendants simply make fair use of the generic term "wings" along with its own mark "Comfort Flex." Plaintiffs do not dispute that Defendants have a [\*137] right to "Comfort Flex," but argue that the merging of that mark with the term "wings" invokes Plaintiffs' mark and unfairly places "flex" confusingly close to "wings." Even if this merging did create consumer confusion, [HN13](#)<sup>39</sup> a use need not be free of confusion to be fair.<sup>39</sup> From its own examination of

<sup>37</sup> [Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 12 \(2d Cir. 1976\)](#) (Friendly, J.).

<sup>38</sup> *Id.*

<sup>39</sup> [KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 121-22, 125 S. Ct. 542, 160 L. Ed. 2d 440 \(2004\)](#) (noting the applicability of the fair use defense where

<sup>36</sup> [Borinquen Biscuit Corp., 443 F.3d at 121.](#)



the packaging and products at issue, and without the benefit of any scientific consumer survey, this court preliminarily concludes that a consumer would see the phrase "Comfort Flex wings" as indicating that the product has comfortable and flexible wings, and not that the product was made by or sponsored by Tyco. Defendants' claim is bolstered by their own product. Their label reads in full "Comfort Flex Wings . Ailes." <sup>40</sup> "Ailes" is French for wings. This phrasing indicates that K-C is simply, fairly coupling its own distinctive registered mark with a generic noun that is appropriately translated for international distribution. By conjoining its trademark with the [\*\*24] generic word "wings," K-C is simply fairly describing its product.

### **Conclusion**

Tyco's mark appears to be valid. At this point, the evidence indicates that Plaintiffs would not be able to show a likelihood of confusion. Even if they could make such a showing, preliminary evidence shows that Defendants' use is excused as fair. Plaintiffs' Motion for a Preliminary Injunction is DENIED. An order will issue.

/s/ Joseph L. Tauro

United States District Judge

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there is some consumer confusion).

<sup>40</sup> Compl., Paper # 1, Exhibit E.

**THIS OPINION IS  
NOT A PRECEDENT  
OF THE T.T.A.B.**

Oral Hearing  
July 25, 2006

Mailed:  
June 7, 2007

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**Trademark Trial and Appeal Board**

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iMedica Corporation

v.

Medica Health Plans

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Opposition No. 91159617

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Medica Health Plans

v.

iMedica Corporation

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Cancellation No. 92043288

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Eric D. Paulsrud of Leonard, Street and Deinard for Medica Health Plans.

Mark R. Leonard of Davis & Leonard, LLP for Imedica Corporation.

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Before Quinn, Holtzman and Zervas, Administrative Trademark Judges.

Opinion by Zervas, Administrative Trademark Judge:

This consolidated case involves (i) an opposition proceeding brought by iMedica Corporation ("iMedica")

against the registration of application Ser. No. 76370729 ("the '729 application") filed by Medica Health Plans ("MHP"); and (ii) a cancellation proceeding brought by MHP against the continued registration of Registration No. 2834742 ("the '742 registration") owned by iMedica.

In the opposition, iMedica has opposed registration of the mark IMEDICA (in typed form) in the '729 application, filed February 13, 2002 under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b), for the following services, as amended:

"physician, hospital, clinic and pharmacy referral services provided via a global computer network" in International Class 35;

"providing on-line messaging among computer users concerning health and medical information; transmission of secure messaging between doctors, nurses, medical staff and patients and other computer users; providing on-line transmission of medical and insurance records" in International Class 38; and

"providing a web site on a global computer network featuring medical, drug and health information, namely, diagnostic advice, symptoms, conditions, treatment, prevention, medical news, tips and advice on health topics, health risks, nutrition and immunization; health care in the nature of a health maintenance organization via a global computer network" in International Class 44.<sup>1</sup>

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<sup>1</sup> iMedica has not opposed the International Class 36 services in the '729 application, i.e., "administration of prepaid healthcare plans, healthcare plan administration services, underwriting healthcare plan[s]; underwriting insurance for prepaid healthcare."

In the notice of opposition, iMedica claims ownership of application Serial No. 75774749 ("the '749 application") for the mark IMEDICA (in typed form), which ultimately registered as the '742 registration and which is the subject of MHP's petition to cancel.<sup>2</sup> iMedica filed the '749 application on August 13, 1999, and the mark registered on April 20, 2004 for the following services:

"online ordering of medical supplies; providing information in the field of medical office management via a global computer network; providing medical office administrative records via a global computer network" in International Class 35; and

"providing information in the fields of medicine, clinical practice and patient care to others via a global computer network; providing medical and patient records to others via a global computer network" in International Class 42.

The registration claims first use anywhere and first use in commerce on February 8, 2001 for the services in both International Classes. iMedica further asserts in the notice of opposition that it has used the mark IMEDICA in interstate commerce at least as early as February 15, 2000, which is prior to the filing date of MHP's application; and that MHP's use and registration of its mark is likely to cause confusion, mistake or deception that MHP's services are those of iMedica or are otherwise endorsed, sponsored or approved by iMedica under Sections 2(a) and 2(d) of the

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<sup>2</sup> We deem the notice of opposition to have been amended to allege the '742 registration.

Trademark Act, 15 U.S.C. §§ 1052(a) and 1052(d). MHP has filed an answer admitting that the parties' marks are identical, answer at ¶ 6, but denying other salient allegations of the notice of opposition.

In the cancellation proceeding in which MHP seeks to cancel the '742 registration for IMEDICA, MHP has asserted ownership of numerous registrations and applications consisting of, or containing the term MEDICA for various services; that it has a family of MEDICA marks; that it has prior use since at least as early as February 12, 1991; and that confusion is likely to be caused by iMedica's use of its registered mark.<sup>3</sup> MHP filed status and title copies of various registrations with its petition to cancel. iMedica, in its answer, has denied the salient allegations of the petition to cancel, but has admitted that the trade channels of MHP's IMEDICA mark which is the subject of the opposition are identical to those of its mark.

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<sup>3</sup> Because neither party has briefed the Section 2(a) claim, the Section 2(a) claim is moot.

MHP also alleged dilution under the Federal Dilution Act, 15 U.S.C. § 1125(c), in the petition to cancel, but withdrew its claim at p. 7 of its first brief. We hence give MHP's dilution claim no further consideration.

Further, MHP has alleged that iMedica filed false requests for extension of time to file a statement of use on five separate occasions. Petition to cancel at ¶ 14. To the extent that MHP is alleging fraud, because the parties have not briefed MHP's fraud claim, we consider it to have been waived by MHP.

Both parties have filed briefs in both the opposition and the cancellation. The Board held an oral hearing on July 25, 2006.

*Background*

MHP is both an insurance company and a managed care organization that does business in Minnesota, western Wisconsin, North Dakota and South Dakota. Its customer membership is approximately 1.2 million members and it has about 50 percent market share in the Minneapolis/St. Paul metropolitan area.

iMedica is a technology company that provides electronic record management products and services for physicians to better manage their practices. iMedica's sole product is PhysicianSuite, comprised of software and hardware that allows physicians to work more efficiently by allowing patient records to be prepared and managed electronically instead of with pen and paper. With PhysicianSuite, medical staff within an office may communicate via instant messaging and allow doctors to access information via the Internet and review referral letters. iMedica has had fewer than 25 customers and those customers are located in several states in the United States including Minnesota, but not Wisconsin, Iowa and North and South Dakota.

*The Record*

In addition to the pleadings and the status and title copies of the pleaded registrations submitted with the petition to cancel, the record contains MHP's first and second notices of reliance which include, inter alia, iMedica's discovery responses; and iMedica's first notice of reliance which includes, inter alia, MHP's discovery responses. The record also contains the testimony, with exhibits, of (i) iMedica's two witnesses, namely, Dr. Charles Koo, iMedica's founder, former president and CEO, and current chief technology officer; and Dr. Michael Sullivan of Freeman Sullivan and Company, iMedica's expert witness; and (ii) MHP's three witnesses, namely, John A. Bunge, president of Legal Market Research, Inc., MHP's expert witness; Robert Longendyke, MHP's senior vice president of marketing and communications; and Scott Booher, MHP's chief information officer ("CIO") and senior vice-president. Additionally, the parties have stipulated to the admission of certain evidence, namely, TARR copies of certain registrations and an advertisement for iMedica's services.

*Preliminary Matters*

Motion to Amend Notice of Opposition

On August 10, 2005, the Board denied iMedica's contested motion (filed May 23, 2005) to amend its notice of

opposition to add a claim of no bona fide intent to use MHP's mark in commerce to the extent that the motion seeks relief under Fed. R. Civ. P. 15(a), but deferred consideration of the motion to the extent that it seeks relief under Fed. R. Civ. P. 15(b). Approximately three months after the Board's order, i.e., on November 1, 2005, MHP questioned its witness Mr. Booher in his testimonial deposition regarding MHP's bona fide intent to use the mark in commerce, asking among other questions "... at the time the IMEDICA trademark application was filed on February 13, 2002, did Medica Health Plans have a bona fide intent to use the mark in commerce in the United States ...?" Booher dep. at p. 12. In view of MHP's questioning of Mr. Booher, which occurred after the Board's August 10, 2005 order, we find that the issue of no bona fide intent to use the mark in commerce was tried by the implied consent of the parties. We accordingly grant iMedica's motion to amend and consider the notice of opposition amended to include a claim of no bona fide intent to use the mark in commerce.

Evidentiary objections

Both parties have raised objections to some of the evidence submitted by the other party. Each objection is discussed below.

1. MHP objects to iMedica's attempted "correction" of Dr. Koo's testimony. Dr. Koo testified as follows:



Q. Okay, sitting here today, do you know if there, in your opinion, would be any confusion if Medical Health Plans was to use the name iMedica as part of their business?

Mr. Leonard: Object to the extent that it calls for a legal conclusion. You can answer, Charlie.

The Witness: No.

Mr. Paulsrud: Q. You don't have any opinion?

A. No, I don't think it causes any confusion.

Koo dep. at pp. 59-60. iMedica has filed a "correction sheet" to the deposition transcript in which Mr. Koo sought to change his answer to the first question above from "no" to "yes" and the second question from "No, I don't" to "Yes, I do." The Board does not permit any changes to a testimony deposition which are substantive in nature and which, in effect, changes the testimony after the fact. See *Marshall Field & Co. v. Mrs. Fields Cookies*, 25 USPQ2d 1321 (TTAB 1992), citing *Cadence Industries Corp. v. Kerr*, 225 USPQ 331 (TTAB 1985); *Entex Industries, Inc. v. Milton Bradley Co.*, 213 USPQ 1116 (TTAB 1982). Because iMedica's proposed changes are substantive, MHP's objection is well taken and is sustained. Dr. Koo's testimony remains as he originally stated in his testimonial deposition.

2. iMedica has objected under Fed. R. Evid. 602 to Mr. Booher's testimony on the ground that he does not have personal knowledge of the subject matter of his testimony as it concerns MHP's contention that it has a bona fide

intention to use IMEDICA in commerce; and that "the testimony improperly calls for a legal conclusion." iMedica's opposition brief at p. 7. According to iMedica, Mr. Booher testified that he was not responsible for the decision to file an application and is not aware of the status of MHP's trademark. Booher dep. at pp. 27, 28 and 33. However, Mr. Longendyke testified that the ultimate decision to adopt IMEDICA as a trademark was made by a team consisting primarily of Mr. Longendyke and the CIO. Longendyke dep. at p. 37. Mr. Booher testified that he was the CIO; that he was involved, although "on the periphery"; and further that he "was part of that decision [but] not the ultimate decisionmaker." Booher dep. at pp. 27 and 33. In view of this testimony, we find that iMedica's objection on the basis that Mr. Booher did not have personal knowledge is not well taken and overrule its objection on this basis.

With respect to iMedica's objection that the questioning of Mr. Booher was conclusory in that Mr. Booher merely repeated "Yes, we do" in response to leading questions on bona fide intent, and that the questions asked for a legal conclusion, we overrule these objections. We construe the questions as asking "did MHP intend to use the mark in commerce when it filed its application?" Also, iMedica's attorney only objected to one of such questions at

trial, and did not object at all to the leading nature of the questions during trial.

However, mindful of iMedica's objections, we give Mr. Booher's testimony the weight it is due on the question of MHP's bona fide intent to use IMEDICA in commerce.

3. iMedica objects to Mr. Bunge's expert report (Exhibit A to Mr. Bunge's deposition) involving a likelihood of confusion survey based on the *Eveready* protocol that Mr. Bunge conducted and his opinion testimony regarding the survey. iMedica maintains that the survey is unreliable and inadmissible and that Mr. Bunge's testimony fails to meet the standards required by Fed. R. Evid. 702. In the survey, Mr. Bunge identified the relevant universe for his survey as "medical professionals in medical offices who are responsible for making decisions on which medical services to purchase for their practices," and contacted all 917 physician offices in the Minneapolis/St. Paul, Minnesota area. Fifty-seven respondents participated in his survey. They were shown "a packet of two advertising materials for iMedica Corporation, obtained from iMedica's internet web site, (a two page, 4-color piece titled iMedica PhysicianSuite® describing iMedica Corporation and an 8 page, color piece that describes PhysicianSuite) ...." Exhibit A to Bunge dep. at p. 2. Eight respondents, or about 14 percent, indicated "that the company that puts out

those products or services also puts out insurance products, or that the company that puts out those products or services is associated with Medica Health Plans or that the company was authorized by Medica Health Plans to put out the products or services." *Id.*

We find that the small number of survey participants, i.e., slightly greater than six percent, raises a question as to the overall validity of the survey results. Mr. Bunge has acknowledged that the number of participants was small. However, MHP maintains that the survey is proper because Mr. Bunge took the effort to verify that the sample size was representative of the population surveyed.<sup>4</sup> According to his testimony, the respondents represented sixteen different medical fields; and Mr. Bunge had "no reason to believe that any other specialty would perceive these issues any differently than those we surveyed." Bunge dep. at p. 24. For this reason, we do not find that the survey has no probative value in view of the small number of survey participants; rather, we find that it is not entitled to great weight. See R. Leighton, *Using Daubert-Kumho Gatekeeping to Admit and Exclude Surveys in Lanham Act*

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<sup>4</sup> According to Dr. Sullivan, the guidelines set forth at p. 245 in the Federal Judicial Center's *Reference Manual on Scientific Evidence* (2d ed. 2000) recommends that researchers "describe the actions they took to attempt to verify that the completed sample was representative of the population under study" if response rates are lower than 90 percent. Sullivan report at unnumbered p. 3.

*Advertising and Trademark Cases*, 92 TMR 743, 777 (200) ("In the end, however, there is no magic minimum number of respondents that will make a sample per se reliable with respect to any particular survey. Sample sizes as low as 32 respondents have been found to have some probity, but not 'great weight.'")

We also find that the survey results are questionable because the survey did not fairly sample the universe of possible respondents and is biased in MHP's favor. See 3A *Callman on Unfair Competition, Trademarks & Monopolies*, Section 21.67 (4th ed. 1983) ("The universe cannot be chosen in such a way as to bias the results in favor of either party."). Mr. Bunge only sampled medical practices in the Minneapolis/St. Paul metropolitan area, an area in which MHP maintains that it has a fifty-percent market share and where it would likely be well-known. It appears, therefore, that MHP sought to obtain responses from those respondents who knew of MHP and its business, or even who were part of medical practice groups that were providers for MHP. We reasonably conclude that such respondents would be more likely to believe that iMedica's services under the IMEDICA mark are connected to or sponsored by MHP.

Thus, iMedica's objections to Exhibit A and Mr. Bunge's testimony regarding the survey are overruled.<sup>5</sup> However, we do not accord the survey and Mr. Bunge's testimony regarding the survey great weight.

4. iMedica has objected to Exhibit B to Mr. Bunge's testimonial deposition, i.e., a report concerning a 1997 survey in which Mr. Bunge participated, and Mr. Bunge's testimony on the report. The survey was conducted in connection with a claim of likelihood of confusion between MEDICA and DATAMEDICA, a third-party's mark. The purpose of the survey was "to find out whether Medica would be considered a famous name or not among health care providers." Bunge dep. at pp. 32 - 33. According to Mr. Bunge, the survey concluded that "almost nine out of every 10 respondents, were aware of Medica in 1997"; and that there is a "total level of awareness of 86 percent." Bunge dep. at pp. 33 and 116.

iMedica maintains that MHP did not include any documentation relating to or supporting the analysis and conclusions of the report on the 1997 survey with Mr. Bunge's expert report in this proceeding, as required under

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<sup>5</sup> The parties have discussed confidence intervals as they concern the estimated "'confusion' rate." We are persuaded that such intervals do not apply here in light of the statement in the Federal Judicial Center's *Reference Manual on Scientific Evidence* (2d ed. 2000) at p. 244 that "[c]onfidence intervals should not be computed" in the case of a convenience sample.

Fed. R. Civ. P. 26(a)(2). Additionally, iMedica maintains that Mr. Bunge's testimony does not lay a foundation to determine the reasonableness of the methodology or results of the 1997 survey which are needed to determine whether the 1997 survey is sufficiently reliable to allow it to be admitted.

Federal Rule 26(a)(2) is not applicable in Board proceedings. See TBMP §401 (2d ed. rev. 2004). Thus, we overrule iMedica's objection to Exhibit B and Mr. Bunge's testimony regarding Exhibit B. We also overrule any objection that iMedica has to Mr. Bunge's testimony regarding fame because he has relied on Exhibit B in determining that MEDICA is a famous mark. However, we do consider that there is no evidence about the reasonableness of the methodology or results of the report for determining whether the results of the 1997 survey are sufficiently reliable, and hence give Exhibit B, and Mr. Bunge's testimony regarding Exhibit B, limited weight in connection with MHP's contention that its mark is famous.

5. iMedica has objected to Exhibit C to Mr. Bunge's testimonial deposition, dated September 1993 and entitled "Twin Cities Employer Health Care Study"; and Mr. Bunge's testimony regarding Exhibit C. The "Study" - which MHP maintains was another survey - was prepared by a third party for MHP without Mr. Bunge's involvement. Because MHP has

not offered any testimony of anyone with first-hand knowledge of the survey, including any testimony as to the mechanics of how the "Study" was conducted, we sustain iMedica's objection. See Fed. R. Evid. 703. We have not considered the 1993 "Study" and Mr. Bunge's testimony on the "Study."

6. iMedica has objected to Mr. Booher's testimony regarding the meaning of the letter "i" as a term in trademarks generally and the admission of Exhibits P (search results for "i" from *AbbreviationZ*) and Exhibit Q (search results for "i" from *acronymfinder.com*). Because Mr. Booher has testified that he located and downloaded the web pages which are the subjects of Exhibits P and Q, they have been sufficiently authenticated and hence are in the record as evidence of the definition of "i" in *AbbreviationsZ* and *acronymfinder.com*. See *Raccioppi v. Appogee, Inc.*, 47 USPQ2d 1368 (TTAB 1998). As far as Mr. Booher's testimony regarding the meaning of "i" based on his experience, that testimony is admissible as to his personal definition of the term "i." However, it is not admissible to the extent that it is submitted to show how the consuming public in general regards the term "i" because Mr. Booher has not been qualified to provide testimony on how the consuming public in general regards the term "i" or on the definition of "i."



Thus, iMedica's objection is overruled in part and sustained in part. See Fed. R. Evid. 701.

7. iMedica has objected to the introduction of the *Dechert Annual Reports on Trends in Trademarks* from the years 2000, 2001 and 2002, submitted with MHP's second notice of reliance. iMedica maintains that they are not printed publications or official records, and there is no indication that they are available to the general public in libraries or of general circulation among members of the public. Because there is no indication that these 7 to 11-page reports are available to the general public in libraries or of general circulation among members of the public, or that segment of the general public which is relevant under an issue in this proceeding, the reports are not properly the subject of a notice of reliance. Because MHP has not attempted to introduce these reports through the testimony of any witnesses, iMedica's objection is sustained and these reports are not given further consideration. Trademark Rule 2.122(e), 37 CFR § 2.122(e).

8. iMedica has objected to an amicus curiae brief submitted by the International Trademark Association in *JSL Corp. v. Visa International Services Ass'n*, No. 02-1753 (9<sup>th</sup> Cir.), and MHP has stated that it does not contest its exclusion from the record. We therefore have given the amicus curiae letter brief no further consideration.

We now turn to the merits of this case, considering first MHP's petition to cancel Registration No. 2834742 pleaded by iMedica in the opposition.

*Priority*

As noted above, iMedica filed the '749 application for IMEDICA on August 13, 1999. This date is earlier than iMedica's November 2000 first use date of IMEDICA. See Koo dep. at pp. 15 - 21. Thus, iMedica is confined to its application filing date as the earliest date on which it can rely for priority purposes.

MHP asserts ownership of numerous registrations and applications for marks consisting of or containing the term MEDICA. Four of such registrations were filed earlier than the August 13, 1999 filing date of iMedica's '749 application. The four MHP registrations are:

Registration No. 1761828 (renewed) for the mark MEDICA (in typed form), issued on March 30, 1993 from an application filed on October 21, 1991, for "comprehensive health care plans and health plan management services" in International Class 42;

Registration No. 2113265 for the mark MEDICA (in typed form), issued on November 18, 1997 from an application filed on October 31, 1994, for "administration of prepaid healthcare plans, healthcare plan administration services, underwriting healthcare plans; underwriting insurance for prepaid healthcare" in International Class 36; and "healthcare in the nature of health maintenance organization" in International Class 42, with Section 8 affidavit accepted and Section 15 acknowledged;

Registration No. 2239358 for the mark MEDICA CALLLINK (stylized), issued on April 13, 1999 from

an application filed on December 3, 1996, for "medical consulting services, medical information services and medical resources services available via telephone" in International Class 42, with Section 8 affidavit accepted and Section 15 acknowledged; and

Registration No. 2392584 for the mark MEDICA ELECT (in typed form), issued on October 10, 2000 from an application filed on June 11, 1998, for "administration of prepaid healthcare plans; health care plan administration services; underwriting healthcare plans; underwriting insurance for prepaid healthcare" in International Class 36; and "medical services; hospitals; and health maintenance organization" in International Class 42, with Section 8 affidavit accepted and Section 15 acknowledged.

MHP has entered a status and title copy of each of these four registrations into the record.

Because the filing dates of the applications underlying MHP's pleaded registrations for the MEDICA, MEDICA CALLINK and MEDICA ELECT marks are prior to the earliest date of use on which iMedica is entitled to rely, that is the August 13, 1999 filing date of the '749 application, MHP's priority has been established. See *Brewski Beer Co. v. Brewski Brothers Inc.*, 47 USPQ2d 1281 (TTAB 1998) (plaintiff must show that it was the first to use the mark or, if no evidence of prior use is presented by a defendant and the plaintiff owns a registration, that the plaintiff has the earliest filing date of the application which matured into the registration).

iMedica has argued that MHP cannot claim prior rights in the IMEDICA mark based on use of the mark MEDICA with

insurance related services because those services are unrelated to iMedica's services. We reject iMedica's argument - the question of the relationship of the parties' services arises in the likelihood of confusion analysis, not in connection with issues regarding priority.

*Likelihood of Confusion*

Our determination under Section 2(d) is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also, *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). In considering the evidence of record on these factors, we keep in mind that "[t]he fundamental inquiry mandated by §2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks." *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976).

Fame

The *du Pont* factor concerning the fame of the prior mark plays a dominant role in likelihood of confusion cases featuring a famous mark. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894 (Fed.

Cir. 2000); *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992). Fame for likelihood of confusion purposes arises "as long as a significant portion of the relevant consuming public ... recognizes the mark as a source indicator." *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1694 (Fed. Cir. 2005). That is, we look to the class of customers and potential customers of a product or service, and not the general public. Here, the relevant consuming public comprises prospective and actual purchasers or users of healthcare insurance services. See *Carefirst of Maryland, Inc. v. FirstHealth of the Carolinas*, 77 USPQ2d 1492 (TTAB 2005), *aff'd*, 81 USPQ2d 1919 (Fed. Cir. 2007).

MHP has established that it has a substantial number of members and substantial revenue and that its revenue and membership has been increasing; in 2000 MHP had 1,027,886 individual members with \$1,458,394,000 in revenue, and in 2003 MHP had 1,102,921 members with \$1,852,322,000 in revenue. Longendyke Dep. at p. 12; Exhibit H. Additionally, MHP has established that its advertising expenditures are substantial, amounting to millions of dollars per year, with such expenditures rising each year. Further, Mr. Longendyke has testified that MHP has a 50 percent market share in the Minneapolis/St. Paul metro area.

Longendyke Dep. at p. 28. Mr. Booher has testified that MHP "is very well known in the upper Midwest and has a very deep penetration with the [health care] provider community ...."

Booher dep. at p. 20. We find that this evidence strongly indicates that a significant portion of the relevant consuming public associates MEDICA with MHP's business activities. The results of the 1997 survey, i.e., that 9 out of 10 respondents were aware of Medica and that there is a "total level of awareness of 86 percent," and Mr. Bunge's testimony regarding the 1997 survey, which we have given limited weight to, provide some further support for our finding.

iMedica's challenges to MHP's evidence of fame do not persuade us otherwise. Specifically, iMedica maintains that MHP's 50 percent market share is only in one metropolitan area; that MHP's advertising expenditures are well below the amounts spent in cases such as *Bose, supra* (annual nationwide advertising expenses in excess of \$30 million) and *Recot, supra* (\$80 million in annual national advertising); that MHP does business in a limited geographic area; and that the advertising expenditures of record do not show expenditures by mark. Even though MHP's advertising expenditures are below those of *Bose* and *Recot*, they are not insignificant in amount. Also, although MHP has introduced evidence of its market share only in one market, that market

includes a major U.S. metropolitan area and spans all or part of four states. Moreover, the total number of MHP's members is significant, and so are its revenues. As far as MHP's advertising expenditures, we accept such expenditures as advertising figures for the mark MEDICA because they are consistent in amount, and MEDICA appears on virtually all of the promotional materials of record, is part of MHP's corporate name and forms a part of most of the MHP marks in MHP's promotional materials of record.

Thus, we find that MHP is an extremely well known mark in the geographic area in which it does business, especially in Minnesota, and is entitled to benefit from the *du Pont* factor regarding the fame of the mark. We acknowledge that Medica is not known nationally, but national fame is not necessary. See, e.g., *Karl Karcher Enterprises Inc. v. Stars Restaurants Corp.*, 35 USPQ2d 1125 (TTAB 1995) (opposer had established notoriety in a specific area of operation); *Berghoff Restaurant Co. v. Washington Forge, Inc.*, 225 USPQ 603 (TTAB 1985) (opposer's proof of fame of its mark within a limited geographic area sufficient to find its mark famous for purposes of the likelihood of confusion analysis). This factor therefore weighs heavily in favor of finding a likelihood of confusion.

The Marks

We next consider the similarity or dissimilarity of the marks as to appearance, sound, connotation and commercial impression. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689 (Fed. Cir. 2005). While we must consider the marks in their entireties, in articulating reasons for reaching a conclusion on the issue of likelihood of confusion, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark. See *In re National Data Corp.*, 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985).

The marks MEDICA and IMEDICA only differ by iMedica's addition of the letter "i" before MEDICA, which is MHP's entire mark. The evidence from acronymfinder.com and *AbbreviationZ* shows that among the meanings of "i" is "Internet." See also *In re Zanova, Inc.*, 59 USPQ2d 1300, 1304 (TTAB 2000) ("When we consider the possible significance of 'I' in IT00L to prospective purchasers of applicant's goods or services, we find that they will readily accept 'I' as meaning 'Internet'..."). Thus, the addition of the letter "i" to MEDICA does not create a different commercial impression from MEDICA, but merely indicates that there is an Internet feature to the services. This is particularly true in the context of iMedica's



computer-related services, which iMedica's identification of services specifies are rendered via the Internet.<sup>6</sup>

Moreover, we find that the addition of the "i" to MEDICA does not significantly change the meaning of the mark, given that the record does not show any English language definition for "imedica" or for MEDICA.

Further, iMedica has admitted that it uses the element "i" in a lower case and the letter "m" in upper case letters. iMedica's responses to requests for admissions nos. 38 and 39. The marks hence are similar in appearance, with the capital "m" causing the purchaser to focus on the "medica" portion of the mark. In terms of sound, the marks are similar too, with the "medica" portion of iMedica's mark pronounced identically to MHP's mark.

MEDICA ELECT and MEDICA CALLINK are also similar in sound, meaning, appearance and commercial impression to IMEDICA due to the shared component MEDICA. MEDICA is positioned first in each of MHP's marks. It accordingly is the term in each of MHP's marks most likely to be remembered by purchasers. In iMedica's mark, because of the visual separation caused by the lower case "i" and the upper case "m," the association of the letter "i" with the Internet, and the fact that the MEDICA portion begins with a capital

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<sup>6</sup> We therefore reject iMedica's contention that the "i" signifies "information."

letter, MEDICA dominates in the mark IMEDICA. While there are apparent differences between iMedica's mark and MEDICA ELECT and MEDICA CALLLINK, the similarities between the marks in light of the shared term MEDICA outweigh the differences between IMEDICA and these marks.

iMedica has made of record numerous registrations containing the term "medica," and argues that they show that "medica" is not a unique, dominant, coined term but rather is a fairly common term suggestive of medical services and medical technology fields.<sup>7</sup> Several of the registrations state that an English language translation of "medica" is "doctor" or "medical" and/or include disclaimers of "medica." Many of such registrations recite goods and/or services that have a connection to the healthcare field.

Third-party registrations are not evidence of use of the marks shown therein. Without evidence of use, the third-party registrations prove nothing about the impact of the third-party marks on purchasers in terms of conditioning consumers as to the existence of similar marks in the

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<sup>7</sup> In support of its argument, iMedica also made several applications of record. Third-party applications are only proof that the applications have been filed and thus are without probative value to the likelihood of confusion issue. See *Jetzon Tire & Rubber Corp. v. General Motors Corp.*, 177 USPQ 467 (TTAB 1973).

Also, of the registrations made of record, we have not considered those registrations that (i) claim goods or services that are significantly different from MHP's services, or (ii) claim Section 44 of the Trademark Act as a basis for registration.

marketplace. *AMF Inc. v. American Leisure Products, Inc.*, 474 F.2d 1403, 177 USPQ 268 (CCPA 1973). They may, however, be relied on to show that a word common to each mark has a readily understood and well-known meaning and that it has been adopted by third parties to express that meaning. *Ritz Hotel Ltd. v. Ritz Closet Seat Corp.*, 17 USPQ2d 1467 (TTAB 1990). In this case, the third-party registrations for marks including MEDICA for medical products, medical clinics, healthcare consultation and healthcare educational services show that those in the healthcare industry use MEDICA in a manner intending to connote "medical." Such use tends to show that MEDICA is slightly suggestive. However, this does not appreciably weaken the strength of MHP's marks.

As far as policing of the marks, MHP has offered only limited evidence of its policing activities. The record contains one cease and desist letter directed to one third-party and one consent agreement between MHP and another third-party. Longendyke dep. at pp. 29 - 31; Exhibits K and L. Because there is no evidence of third-party uses of related marks which MHP has tolerated, MHP's limited enforcement activities do not indicate a willingness by MHP to tolerate third-party uses of MEDICA.

In view of the foregoing, the *du Pont* factor regarding the similarity or dissimilarity of the marks weighs heavily in MHP's favor.

*The Services*

In arguing that the *du Pont* factor regarding the similarity or dissimilarity of the services should be resolved in its favor, MHP maintains that some of MHP's services described in its four registrations "overlap or encompass many of the services described in iMedica's registration." MHP reply brief at p. 15. According to MHP, "health maintenance organization" (see Registration No. 2113265 for MEDICA and the registration for MEDICA ELECT) would naturally include the International Class 42 services of "providing information in the fields of medicine, clinical practice and patient care to others ... ; [and] providing medical and patient records to others ...." MHP reply brief at p. 16. "These services are part of what an HMO [health maintenance organization] does." *Id.* Mr. Longendyke has testified that MHP currently provides information in the fields of medicine, clinical practice and patient care to members, providers and visitors via the Internet, and that it provides member access to patient records over the Internet to the extent those patient records are claims records. Longendyke dep. p. 23. He has also stated that physician claims may be submitted

electronically; and that those submitting claims may obtain information from MHP's website regarding claim submissions, including "why there is a holdup and explanations."

Longendyke dep. at p. 16. Further, he testified that a managed care organization, or health maintenance organization is "much more than an insurance company." Longendyke dep. at 20.

A health maintenance organization or health insurer certainly provides information in the fields of medicine, clinical practice and patient care to others and provides medical and patient records to others. Such services are integral to those services which a health maintenance organization and a health insurer provide to or for their members and MHP currently provides such services. Thus, we find that iMedica's International Class 42 services are encompassed within MHP's health maintenance organization and/or health insurance services.

iMedica's International Class 35 services are similar to MHP's services. iMedica has admitted in its response to request for admissions no. 36 that "iMedica's customers consist primarily of out-patient healthcare providers ranging from 1 to 2 physician clinics up to 150+ physician groups" and has stated at p. 25 of its main brief in the cancellation that a physician who provides services to an MHP customer is potentially a user, implying that the

physician would come in contact with iMedica's mark.<sup>8</sup>

Also, Mr. Longendyke has testified that MHP's customers include anyone in its geographic market in the market for healthcare insurance; that these customers include employers as well as individuals; and that MHP markets its services to the same customers to which iMedica markets its services. Longendyke dep. at p. 26 - 27. We therefore find that the physician clinics and physician groups which purchase iMedica's services are also the employer groups which purchase MHP's services. Thus, there is an overlap in purchasing entities.

iMedica, however, has argued that those who make purchasing decisions for its services and MHP's services differ, even though they may be working in the same overall healthcare field. iMedica cites to the Federal Circuit's decision in *Electronic Design and Sales, Inc. v. Electronic Data Systems Corp.*, 954 F.2d 713, 21 USPQ2d 1388 (Fed. Cir. 1992), for the proposition that only those who make purchasing decisions could be considered relevant persons, and that not all users are necessarily relevant persons for

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<sup>8</sup> iMedica adds, however, that there is no evidence that a physician purchases MHP's services or that an employer group purchases iMedica's services. This is not correct. Mr. Longendyke has testified that MHP's customers include anyone in its geographic market in the market for healthcare insurance; and that these customers include employers as well as individuals. Longendyke dep. at pp. 25 - 26. Also, medical practice groups - which are employer groups - to which iMedica markets its goods are included as potential purchasers of MHP's services.

determining likelihood of confusion, especially where the parties' respective goods and services are non-competitive.

We are not persuaded by iMedica's argument. First, Mr. Longendyke has testified that MHP markets its services to the same customers to which iMedica markets its services. Longendyke dep. at p. 26 - 27. This is to be expected in this case because iMedica has admitted that its customers include "out-patient healthcare providers ranging from 1 to 2 physician clinics," and it can be expected that physicians in smaller clinics would make purchasing decisions involving services of the nature of those provided by MHP and by iMedica. Thus, unlike in *Electronic Design*, there is evidence that both parties market to the same individuals.<sup>9</sup>

Second, even in larger clinics where it is not the physician who is placing the order for iMedica's services but rather is a non-physician purchasing specialist, we view skeptically any suggestion that a non-physician purchaser of iMedica's services, which are intended to be used by physicians in running virtually every aspect of their practices, would not have significant input from physicians.

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<sup>9</sup> iMedica maintains that its "sales efforts are directed to the Chief Medical Officer, Medical Director, Medical Informatics Officer, Chairman of IT committee, Administrator and/or chief executive officer of outpatient clinics." Brief at p. 32. MHP responds that "[t]hese are the same individuals Medica is trying to reach both to sell its health plan and HMO services, and also to enlist as providers within its HMO network." MHP reply brief at p. 19; Longendyke dep. at pp. 25 - 26; Booher dep. at pp. 8 - 9.

Such physicians would likely be the same physicians who are MHP providers.

Because physicians are involved in purchasing decisions for both services, especially when the physician is an employer and requires medical insurance for his or her practice group, the marketing of the parties' respective services is such that both services could be encountered by the same persons under circumstances that could, because of the similarity of the marks, give rise to the mistaken belief that they originate from a common source. Hence we find that iMedica's International Class 35 services are related to MHP's health maintenance organization and health insurance services.<sup>10</sup> *In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289 (Fed. Cir. 1984).

The parties have argued extensively as to whether iMedica's services are within the zone of expansion of MHP's services under the doctrine of expansion. Because we have found the services to overlap or to be related on other grounds, we need not reach their arguments regarding the zone of expansion.

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<sup>10</sup> iMedica's argument that there is a lack of overlap between relevant purchasers of each parties' services because iMedica is a technology company that provides electronic record management products and services for physicians to better manage their practices and MHP is a health maintenance organization that provides its insurance products and services to employer groups,



Trade Channels

We have found earlier in our decision that iMedica's International Class 42 services are encompassed within MHP's services. There are no specific trade channel limitations in the parties' respective identifications of services. When there are no such limitations or restrictions in the identification of goods and/or services as listed in the subject registration and in the identification of goods and/or services as set forth in any of a plaintiff's registration(s), the issue of likelihood of confusion is determined in light of a consideration of all normal and usual channels of trade and methods of distribution for the respective goods and/or services. See, e.g., *CBS Inc. v. Morrow*, 708 F.2d 1579, 218 USPQ 198 (Fed. Cir. 1983); *Squirtco v. Tomy Corp.*, 697 F.2d 1038, 216 USPQ 937 (Fed. Cir. 1983); *Paula Payne Products Co. v. Johnson Publishing Co., Inc.*, 473 F.2d 901, 177 USPQ 76 (CCPA 1973). Thus, we find that the International Class 42 services are related.

With regard to the International Class 35 services, neither party has submitted evidence on the exact nature of the trade channels for their respective services.<sup>11</sup>

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and its reliance on *Electronic Design, supra*, are misplaced for the reasons mentioned above.

<sup>11</sup> MHP relies on iMedica's allegation in its original notice of opposition that MHP's International Class 35, 38 and 44 services are within the same trade channels as the services of iMedica's registration. Because iMedica sought to remove that allegation

Thus, we find that with respect to the International Class 42 services, this *du Pont* factor must be resolved in MHP's favor, and that with respect to the International Class 35 services, this factor is neutral.

Conditions of Sale and Sophistication of Purchasers

iMedica maintains that its customers include physicians seeking electronic record management products and services to better manage their practices; and that its customers are sophisticated. MHP has acknowledged that iMedica's purchasers are sophisticated, but is silent regarding the level of sophistication of MHP's purchasers. iMedica has pointed out that the Board, in *Carefirst of Maryland, supra*, addressed the level of purchaser sophistication of purchasers of healthcare and health insurance services. In that case, the Board found that ordinary consumers are prospective and actual purchasers or users of healthcare insurance plans or programs; and stated that, even ordinary consumers exercise some sophistication when it comes to decisions relating to healthcare and healthcare insurance services. The Board recognized the substantial financial commitment of such insurance and services; that decisions to purchase healthcare insurance and related services are important; and that purchasers will proceed cautiously and

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in its amended notice of opposition, we do not hold iMedica to its allegation.

deliberately in making their decisions. The Board also considered non-purchasing users of healthcare and healthcare insurance services, noting that a small business, for example, might purchase coverage for its employees from a single provider; and that in this situation, the employees are not involved in the purchasing decision. According to the Board, such non-purchasing users of healthcare and healthcare insurance are also sophisticated. We know of no reason why the same would not apply in this case with respect to MHP's services when MHP's customers are employer groups, and find that the purchasers of both parties' services are sophisticated.

With respect to the conditions of purchase, the record shows that the sales process for both parties' services is lengthy and involves repeated contact with either iMedica or MHP by the prospective purchaser. iMedica's answer to interrogatory no. 7b. Further, both parties' services are expensive, with MHP's services provided on a monthly subscription or flat fee basis to its customers which can cost thousands of dollars even for a small office. We therefore find that the services are made with deliberation and care.

While both parties' purchasers may be sophisticated or knowledgeable in a particular field, and even deliberate in their purchasing decisions, they are not immune from source

confusion. See *In re Decombe*, 9 USPQ2d 1812 (TTAB 1988); *In re Pellerin Milnor Corp.*, 221 USPQ 558 (TTAB 1983). In view of the substantial similarity of the parties' marks, and particularly the descriptive nature of the letter "i" located at the beginning of iMedica's mark which is otherwise identical to MHP's mark, we find that the factors regarding the sophistication of purchasers and conditions of sale weigh only slightly in iMedica's favor.

Actual Confusion

There are no reports in the record of any instances of actual confusion in the marketplace between the parties' marks as used in connection with their services. This, of course, may be attributable to the slight overlap where the parties have been doing business and the relatively small number of iMedica customers thus far.

The record does contain, however, a likelihood of confusion survey in which several respondents expressed confusion as to the source of iMedica's services. As discussed previously in this decision, MHP commissioned a likelihood of confusion survey, using a universe of 917 physician offices with fifty-seven respondents participating in the survey. Eight respondents, or about 14 percent, indicated some source confusion. Courts have accepted surveys showing similar rates of confusion. See *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 5 USPQ2d 1314 (8th

Cir. 1987) (declining to find that district court erred in its decision after a trial on the merits to give evidence of approximately ten percent of confusion "significant weight"); *Humble Oil & Refining Co. v. American Oil Co.*, 405 F.2d 803, 160 USPQ 289 (8th Cir. 1969) (finding that in evaluating an application to modify an injunctive decree an eleven percent rate of actual confusion "may not [be] dismiss[ed] as de minimis"); *Grotrian, Helfferich, Schulz, Th. Steinweg Nachf v. Steinway & Sons*, 365 F.Supp. 707, 180 USPQ 506 (S.D.N.Y. 1973) (concluding after a bench trial that survey results that twenty-three recent purchasers had some confusion of origin, 7.7 percent of 520 people canvassed perceived a business connection between the two companies and 8.5 percent confused the names was "strong evidence of the likelihood of confusion"). In view of the manner in which the survey was conducted, however, the survey and Mr. Bunge's testimony regarding the survey are not entitled to great weight. Nonetheless, they have some probative value on the question of likelihood of confusion, to wit, the survey indicates that a sufficient number of respondents believed that there was a connection between iMedica and MHP upon reviewing certain promotional material from iMedica. This evidence reinforces MHP's position that there is a likelihood of confusion between the marks.

Family of Marks

The family of marks doctrine applies in situations where the plaintiff has established a group of marks characterized by a recognizable common characteristic, wherein the marks are composed and used in such a way that the public associates not only the individual marks, but the common characteristic of the family, with the trademark owner. See *J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 18 USPQ2d 1889 (Fed. Cir. 1991). It is well settled that merely adopting, using and registering a group of marks having a feature in common for similar goods or related goods or services is insufficient to establish, as against a defendant, a claim of ownership of a family of marks characterized by the feature. Rather, it must be demonstrated that prior to defendant's first use of its challenged mark, the various marks said to constitute the family, or at least a good number of them, were used and promoted together in such a manner as to create among purchasers an association of common ownership based upon the family characteristic. *Id.*, 18 USPQ2d at 1891. See also *Hester Industries Inc. v. Tyson Foods Inc.*, 2 USPQ2d 1646 (TTAB 1987); *Cambridge Filter Corp. v. Sensodyne Corp.*, 189 USPQ 99 (TTAB 1975).

In this case, the record does not show that MHP's MEDICA marks were used and promoted together in such a

manner as to create among purchasers an association of common ownership based upon the family characteristic. Thus, MHP has not met its burden of establishing that a family of marks exists in this case. Simply using a series of similar marks does not of itself establish the existence of a family.

*Length of Time During and Conditions  
Under Which the Marks of the Parties Have Been in Use*

Mr. Koo has testified that iMedica has only completed one sale in the common geographic areas in which MHP and iMedica have been doing business; and that iMedica has had fewer than 25 customers. Koo dep. at pp. 39 and 42. In view thereof, we find this factor neutral, even though both marks have been used concurrently for at least five years without any reported instances of actual confusion.

*Conclusion*

MHP has established it has priority by virtue of its registrations for the marks MEDICA, MEDICA ELECT and MEDICA CALLLINK. In balancing the above factors, and particularly considering the regional fame of MEDICA and Federal Circuit precedent providing that the fame of the mark is a dominant factor in questions of likelihood of confusion, we find that MHP has established by a preponderance of the evidence that there is a likelihood of confusion between its mark and MHP's marks. Accordingly, the petition to cancel is granted

and Registration No. 2834742 will be cancelled in due course.

*Imedica's Claim of No Bona Fide Intent to Use the Mark in Commerce*

We now turn to iMedica's claim in the opposition that MHP did not have a bona fide intent to use its IMEDICA mark in commerce. iMedica has based its claim on the testimony of Mr. Longendyke that it was MHP's normal practice to generate an advertising plan, product literature, pamphlets, and brochures once a new mark enters the trademark registration process; and that MHP did not follow that practice with regard to the IMEDICA mark because it has no plans to use the mark. Further, iMedica points out that MHP produced no documents related to its alleged planned use of IMEDICA. Longendyke dep. at pp. 36, 38 and 39.

We are not persuaded by iMedica's arguments. Mr. Longendyke's testimony is as follows:

Q. Are there any current advertising plans for the IMEDICA mark?

A. No, there aren't.

Q. Can you tell me why that is?

A. Because we think it's a confused mark right now and we don't think it's wise for us to use it.

Q. And no materials have been prepared using the IMEDIA mark?

A. No, they have not.

Q. So there are no current plans to use IMEDICA as a trademark for Medica Health Plans?



A. Not currently.

Mr. Longendyke's testimony was not that MHP had no plans to use the mark; his testimony was that it did not have current plans to use the mark. Also, Mr. Longendyke explained why MHP had no current plans, and that was because it is a "confused mark," i.e., that it placed any plans to use the mark aside until the conflict between the parties is resolved. This explanation as to why it did not have documents is reasonable and one that we accept, despite the fact that MHP learned of iMedica and its imedica.com website in November 2000 and filed its application over one year later. MHP's answer to interrogatory no. 3. Thus, we find that iMedica has not shown by a preponderance of the evidence that MHP lacked the necessary bona fide intention to use the mark in commerce at the time of the filing of its application for the IMEDICA mark.

iMedica has argued that there is no conflict over MHP's use of IMEDICA in connection with the International Class 36 services related to the administration of health care plans, services which iMedica did not oppose, and that MHP still did not create any documents or plans related to the use of IMEDICA in connection with such International Class 36 services. MHP can hardly be faulted for suspending its plans to use a mark on services identified in one International Class in an application, after iMedica opposed

three other International Classes in its application. MHP may reasonably have viewed the services identified in the IMEDICA application as complimentary, and hence may have reasonably intended to use one mark on all four services, rather than possibly using a different mark on the three opposed services, if it did not prevail in the opposition. Also, we are not persuaded by iMedica's argument that MHP filed its application for tactical purposes because six days prior to the filing date of MHP's application, MHP filed an opposition against another application for IMEDICA by iMedica. It certainly is reasonable for MHP to want to use IMEDICA as an adjunct mark to its primary mark MEDICA, especially for services which have a connection to the Internet. Also, it is particularly telling that MHP filed an application for EMEDICA, i.e., application Serial No. 76370965, on the same date that it filed its application for IMEDICA. The filing of these two marks on the same date suggests a business strategy in eventually using certain mark(s) rather than a legal strategy in a dispute with another party.

*iMedica's Claim of Likelihood  
of Confusion in the Opposition*

iMedica has alleged priority and likelihood of confusion based both on the '742 registration and on its use of IMEDICA in commerce. Because we have found above that the '742 registration should be cancelled, iMedica's

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opposition on the basis of the '742 registration is dismissed. To the extent that iMedica bases its opposition on its common law rights to IMEDICA, we have determined that MHP has priority, not iMedica. Thus, to the extent that iMedica opposes registration on the basis of its common law rights, iMedica's claim is dismissed.

DECISION: The petition for cancellation is granted and iMedica's Registration No. 2834742 shall be cancelled in due course. iMedica's opposition to MHP's application Serial No. 76370729 is dismissed with prejudice.

**THIS OPINION IS NOT A  
PRECEDENT OF  
THE TTAB**

Oral Hearing:  
March 4, 2009

Mailed: June 16, 2009

UNITED STATES PATENT AND TRADEMARK OFFICE

\_\_\_\_\_  
Trademark Trial and Appeal Board

I.C.E. Marketing Corp.  
v.  
Neutrogena Corporation

\_\_\_\_\_  
Cancellation No. 92043193

Donald L. Dennison of Dennison, Schultz, Dougherty &  
Macdonald for I.C.E. Marketing, Corp.

John Chesney and Norm D. St. Landau of Drinker Biddle &  
Reath, LLP for Neutrogena Corporation.<sup>1</sup>

\_\_\_\_\_  
Before Rogers, Cataldo and Taylor, Administrative Trademark  
Judges.

Opinion by Taylor, Administrative Trademark Judge:

A petition for cancellation has been filed by I.C.E.  
Marketing, Corp. (petitioner) to cancel Registration No.  
2544008 issued to Neutrogena Corporation (respondent) for  
the typed mark BODY CLEAR for "acne medications, and acne

<sup>1</sup> Mr. St. Landau has been listed as lead counsel for respondent throughout the proceeding, but Mr. Chesney presented respondent's oral argument. Numerous other attorneys from respondent's law firm also participated in the proceeding.

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treatment preparations for the face and body" in International Class 5.<sup>2</sup> The term "BODY" is disclaimed.

As grounds for cancellation, petitioner alleges that since long prior to the April 23, 1998 filing date of the intent-to-use application which matured into the registration here sought to be cancelled, it has been engaged in the business of developing, importing, exporting and marketing in commerce a quality line of skin care products, and specifically hand and body soaps, crème gel for the body, face and skin lotions and gels, some of which are germicidal and antiseptic and used to treat acne. Petitioner further alleges that the trademark BODY CLEAR and design, shown in the record as follows,



was adopted by petitioner's European supplier, M. Simon Mamane, as a trademark for its skin care products at least as early as July 1994, and has been used in foreign commerce with the United States since at least as early as November, 1995 - such use having continued uninterrupted to the filing date of the petition for cancellation. In the petition, petitioner alleges that over the past eight years, it has

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<sup>2</sup> Issued March 5, 2002, Section 8 affidavit accepted. In the registration, respondent claims September 21, 1998 as the date of first use of the mark anywhere and in commerce.

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built up valuable good will in the trademark BODY CLEAR and, as a result, the trade has come to know, recognize and identify said goods bearing the trademark BODY CLEAR as the goods of the petitioner; and that if respondent were permitted to retain its registration for its mark BODY CLEAR for its skin care products as set forth in the certificate of registration, confusion in the trade would result by reason of the marks being nearly identical and the goods being the same.

Petitioner also alleges that it filed an application, Serial No. 76251900, to cover its BODY CLEAR trademark for its skin care products, but the application was refused under Section 2(d) of the Lanham Act due to a likelihood of confusion with the mark in the registration here sought to be cancelled.<sup>3</sup>

Respondent, in its answer, has denied the salient allegations of the petition for cancellation. In addition, respondent has asserted the affirmative defense of laches.

**PRELIMINARY MATTERS**

***Motion to amend***

Petitioner has contended that respondent should not be allowed to rely on three arguments advanced in opposition to this cancellation proceeding, i.e., that petitioner lacks standing to bring the petition to cancel, that petitioner

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<sup>3</sup> The application seeks registration in typed form.

has abandoned all rights to the pleaded BODY CLEAR mark and that petitioner's alleged use of the BODY CLEAR mark was unlawful. In response, respondent has moved to amend its answer to assert abandonment as an affirmative defense in order to conform to the evidence before the Board. As regards lack of standing and unlawful use of the pleaded mark, respondent contends that these are not affirmative defenses that it must plead to be able to argue, but if the Board considers them as such, then it additionally moves to amend its answer to include those defenses in order to conform to the evidence.

Petitioner has opposed the motion, arguing that the motion to amend, filed nearly four years and eight months after this proceeding commenced, was filed to harass or to cause unnecessary delays and to needlessly increase the costs of this litigation.<sup>4</sup> Petitioner points out that its testimony period has already concluded, well over a year after "very lengthy" discovery by respondent, and that briefs, including a reply brief on the part of petitioner,

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<sup>4</sup> Petitioner also makes reference to Rule 11 of the Federal Rules of Civil Procedure and states that the Board has inherent authority under certain circumstances to enter sanctions against the registrant (respondent). To the extent that petitioner is seeking sanctions against respondent for the filing of the motion to amend, it is denied inasmuch as sanctions are unwarranted on this record. Moreover, the inherent authority of the Board to sanction a party may be employed only when other options, e.g., Rule 11, are unavailable; and the safe harbor provision of Rule 11 requires the moving party to afford the non-movant the opportunity to voluntarily correct its allegedly offending conduct.

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have been filed. Petitioner contends that respondent had all of the facts that it needed to support the claims it now seeks to add as early as November 28, 2007 (when petitioner took its testimony depositions), yet respondent waited for more than a year to file a motion to amend its answer and, that if the motion were granted, it would be "greatly prejudiced" and would have to seek a reopening of its testimony and additional briefs would have to be filed by both parties. Petitioner thus maintains that the motion to amend should be denied.

We initially note that respondent is correct in its assertion that the claims of unlawful use and that petitioner lacks standing are arguments that may be advanced without first pleading them as affirmative defenses. That is because standing and prior, lawful use of an unregistered mark are essential elements of the *prima facie* case which petitioner must establish. That is, petitioner must prove its standing as a threshold matter in order to be heard on its substantive claims. See e.g., *Lipton Industries v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 CCPA 1982). "The facts regarding standing, we hold, are part of a petitioner's case and must be affirmatively proved." *Lipton Industries*, 213 USPQ at 189.

In addition, with regard to its claim of priority and likelihood of confusion, petitioner cannot establish



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priority on the basis of unlawful use. See, for example, *In re Silenus Wines*, 189 USPQ 533, 535 (TTAB 1975) ("It is well settled that no trademark rights can be acquired through unlawful use in commerce, i.e., through shipments of goods in violation of a federal statute which specifically regulates the sale of such goods in commerce.") (citations omitted). Therefore, we consider respondent's motion to amend only insofar as it addresses the assertion of the affirmative defense of abandonment.

In that regard, we find petitioner's objection well taken. Amendment under Federal Rule 15(a) is inappropriate because respondent failed to promptly move to amend its answer to set forth an affirmative defense of abandonment after it learned of facts which it contends establishes such a claim, i.e., petitioner's failure to produce documentary evidence showing use by it of the BODY CLEAR and design mark after 1996 and no use of the mark by anyone from 1997 to 2001. Moreover, our reading of the record convinces us that the abandonment issue was never tried by the parties. See Fed. R. Civ. P. 15(b). To allow respondent to raise a new defense for the first time at final hearing would constitute undue surprise for petitioner which had no notice - despite respondent's claim that petitioner "should have been aware of the possible consequence of failing to produce documentary evidence for each year in question" - of such

defense until well after trial that an abandonment defense would be raised. See *P.A.B. Produits et Appareils de Beaute v. Satinine Societa In Nome Collectivo di S.A.e.M. Usellini*, 570 F.2d 328, 196 USPQ 801 (CCPA 1978).

In view thereof, respondent's motion to amend is denied and no consideration has been given to respondent's defense of abandonment, raised for the first time in its final brief on the case.

***Motion to submit discovery deposition by notice of reliance***

We next address respondent's motion to submit an excerpt of the discovery deposition of Simon Mamane by way of notice of reliance. Citing to 37 C.F.R. § 2.120(j)(2), respondent argues that a party may offer the discovery deposition testimony of any witness who is located outside the United States during the testimony period of the offering party. Respondent contends that "Mr. Mamane is a French citizen residing at 31 Rue Notre Dame de Nazareth, 75003, Paris, France ... [and a]ccordingly, he was unavailable for a deposition in the United States during Registrant's testimony period."

Petitioner, in opposing the motion, contends that while Mr. Mamane is normally domiciled in Paris, France, he maintains property in the state of Florida; that for at least part of respondent's testimony period, Mr. Mamane was in the United States; that no effort was made by

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respondent's counsel to ascertain the availability of this witness; and that Mr. Mamane could have been served with a subpoena to compel his attendance at a testimonial deposition. Instead, petitioner argues, respondent waited until the last day of its testimony period to file its motion which alleges no attempts to reach Mr. Mamane. Petitioner therefore maintains that the motion be denied and this evidence not considered.

Trademark Rule 2.120(j)(1) provides, that a discovery deposition of certain party witnesses may be offered in evidence but only by an adverse party. Because Mr. Mamane is not a party witness his deposition may not be offered under this provision of the rule. Trademark Rule 2.120(j)(2) provides, in pertinent part, that the discovery deposition of a such a non-party witness shall not be offered into evidence unless the person whose deposition was taken is, during the testimony period of the party offering the deposition, *inter alia*, either dead, or out the United States, or unable to testify because of age, illness, infirmity, or imprisonment. This rule requires, in essence, that the party seeking to rely on a discovery deposition of a non-party witness for purposes of trial make an affirmative showing at the time of the proffer of evidence that circumstances exist that justify the use of the discovery deposition under one of the designated exceptions.

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See Fort Howard Paper Co. v. G.V. Gambina Inc., 4 USPQ2d 1552, 1555 (TTAB 1987).

In this case, respondent failed to make any affirmative showing that Mr. Mamane was unavailable during its testimony period. Mere speculation that he was unavailable, based solely on Mr. Mamane's domicile of record is not sufficient, particularly since he was in the United States serving as a witness for petitioner during petitioner's testimony period. See e.g., Fischer Gesellschaft m.b.H. v. Molnar & Company, Inc., 203 USPQ 861, 867, n.7 (TTAB 1979). At a minimum, respondent should have inquired whether Mr. Mamane would be, or could be, in the United States during respondent's testimony period, and there is no evidence such an inquiry was made.

Accordingly, respondent's motion to rely on an excerpt of the discovery deposition of Simone Mamane is denied and no further consideration will be given to that evidence.

**THE RECORD**

Pursuant to Trademark Rule 2.122(b), the record in this proceeding includes the pleading and the file of subject registration. In addition, during its testimony period, petitioner submitted the following items:

Corrected testimony deposition, with exhibits 1-9, of Simon Mamane;<sup>5</sup> and

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<sup>5</sup> The corrected deposition was filed by stipulation of the parties on June 10, 2008. We note that the exhibits were filed with the original transcript.

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Testimony deposition, with exhibits 10-24,<sup>6</sup> and respondent's exhibit 1, of Jacob Aini.

Respondent, during its testimony period, made of record the following items:

Testimony deposition, with exhibits 2-10, of Clay Paterson;

Testimony deposition, with exhibits 11-23 and copies of respondent's previously marked exhibits 8-9, 11, 13 and 15, of Laurent Combredet;<sup>7</sup>

Notice of reliance on the petition for cancellation filed herein;<sup>8</sup>

Notice of reliance on the application file of petitioner's asserted application for the mark BODY CLEAR, Serial No. 76251900;

Notice of reliance on petitioner's responses to respondent's interrogatories served on May 4, 2005;

Notice of reliance on petitioner's response and objections to respondent's first request for production of documents served January 4, 2005;

Notice of reliance on excerpts from the discovery deposition of Jacob Aini, testifying as a Rule 30(b)(6) witness; and

Declaration of Damias Wilson, submitted by stipulation of the parties.

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<sup>6</sup> Petitioner indicated in its brief that 24 trial exhibits were introduced and moved into evidence during its testimony period. We note, however, that 25 exhibits were introduced and filed with the Mamane and Aini testimony depositions. The 25<sup>th</sup> exhibit consists of an office action, issued October 21, 2003, refusing registration of petitioner's application Serial No. 76251900 for its asserted BODY CLEAR mark on the ground of likelihood of confusion with, *inter alia*, the subject registration, No. 2544008.

<sup>7</sup> We note that contrary to the statements in respondent's brief at p. 5, Exhibits 8-9, 11, 13 and 15 (introduced in the Aini deposition) were made of record with the Aini transcript.

<sup>8</sup> As noted above, by rule the record of this proceeding includes the pleadings. Accordingly, the submission of the petition for cancellation was unnecessary.

Petitioner, in its main brief, objects to the testimony of Clay Paterson. Petitioner contends that it was not advised that Mr. Paterson would testify as an expert and that the testimony relates to respondent's claim of non-use; such claim assertedly being non-pleaded.<sup>9</sup> Respondent, in its trial brief maintained, with regard to the testimony depositions of Jacob Aini and Simon Mamane, numerous objections to petitioner's testimony and evidence. Petitioner did not respond to any of respondent's evidentiary objections.

With regard to respondent's objections, they are based primarily on hearsay, lack of personal knowledge of the witness, lack of authentication of documents, lack of foundation and violation of the best evidence rule. Some of these objections are not outcome determinative of the merits of this case and therefore we see no compelling reason to address each of the objections one by one except insofar as they relate to the outcome determinative evidence and testimony. We add that we have considered all of petitioner's testimony and exhibits keeping in mind respondent's objections and have accorded whatever probative

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<sup>9</sup> Although petitioner interposed objections during the cross-examination of its witnesses, it did not maintain those objections in its brief. We accordingly consider them waived. We also note that petitioner did not appear at the testimony depositions of respondent's witnesses.

value the testimony and evidence merits. Notwithstanding the foregoing, we will specifically rule on certain objections during our discussion of standing and priority.

**DISCUSSION**

***Standing***

As stated, standing is a threshold requirement that must be proven in every inter partes case. See *Lipton Industries*, 213 USPQ at 189. Section 14 of the Lanham Act, 15 U.S.C. §1064, provides that a petition for cancellation of a registration may be filed by "any person who believes he is or will be damaged by a registration of a mark..." A petitioner for cancellation has standing if it pleads and proves that it has a real interest in the outcome of the proceeding, beyond that of the general public. "The purpose in requiring standing is to prevent litigation where there is no real controversy between the parties, where a plaintiff, petitioner or opposer, is no more than an intermeddler." *Lipton Industries, supra*, 213 USPQ at 189.

As noted, petitioner bears the burden of proving its standing at trial as an element of its case-in-chief. Respondent, in its brief, contends that petitioner has no standing to bring the petition because it has failed to prove any kind of commercial interest in the BODY CLEAR mark. "It has failed, without adequate explanation, to produce documents that purportedly give it rights in the

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mark and, even if all of the 'sales' documents it has submitted were admissible, none of them would have any tendency to prove that I.C.E. - as opposed to some other entity - made any sales of Body Clear and Design products within the United States at any point in time."

(Respondent's br., p. 16) Respondent particularly argues that petitioner asserts standing that it is, based upon a purported written agreement with Simone Mamane (the owner of a French mark for BODY CLEAR), both the exclusive distributor of products bearing the BODY CLEAR and design mark in the United States and the rightful owner of the mark in the United States; that petitioner's status initially was based on an oral agreement that was later superceded by a later written agreement; and that although Mr. Mamane claimed in his testimony to have possession of the agreement and a willingness to produce it, petitioner has neither produced the agreement nor explained its failure to do so. Respondent further argues that even if the agreement were produced, it would be at odds with much of the BODY CLEAR and design product packaging which identifies a different company as the exclusive distributor and contradicts petitioner's testimony and supporting evidence.

Respondent also contends that the documents submitted by petitioner as evidence of use in commerce do not



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establish that petitioner has any commercial interest in the BODY CLEAR mark for the following reasons:

1) The invoices from May 1995 to November 1996, showing sales of BODY CLEAR and design products from MB, a French company owned by Simone Mamane, to petitioner (the "MB/ICE invoices") (Aini test. pp. 9-15, exhs. 1-7; Mamane test, pp. 13-21) show only that the BODY CLEAR and design products were purchased by petitioner, but do not establish later sales in the United States by anyone;

2) The invoices showing sales of BODY CLEAR and design products by I.B.E. New York and I.B.E. Florida to various stores from January 2002 to July 2006 (the "IBE invoices") (Aini test. pp. 27-29 and 37-38, exhs. 19 and 23) are not properly authenticated and are inadmissible and, even if properly authenticated, would be irrelevant since they show no involvement by petitioner in any of the sales;

3) The document issued by I.C.E. France that purports to show sales of BODY CLEAR and design products in the year 1996 (Aini test., pp. 23-24, exh. 18) is not properly authenticated, is hearsay and is not probative of any sales by petitioner.

Respondent last argues that petitioner's unsupported testimony evidence is insufficient to show a commercial interest in the BODY CLEAR and design mark as it is vague and self-serving and is contradicted in key respects by

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petitioner's sworn answers to interrogatories. We discuss the arguments below.

First, with regard to the MB/ICE invoices, they show only that petitioner purchased BODY CLEAR branded products from MB, a French entity. They do not show subsequent sales or distribution of those products by petitioner in the United States. As such, they do not evidence any type of commercial interest in petitioner beyond that of the general consuming public.

As regards the IBE invoices, respondent objected to their introduction into the record as not being properly authenticated. The Federal Rules of Evidence provide that "[a] witness may not testify to matter unless evidence is introduced sufficient to support a finding that the witness has personal knowledge of the matter." Fed. R. Evid. 602. In this case, when asked whether he had access to all of the records and invoices of I.B.E. as they relate to BODY CLEAR branded products, Mr. Aini responded "[y]es, that was - I can do periodic checks on products that I sell and get commissions out of it." (Aini test., p. 26). This answer is not responsive to the query and leaves open the question of whether Mr. Aini had (and has) such access to IBE (Florida and New York) records, particularly the IBE invoices, to confer the requisite personal knowledge. In addition, Mr. Aini noted that the invoices were provided by

I.B.E. Florida and I.B.E. New York, but he could not identify the person who provided them and conceded that these are not the type of records that petitioner normally sees or keeps. (Respondent's notice of reliance of the Aini discovery deposition, p. 247-250). Because it is clear that he has no personal knowledge of the IBE invoices, Mr. Aini did not (and cannot) authenticate the invoices. We also point out that petitioner did not provide testimony from anyone else that could.

Accordingly, respondent's objection is sustained and the IBE invoices have not been considered in this decision.

Even if the invoices were properly authenticated and considered herein, they would have no probative value because they only show sales of BODY CLEAR products by two non-party companies, i.e., I.B.E. New York and I.B.E. Florida, not sales by petitioner. Although petitioner claims that these two companies sold the Body Clear branded products pursuant to a license agreement, no such agreement was ever produced. Indeed, petitioner's licensing claim contradicts its response to respondent's interrogatory request No. 14,<sup>10</sup> where petitioner indicated that there were

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<sup>10</sup> Interrogatory Request No. 14 request petitioner to:  
Identify and describe all facts relating to each assignment, merger, license, change of name or other transfer, *in any, referring or relating to Petitioner's marks, including the identity of the parties and the nature and date of the assignment, license, change of name or other transfer.*

no licenses of I.C.E.'s marks, including BODY CLEAR and design. Under these circumstances, we would agree with respondent that it would be inappropriate to permit petitioner to violate the best evidence rule<sup>11</sup> by attempting to establish through the oral testimony of Jacob Aini the terms of an agreement whose existence it denies.<sup>12</sup> We accordingly find insufficient evidence of a relationship between petitioner and I.B.E. New York and I.B.E. Florida such that I.B.E. New York and I.B.E. Florida's purported sales of BODY CLEAR and design products would inure to the benefit of petitioner.

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Answer: None

<sup>11</sup> Fed. R. Evid. 1004 provides, in part, that:

The original is not required, and other evidence of the contents of a writing, recording, or photograph is admissible if -

- (1) Originals lost or destroyed. All originals are lost or have been destroyed, unless the proponent lost or destroyed them in bad faith; or
- (2) Original not obtainable. No original can be obtained by any available judicial process or procedure.

<sup>12</sup> Even if we were to consider the Aini testimony, we do not find it sufficiently probative to establish a relationship between petitioner and I.C.E. Florida because it suffers from vagueness and indefiniteness. When asked about the relationship with I.B.E. (Florida), Mr. Aini responded:

It was a licensing agreement. It was an agreement. We have a few agreements with them, but in 1997, 1998, I think we made an agreement that they had to buy an "X" amount and give me some commissions. I don't remember exactly the details of the agreement, but we had a few agreements with them.

(Aini test., p. 26).

Mr. Aini's testimony is silent as to petitioner's relationship with I.B.E. New York.

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As regards the document issued by I.C.E. France purportedly showing sales of BODY CLEAR and design products in the year 1996, respondent objected to its consideration on the grounds that it was not properly authenticated and is hearsay. As stated above, a witness may not testify to any matter unless he has personal knowledge of the matter. The record makes clear that I.C.E. France is a separate company from petitioner (Aini test. p. 52) and there is no testimony or other evidence that I.C.E. France is a "related company" under the Lanham Act or is a licensee of petitioner. In addition, Mr. Aini knew only that the document was provided to him by Simon Mamane, but he did not know from where Mr. Mamane obtained the document. (Respondent's notice of reliance of the Aini discovery deposition, pp. 146-147). There is also no evidence establishing that the document was kept in the normal course of business. Under these circumstances we can only conclude that Mr. Aini did not have the requisite knowledge to authenticate it. Accordingly, respondent's objection is sustained and the document will not be further considered.<sup>13</sup>

Last, we consider whether the testimony of petitioner's witnesses Jacob Aini and Simon Mamane alone establish a

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<sup>13</sup> We add that had we considered it, it would be of no probative value inasmuch as it reflects sales by I.C.E. France only, a company unrelated to petitioner.

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commercial interest in the mark sufficient to confer standing. As noted above, petitioner claims that its standing stems from its position as exclusive distributor of BODY CLEAR products in the United States and, in that capacity, as the owner of that mark in the United States.

In that regard, Mr. Mamane states:

Q. Okay.

Did there ever come a time when I.C.E. was appointed by you as an exclusive distributor of Body Clear Products in the United States and Canada?

A. Exclusively, total.

Q. So that's yes?

A. Yes, confirm.

Q. Do you know when that was?

A. The first delivery, yeah. The first delivery of merchandise the agreement was done.

Q. Was there a written agreement?

A. First of all, verbal agreement, and then written agreement.

Q. Have you ever been able to locate the written agreement?

A. Yes.

Q. I have never seen it.  
Have you produced it to us?

A. I don't remember. Maybe. I think we can look in the archives.

Q. What were the circumstances regarding appointment as exclusive distributor?

A. The protection of the brand name, the authorization - to protect the brand name, to increase the sale.

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Q. Referring to the verbal agreement that you had, what was the nature of that?

A. The same that I just said.

Q. Did there ever come a time where you authorized Mr. Aini or his company to try to obtain United States trademark protection for the mark Body Clear?

A. That's the purpose, that's the goal, yes.

Mr. Aini testified, with respect to the agreement, as follows:

Q. Did there come a time when you were appointed as the exclusive distributor for Body Clear in the United States?

A. Yes, when - when the deal came up with Simon, one of the conditions that I put forth on the deal was that the distributing of the products and the territories, and the product itself, to write down - I mean, to put the names, our names on the product, as the distributors so that way we take care of the territory.

Q. Do you know when that was, approximately?

A. When it was, probably '94, '95, when the deal was.

(Aini test. pp. 15-16).

As noted earlier, an original of a writing is required unless it falls under one of the exceptions set forth in the Federal Rules of Evidence. In this case, although petitioner stated that it is in possession of the distributorship agreement between it and Simon Mamane and would make the agreement available to respondent, it neither produced the agreement nor explained why it failed to do so. Notably, during the oral hearing counsel for petitioner essentially stated that the agreement must be lost. We find

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this observation insufficient to conclude that oral testimony is an appropriate substitute in this case. Accordingly, petitioner's testimony with regard to its purported distributorship agreement has been given no consideration.

We add that even if we had considered the Mamane or Aini testimony on this point, it is unpersuasive as it is rife with imprecise expressions such as, "probably '94, '95," "when the deal came up," and is otherwise lacking in definiteness. That is, there is no date certain as to when petitioner and Mr. Mamane entered into the agreement, no explanation as to the specifics regarding the relationship between petitioner and Mr. Mamane as a result of the agreement, and no explanation as to any right petitioner may have acquired in the BODY CLEAR and design mark. Oral testimony should "not be characterized by contradictions, inconsistencies and indefiniteness but should carry with it conviction of its accuracy and applicability." *Cf. B.R. Baker Co. v. Lebow Bros.*, 150 F.2d 580, 66 USPQ 232, 236 (CCPA 1945) (citation omitted). The testimony of both Mr. Aini and Mr. Mamane is not supported by documentary evidence, violates the best evidence rule, and is otherwise vague and imprecise.

Based on the testimony and evidence presented by petitioner in case, we do not find that petitioner has



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established a commercial interest, i.e., a direct and personal stake, in the BODY CLEAR and design mark. The record similarly leaves in question the factual underpinnings that form the basis of petitioner's claim of ownership of the mark in its pleaded application and the dates of first use set forth therein, because the testimony of Messrs. Aini and Mamane are completely lacking in credibility. The validity of petitioner's application, however, is not before us at this time.

That said, under *Lipton Industries, supra*, and its progeny, standing may be established by, inter alia, proof that petitioner has filed an application for registration of a mark which has been rejected by the Office based on respondent's registration. See also, *Hartwell Co. v. Shane*, 17 USPQ2d 1569 (TTAB 1990). The evidence of record establishes that petitioner filed its pleaded application on May 4, 2001, and that the Office has issued a Section 2(d) refusal of registration based on the existence of respondent's prior BODY CLEAR registration, the registration involved in this proceeding. (Aini test., pp. 39-40, exh. 24-25 and Respondent's Notice of Reliance on application Serial No. 76251900, filed February 25, 2008).

Accordingly, despite petitioner's tenuous claim of ownership of the mark in pleaded the application, as illuminated by the evidence outlined herein, we nonetheless

are compelled to find that petitioner has standing to bring this proceeding based solely on the refusal of petitioner's application for registration of the mark BODY CLEAR pursuant to Section (2) of the Lanham Act, due to the existence of the involved registration. See TBMP § 309.03(b) (2d ed. rev. 2004) (and the authorities cited therein).

***Priority***

Turning to the issue of priority, it is well established that a registrant may rely on the filing date of its application that matured into the subject registration or, if it submits appropriate testimony or evidence of an earlier first use date, on such earlier date. See Trademark Act § 2(d), 7(c) and 45, 15 U.S.C. §§ 1052(d), 1057(c) and 1127; T.A.B. Systems v. PacTel Teletrac, 77 F.3d 1372, 37 USPQ2d 1879 (Fed. Cir. 1996); Intersat Corp. v. International Telecommunications Satellite Organization, 226 USPQ 154 (TTAB 1985). Inasmuch as respondent did not submit evidence of use of its mark earlier than the filing date of its intent-to-use application, respondent's first use date for purposes of priority is the filing date of its application Serial No. 78978953 which matured into involved registration No. 2544008, i.e., April 23, 1998.

Inasmuch as petitioner did not plead ownership of a federal registration, petitioner must rely on its common law rights, in any, stemming from actual use of the mark BODY

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CLEAR and design to prove its priority. Thus, in order to establish priority, petitioner must demonstrate that it used its mark in connection with its goods prior to April 23, 1998. With this in mind we focus on the testimony and evidence of use of the mark prior to that date.

Petitioner, claims ownership of the BODY CLEAR and design mark based on its asserted position as the exclusive U.S. distributor of BODY CLEAR and design branded skin care products, and alleges as a first use date May 25, 1995, the date of the first invoice for BODY CLEAR and design products purchased from MB (petitioner's French supplier) to I.C.E.

Respondent, however, contends:

I.C.E. has not introduced any credible evidence that it sold BODY CLEAR and design products at any time and the only documentary support that I.C.E. has sought to introduce in support of its claim of prior use are several unauthenticated and inadmissible documents purporting to reflect invoices dated 1995 and 1996 from MB, a French company, for the sale of various quantities of Body Clear and Design products to I.C.E. (Aini Deposition, Exhs. 1-7)<sup>14</sup>. Apart from the vague, unsupported and self-serving testimony of Jacob Aini, ... there is no evidence that I.C.E. used the Body Clear and Design mark by selling or transporting such products in intrastate or interstate commerce in the U.S. after their importation. It is entirely

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<sup>14</sup> We note that while the exhibits were discussed in the Aini testimony, they were made of record as Exhibits 1-7 of the Mamane testimony.

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clear, however, the I.C.E. has produced no documents of any such "use."

After thoroughly reviewing the record, we agree with respondent that petitioner did not prove prior use. Indeed, the evidence fails to demonstrate any use in commerce of the BODY CLEAR and design mark by petitioner (or use inuring to petitioner's benefit) prior to respondent's established first use date. "[U]se in commerce" is defined, in pertinent part, as:

the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce-

(1) on goods when-

(B) the goods are sold or transported in commerce...

Section 45 of the Trademark Act of 1946, 15 U.S.C. §1127.

"The word "commerce" means all commerce which may lawfully be regulated by Congress." *Id.* Although Congress can regulate all importation of goods from foreign states, importation by itself does not constitute use in commerce. In re Silenus Wines, Inc. 194 USPQ 261, 263 (CCPA 1977) ("[I]n the act of importing per se, appellant neither 'sold' nor 'transported' the wine. Thus, such importing per se is not a use in commerce as required by the above-recited definition."); In re Digequip Sec. Indus., 225 USPQ 230, 231 (TTAB 1984) (importation of component parts for security systems is not a use in commerce).

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In support of its claim to an earlier use date, petitioner has offered testimony and introduced copies of seven (7) invoices showing sales of BODY CLEAR and design branded skin products by MB (Mr. Mamane's French operation) to petitioner. Despite respondent's assertions to the contrary, we find these invoices properly of record and competent evidence of these sales transactions and the importation of various BODY CLEAR and design skin care products by petitioner. However, while the invoices *may* show foreign use of the BODY CLEAR and design mark by MB, petitioner's supplier, and even may show importation by petitioner, they clearly do not demonstrate any use in commerce, i.e., the sale and transport, of the goods identified by the BODY CLEAR and design mark by petitioner after importation.

Further, there is nothing in the record that establishes that any trademark use by MB inures to the benefit of petitioner. As noted previously in this decision, petitioner did not produce the purported written agreement formalizing the relationship between MB as the supplier of the BODY CLEAR and design products (and French trademark owner) and petitioner, as the exclusive U.S. distributor. Absent such an agreement, we cannot speculate as to the exact nature of the supplier/distributor

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relationship and confer any benefits to petitioner resulting from any use of the mark by MB.

We also find the testimony regarding the disposition of the imported BODY CLEAR and design skin care products by petitioner, after its receipt of such goods, fails to establish priority because it is vague, equivocal and unpersuasive. Mr. Aini particularly testified that upon receipt of the products reflected in the 1995 and 1996 MB/ICE invoices petitioner did the following:

Q. Now, after I.C.E. received those products, what did I.C.E. do with them?

A. It test marketed the products.

Q. What do you mean by "test marketed"?

A. Well, we had our own shops and we put it into our shops and shops that are friendly with us so they can see how the products sell in the market.

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A. Now, we - these - this order is coming more, more quantities. So now we're doing wholesaling and retailing and it's getting really bigger market.

Q. What is the date of that?

A. Invoice was February 1996.

Q. Who did you sell those products to, if you recall?

A. all of probably in the I.B.E. Distributing Company  
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Q. I-B-E?

A. Yes, the distributing company I.B.E., to retail stores, probably in Florida also some of these goods also went to.

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Q. Were any of those goods ever exported to Canada or the Caribbean?

A. Yes, yes, any, any - it was probably sold in Canada and Caribbean also. You can tell by the quantity it got more serious, so then it started going all over.

(Aini test. pp. 10, 12-13).

As discussed herein, there are no exhibits properly of record that would support Mr. Aini's testimony. However, "oral testimony, if sufficiently probative, is normally satisfactory to establish priority of use in a trademark proceeding." *Powermatics, Inc., v. Globe Roofing Products Co.*, 341 F.2d 127, 144 USPQ 430, 432 (CCPA 1965). We reiterate that such testimony should not be characterized by indefiniteness, but carry with it the conviction of its accuracy. *B.R. Baker Co. v. Lebow, supra*. See also *Liqwacorp Corp. v. Browning-Ferris Industries, Inc.*, 203 USPQ 305, 316 (TTAB 1979) ("It is settled that oral testimony in situations such as this one where documentary evidence may be insufficient or unavailable for various reasons may be sufficient to establish both prior and continuous use of a designation provided that the testimony is by a witness or witnesses personally conversant with the facts, and that it is clear, convincing, consistent, and sufficiently circumstantial to convince the trier of fact of the probative value thereof.").

In this case, we do not find that the testimony of Mr. Aini meets this standard. It is littered with imprecise

phrases, such as "doing wholesale and retailing," "its getting really bigger market" and "[sold] all of probably in the I.B.E. distributing company, to retail stores, probably in Florida," and is lacking in detail and specifics. There is no definite testimony as to when the products were sold, who they were sold to and under what conditions they were sold. We do not find Mr. Aini's vague and general testimony very persuasive. See *Elder Mfg. Co. v. International Shoe Co.*, 194 F.2d 114, 92 USPQ 330, 333 (CCPA 1952) ("[T]here is no evidence of any advertising or of sales of any product to any particular customers, nor is there any evidence which would indicate use of the trade mark [sic] 'Mark Twain' on collars prior to October 1, 1921, except the oral testimony of the witnesses aforementioned. The only specimen produced showing use of the mark was the above-mentioned collar which was manufactured in 1937."). Inasmuch as the oral testimony of petitioner's witnesses regarding petitioner's first use of its pleaded BODY CLEAR and design mark is unsupported by documentary evidence and is not "clear and convincing," petitioner has failed to establish by a preponderance of the evidence any use of its mark prior to respondent's established first use date of April 23, 1998.<sup>15</sup>

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<sup>15</sup> The parties submitted arguments and evidence (and evidentiary objections including petitioner's objection to the Paterson testimony) regarding later or assertedly unlawful use by petitioner of the BODY CLEAR and design mark. However, because such use is not pertinent or is subsequent to respondent's first



For the reasons discussed, priority rests with respondent.

**CONCLUSION**

After careful consideration of the evidence and the parties' briefs, we conclude that petitioner lacks standing and has failed to establish its priority, which is a necessary element of any claim under Trademark Act § 2(d). We therefore need not reach the issue of likelihood of confusion or respondent's affirmative defense of laches because without proof of priority, petitioner cannot prevail.

**Decision:** The petition to cancel is DISMISSED.

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use date of April 28, 1998, it is not outcome determinative and we see no need to address these arguments and evidence in this decision.

THIS ORDER IS A  
PRECEDENT OF THE  
TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451  
General Contact Number: 571-272-8500

DUNN

Mailed: March 22, 2018

Opposition No. 91216585

*Kate Spade LLC*

*v.*

*Thatch, LLC*

Opposition No. 91217168

*Kate Spade LLC*

*v.*

*The Spades Trademark Company, LLC*

**Elizabeth A. Dunn, Attorney:**

This case comes up on Opposer's motion to strike Applicant's pretrial disclosures and to exclude subsequently-filed testimony declarations based on Applicant's failure to timely supplement its initial disclosures regarding three declarants. The motion is fully briefed.

**BACKGROUND FACTS**

In this consolidated case,<sup>1</sup> Opposer pleads claims of false suggestion of a connection, likelihood of confusion, and dilution, all concerning its KATE SPADE

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<sup>1</sup> Opposition No. 91216585 is designated as the "parent" case, and all TTABVUE citations are to that opposition proceeding. Because the two applicants are affiliated companies with

mark. Opposer's mark is used in connection with, among other things, clothing and handbags. Opposer has pleaded ownership of several pertinent registrations, as well as common law rights. The applications against which these claims are asserted are for the marks PATIO BY THE SPADES and THE SPADES, also for clothing and handbags (the subject of the opposed Trademark Act Section 1(b), 15 U.S.C. § 1051(b), applications).

Applicant's Initial Disclosures. Applicant's initial disclosures identified its principals as persons knowledgeable about "Use and ownership of the Applicant's mark; Applicant's planned business operations and activities, including goods and services for which Applicant plans to use the mark, Applicant's trademark application, and facts and defenses alleged in the notice of opposition and answer" and a "representative from Opposer, to be determined" as knowledgeable about "Use and ownership of Opposer's mark; Opposer's business operations and activities, Opposer's products and services, Opposer's trademark applications and registrations, Opposer's assertion of fame, and facts alleged in the notice of opposition and answer." 102 TTABVUE 32-34. Applicant's initial disclosures also identified categories of documents that may be used to support its claims or defenses, including "Documents reflecting third party use and registration of marks similar to Applicant's."

During discovery, Applicant deposed Opposer's former in-house counsel Geri Mankoff-Elias concerning, among other things, her knowledge of third-party use.<sup>2</sup>

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common controlling ownership and management, this order refers to Applicant in the singular.

<sup>2</sup> Because the deposition is designated as confidential, it will not be described in more detail.

Trial periods were extended by agreement and suspended pending disposition of contested discovery motions.

Applicant's Supplemental Disclosure. On January 19, 2017, during Opposer's trial period, Applicant supplemented its initial disclosures to identify "Nart-anong Chinda, employee of Cowan, Liebowitz & Latman, P.C., co-counsel to Applicants" as a witness to testify on "[a]uthentication of recently obtained third party use goods for use at trial," as well as "third party use witnesses to be determined" to testify on "[a]uthentication of third party use goods and services and use of third party marks." 102 TTABVUE 41-43. Ms. Chinda is one of the subjects of this motion. Applicant also served Opposer with documents demonstrating third party use of SPADE marks with its supplemental initial disclosures.

On January 26, 2017, Opposer offered the confidential testimony of Ms. Mankoff-Elias regarding Opposer's efforts to enforce its trademark rights.

Applicant's Pretrial Disclosures. On February 17, 2017, Applicant served pretrial disclosures identifying Ms. Chinda as a witness to testify on "[t]hird party use of marks similar to Applicants' and Opposer's marks and/or goods or services" and to "authenticate purchases of third party use goods"; and to introduce exhibits "concerning third party uses of marks similar to Applicants' and Opposer's marks and/or goods or services." Applicant's pretrial disclosures also identified third-party witnesses Gabriel Mann and Medhi Neyestanki (the other two subjects of this motion) to testify on "[a]doption, use and/or registration of third party marks incorporating SPADE, SPADES and/or SPADE DESIGNS or similar marks" and to introduce

exhibits “concerning the use and/or intended use or registration of third party marks incorporating SPADE, SPADES and/or SPADE DESIGNS or similar marks.” 102 TTABVUE 45-49.

Applicant’s Submission of Declaration Testimony. Applicant filed testimony by declaration of Ms. Chinda, Mr. Mann, and Mr. Neyestanki, and Opposer filed notice of its election to cross-examine the three declarants.

On May 19, 2017, the Board issued an order granting an intervening motion to quash the notice of election of cross-examination as to the location of the cross-examination, suspended any cross-examination pending disposition of this motion to strike the pretrial disclosures and testimony declarations, and reset briefing on this motion.

#### LEGAL STANDARD

Each party to an inter partes proceeding must serve initial disclosures that identify “each individual likely to have discoverable information ... that the disclosing party may use to support its claims or defenses, unless the use would be solely for impeachment.” Fed. R. Civ. P. 26(a)(1); *see* Trademark Rules 2.116(a) and 2.120(a)(2)(ii), 37 C.F.R. §§ 2.116(a) and 2.120(a)(2)(ii). Parties are also required to supplement their initial disclosures “in a timely manner if the party learns that in some material respect the disclosure or response is incomplete or incorrect and if the additional or corrective information has not otherwise been made known to the other parties during the discovery process or in writing.” Fed. R. Civ. P. 26(e)(1)(A); *quoted in Spier Wines (PTY) Ltd. v. Shepher*, 105 USPQ2d 1239, 1241 (TTAB 2012).

The Board's rules also require the service of pretrial disclosures. Trademark Rules 2.120(a)(2)(iii) and 2.121, 37 C.F.R. §§ 2.120(a)(2)(iii) and 2.121. Pretrial disclosures must "disclose the name and, if not previously provided, the telephone number and address of each witness from whom [the disclosing party] intends to take testimony, or may take testimony if the need arises, general identifying information about the witness, such as relationship to any party, including job title if employed by a party, or, if neither a party nor related to a party, occupation and job title, a general summary or list of subjects on which the witness is expected to testify, and a general summary or list of the types of documents and things which may be introduced as exhibits during the testimony of the witness." Trademark Rule 2.121(e), 37 C.F.R. § 2.121(e).

Before addressing the specifics of this case, the Board notes that determining a motion to strike pretrial disclosures does not alter the longstanding policy against addressing substantive evidentiary objections prior to final hearing. *Genesco Inc. v. Martz*, 66 USPQ2d 1260, 1263 (TTAB 2003); *M-Tek Inc. v. CVP Systems Inc.*, 17 USPQ2d 1070, 1073 (TTAB 1990). The Board does not read testimony, make prospective or hypothetical evidentiary rulings, or determine the probative value of evidence prior to final hearing. *See ProMark Brands Inc. v. GFA Brands, Inc.*, 114 USPQ2d 1232, 1239 n.32 (TTAB 2015); *Weyerhaeuser Co. v. Katz*, 24 USPQ2d 1230, 1233 (TTAB 1992). No matter what the pretrial or trial motion is titled, the determination of a motion that requires consideration of the substance of trial evidence, and not merely whether the evidence meets the applicable procedural

requirements, including disclosure requirements, is deferred. *Carl Karcher Enterprises Inc. v. Carl's Bar & Delicatessen Inc.*, 98 USPQ2d 1370, 1371 n.2 (TTAB 2011) (substantive objections to specific documents or exhibits introduced by the testimony of opposer's witness as being beyond the scope of the disclosure deferred to disposition at final decision). Prior to trial, disclosures are evaluated only for compliance with the procedural rules. *Spier Wines (PTY) Ltd. v. Shepher*, 105 USPQ2d at 1240.

Turning to the merits of the motion to strike, Fed. R. Civ. P. 37(c)(1) governs whether evidence will be excluded for failure to disclose, or allowed because the failure to disclose is substantially justified or harmless. *Great Seats Inc. v. Great Seats Ltd.*, 100 USPQ2d 1323, 1327 (TTAB 2011) (*Great Seats*) (citing *MicroStrategy, Inc. v. Business Objects, S.A.*, 429 F.3d 1344, 77 USPQ2d 1001, 1009-10 (Fed. Cir. 2005) and *Southern States Rack & Fixture, Inc. v. Sherwin-Williams Co.*, 318 F.3d 592, 597 (4th Cir. 2003)). The five-factor test to determine whether to strike pretrial disclosures involves: "1) the surprise to the party against whom the evidence would be offered; 2) the ability of that party to cure the surprise; 3) the extent to which allowing the testimony would disrupt the trial; 4) importance of the evidence; and 5) the nondisclosing party's explanation for its failure to disclose the evidence." *Great Seats*, 100 USPQ2d at 1327.

Opposer argues none of the three witnesses at issue (Ms. Chinda, Mr. Mann, and Mr. Neyestanki) were identified in Applicant's initial disclosures or during discovery, that Applicant's supplemental initial disclosures served during Opposer's trial period

were untimely and deficient, that Opposer was unfairly deprived of the opportunity to seek discovery from the witnesses, and so the disclosures in consequence should be stricken. The Board first addresses whether Applicant's supplemental initial disclosures are deficient.

a) Witness Nart-anong Chinda<sup>3</sup>

There is no disagreement that Ms. Chinda's testimony describes her gathering evidence of third party use by making purchases and printing out Internet information. Because Applicant's initial disclosures, supplemented initial disclosures, and pretrial disclosures are entirely consistent in providing the necessary notice that Applicant would submit documentary evidence of third party use at trial, there has not been any failure to disclose with respect to Ms. Chinda's testimony.

An authenticating witness does not testify as to her own knowledge, independent of the documents to be introduced, but testifies only as to the actions taken to acquire the documentary evidence made admissible by her testimony. *See* Federal Rule of Evidence 901(a) ("To satisfy the requirement of authenticating or identifying an item of evidence, the proponent must produce evidence sufficient to support a finding that the item is what the proponent claims it is."). The probative value of non-testimonial evidence of third party use is limited to what it shows on its face; it does not establish

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<sup>3</sup> In its reply brief, Opposer contends that Applicant's disclosures regarding Ms. Chinda's testimony are untimely, violate Applicant's disclosure obligations, and the testimony should be precluded, but offers to withdraw the motion to exclude testimony with respect to Ms. Chinda. If a party withdraws a motion, the Board generally gives it no consideration. But here, because Opposer apparently reserves the right to attack the disclosures and testimony at a later date, and the motion has been fully briefed, the Board does not accept Opposer's qualified withdrawal, but addresses the merits of the motion.



the truth of the matter asserted in the documents. *Ayoub, Inc. v. ACS Ayoub Carpet Serv.*, 118 USPQ2d 1392, 1403 (TTAB 2016). In other words, authentication testimony for documents does not add substantively to the evidence.

In this case, as trial neared, Ms. Chinda collected the third party use evidence, and this evidence, as well as Applicant's planned use of Ms. Chinda as an authenticating witness were promptly disclosed. Applicant supplemented its initial disclosures, which identified documents on third party use, to indicate how the previously-disclosed third party use documents would be introduced into evidence, namely through the testimony of the authenticating witness.<sup>4</sup> This supplemented initial disclosure is sufficient.

Because there is no deficiency in Applicant's disclosure of this evidence, the subsequent pretrial disclosure of the identity of the authenticating witness is timely and the motion to strike the pretrial disclosure of Applicant's authenticating witness Nart-anong Chinda is DENIED.<sup>5</sup>

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<sup>4</sup> Under the Board's rules and practice, except for documents deemed to be self-authenticating, "[t]estimony affidavits, declarations and depositions are the means by which a party may introduce into the record not only the testimony of its witnesses, but also those documents and other exhibits that may not be made of record by notice of reliance." Trademark Trial and Appeal Board Manual of Procedure (TBMP) § 703.01(a) (June 2017).

<sup>5</sup> Applicant notes that Opposer's response to an earlier motion states in a footnote "While Opposer has ultimately elected not to [cross-examine] Ms. Chinda, it still preserves its objection to Applicant's late disclosure of the witness." 105 TTABVUE 3. Opposer has not formally withdrawn its election to cross-examine, and the statement was made before the disputes regarding the testimony were resolved. As the parties were informed by the Board's May 19, 2017 order, the right to seek cross examination is integral to the right to offer testimony by declaration. *Cf. B&B Hardware, Inc. v. Hargis Industries, Inc.*, 135 S. Ct.1293, 113 USPQ2d 2045, 2049 (2015). Accordingly, the Board does not find that Opposer has waived that right here. However, given the nature of Ms. Chinda's testimony in authenticating documents, it would appear that any cross examination may be very short and limited. *See Sheetz of Del., Inc. v. Doctor's Assocs. Inc.*, 108 USPQ2d 1341, 1347 (TTAB

b) Witnesses Gabriel Mann and Medhi Neyestanki

Applicant's initial disclosures, even as supplemented, do not *specifically* identify the possibility of testimony from Mr. Mann, Principal of Four Jack Brothers, Inc. aka Jack of Spades Enterprises, or Mr. Neyestanki, Principal of Spade Skin Care & More. Opposer was first provided with the witnesses' names in Applicant's pretrial disclosures.

As set forth above, however, the initial disclosures do identify third party use as a category of documents that may be used at trial. Applicant's supplementation to its initial disclosures described unnamed "third party use witnesses" who would testify on "[a]uthentication of third party use goods and services and use of third party marks." Applicant's pretrial disclosures then specifically identified Mr. Mann and Mr. Neyestanki, and described the subject of their testimony as "[a]doption, use and/or registration of third party marks incorporating SPADE, SPADES and/or SPADE DESIGNS or similar marks" and the introduction of exhibits "concerning the use and/or intended use or registration of third party marks incorporating SPADE, SPADES and/or SPADE DESIGNS or similar marks."

Turning first to the fourth *Great Seats* factor, the importance of the evidence, Applicant contends that a significant number of third parties are using SPADE marks, and the evidence of third party use may be dispositive in this proceeding.<sup>6</sup>

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2013) (*Sheetz*) ("the Board reviews the evidence of third party use for what it shows on its face, not by how it was obtained.").

<sup>6</sup> Under *Great Seats*, the Board considers in general terms the parties' arguments and case law regarding the importance of that type of evidence with respect to the pleaded claims and defenses. See *Spier Wines (PTY) Ltd. v. Shepherd*, 105 USPQ2d at 1244 ("In determining the importance of the evidence or testimony to the fair adjudication of the proceedings, the Board

Opposer's vague argument that the testimony regarding third party use could be within the general knowledge of other witnesses that Applicant may call is not persuasive. The Federal Circuit has held, in two cases involving, as here, a likelihood of confusion claim, that evidence of the extensive registration and use of a term by others can be powerful evidence of the term's weakness. *See Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. v. Millennium Sports, S.L.U.*, 797 F.3d 1363, 116 USPQ2d 1129, 1136 (Fed. Cir. 2015); *Juice Generation, Inc. v. GS Enters. LLC*, 794 F.3d 1334, 115 USPQ2d 1671, 1674 (Fed. Cir. 2015). Accordingly, this factor favors Applicant.

Turning next to the fifth *Great Seats* factor, Applicant's explanation for its failure to disclose Mr. Mann and Mr. Neyestanki, Applicant contends that it did not ascertain the identities of the possible trial witnesses until early in February 2017, and served its pretrial disclosures on February 17, 2017. Opposer does not argue that Applicant was aware of the witnesses' identity earlier in the proceeding.<sup>7</sup> Instead, Opposer accepts the explanation, but characterizes this as "dilatatory trial preparation"

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will consider various factors, including whether the testimony is cumulative or if evidence can be introduced by other means, and whether the proposed testimony would be admissible."); *Great Seats*, 100 USPQ2d at 1328 ("the testimony of the additional witnesses may be important [because] Opposer ... must establish its prior rights in the GREAT SEATS mark to prevail on its Section 2(d) claim ... The Board notes, however, that opposer has two witnesses ... upon whom opposer may rely in support of this opposition."). Determining the importance of the evidence in connection with pretrial disclosures is not equivalent to determining the probative value of evidence, and does not require reading the evidence.

<sup>7</sup> The case upon which Opposer relies most in arguing for exclusion has significantly different facts. There the witness was known to the non-disclosing party from the beginning of the proceeding; the witness should have been listed in both initial disclosures and discovery responses; and the identification of the witness in pretrial disclosures resulted in prejudicial surprise to the adverse party. *Spier Wines (PTY) Ltd. v. Shepher*, 105 USPQ2d at 1244.

designed to thwart discovery. The Board disagrees. There is “no duty to conduct an investigation of third party use during discovery,” and evidence of third party use may be “obtained or created by applicant in anticipation of its testimony period.” *Rocket Trademarks Pty Ltd. v. Phard S.p.A.*, 98 USPQ2d 1066, 1071-72 (TTAB 2011) (*Rocket*). *Accord Sheetz*, 108 USQ2d at 1348.<sup>8</sup>

A party is not required, in advance of trial, to disclose each document or other exhibit it plans to introduce. *British Seagull Ltd. v. Brunswick Corp.*, 28 USPQ2d 1197, 1201 (TTAB 1993), *aff'd*, 35 F.3d 1527, 32 USPQ2d 1120 (Fed. Cir. 1994); *Sports Auth. Mich., Inc. v. PC Auth., Inc.*, 63 USPQ2d 1782, 1788 (TTAB 2001). This did not change with the Board’s adoption of initial and pretrial disclosures. MISCELLANEOUS CHANGES TO TRADEMARK TRIAL AND APPEAL BOARD RULES, 72 Fed. Reg. 42242, 42246 (August 1, 2007) (“Pretrial disclosures are governed by Federal Rule 26(a)(3), but the Board does not require pretrial disclosure of each document or other exhibit that a party plans to introduce at trial under Rule 26(a)(3)(C).”). Accordingly, this factor also favors Applicant.

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<sup>8</sup> In the *Rocket* case, which addressed facts arising before the Board’s adoption of the disclosure model, the Board overruled the objection to documentary evidence of third party use which had not been produced during discovery. The Board found that the evidence of third party use had not yet been collected during discovery, and that the period between the close of defendant’s testimony period and the opening of plaintiff’s rebuttal testimony period was sufficient to prepare any rebuttal to this evidence.

In the *Sheetz* case, in which the parties waived pretrial disclosures, the Board overruled objections to the testimony of undisclosed declarants on third party use, finding the failure to supplement its initial disclosures or discovery responses was harmless. More specifically, the Board found no surprise in the testimony of the third party use declarants because the declarants either had received cease and desist letters from applicant, or because both parties had submitted evidence of third party use earlier in the proceeding, so “applicant is hard-pressed to argue convincingly that it was surprised that opposer attempted to introduce the declaration of two additional restaurateurs.” *Sheetz*, 108 USPQ2d at 1346.

Turning to the first *Great Seats* factor, Applicant contends that there was no surprise to Opposer, or need to individually identify the witnesses before pretrial disclosures, because Applicant's initial disclosures listed third party use as a category of evidence upon which Applicant could rely at trial, and the third party use by both Jack of Spades Enterprises and Spade Skin Care & More was known to Opposer. More specifically, Applicant points out that Opposer itself produced evidence of this use during discovery and submitted it as evidence during its trial period. Without describing confidential matter, the record demonstrates that Opposer knew of the two parties as third party users, and was aware of the subject matter ultimately covered by the testimony of Mr. Mann and Mr. Neyestanki. Even if Opposer was not aware of every fact set forth in their declarations, the record reflects that it was aware of the pertinent information therein. *See Galaxy Metal Gear Inc. v. Direct Access Tech., Inc.*, 91 USPQ2d 1859 (TTAB 2009) ("there is no need, as a matter of course, to submit a supplemental disclosure to include information already revealed by a witness in a deposition or otherwise through formal discovery, including the identity of the witness."); Fed. R. Civ. P. 26(e) Notes of Advisory Committee on Rules – 1983 Amendment ("no obligation to provide supplemental or corrective information that has been otherwise made known to the parties in writing or during the discovery process, as when a witness not previously disclosed is identified during the taking of a deposition. . . ."). This factor favors Applicant.

Turning to the second and third *Great Seats* factors, i.e., the non-offering party's ability to cure the surprise and the disruption to trial if the testimony is allowed,

notwithstanding the listing of third party use in Applicant's initial disclosures, Opposer did not seek discovery regarding third party use. Opposer did not claim surprise upon receipt of the supplemented initial disclosures which disclosed that Applicant would submit testimony on third party use as well as documentary evidence. Instead, more than three months after Applicant supplemented its initial disclosures, Opposer argues in its motion to strike that cross examination is not sufficient to test the testimony of Mr. Mann and Mr. Neyestanki, and that discovery is necessary to obtain documents which will verify statements regarding their testimony on third party use. Opposer's argument is not persuasive. Based on the limited nature of the testimony regarding third party use, broad discovery is unnecessary. Opposer is free to challenge the evidence about third party use.<sup>9</sup> Any need for Opposer to have learned about Applicant's evidence earlier could have been addressed months ago and Opposer has only its own inaction to blame. Accordingly, the second and third factors favor Applicant.

On balance, because Applicant's failure to disclose in the supplemented initial disclosures the identity of the witnesses who would be testifying as to the disclosed

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<sup>9</sup> Documents necessary for cross examination may be obtained from a non-party by means of a subpoena *duces tecum* issued by the appropriate U.S. district court. *See generally* Fed. R. Civ. P. 45; *El Encanto, Inc. v. Hatch Chile Co., Inc.*, 825 F.3d 1161, 119 USPQ2d 1139, 1144 (10th Cir. 2016); *Dan Foam ApS v. Sleep Innovations, Inc.*, 106 USPQ2d 1939, 1942 (TTAB 2013); TBMP § 404.03(a)(2). As the parties were advised in the Board's order of May 19, 2017, when choosing a declarant, the proffering party must weigh its ability to make the declarant available for cross examination, or risk the Board's refusal to consider the testimony.

subject of third party use is both substantially justified and harmless, the motion to strike the pretrial disclosure of Mr. Mann and Mr. Neyestanki is DENIED.<sup>10</sup>

PROCEEDINGS ARE RESUMED.

Opposer is ordered to file a new notice of election of cross examination to be completed within thirty days from the mailing date of this order. Remaining dates are reset below.

Plaintiff's Rebuttal Disclosures Due	5/18/2018
Plaintiff's 15-day Rebuttal Period Ends	6/10/2018
Plaintiff's Opening Brief Due	8/9/2018
Defendant's Brief Due	9/8/2018
Plaintiff's Reply Brief Due	9/23/2018
Request for Oral Hearing (optional) Due	10/3/2018

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125, 37 C.F.R. § 2.125. An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129, 37 C.F.R. § 2.129.

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<sup>10</sup> We further note that to the extent that Mr. Mann and Mr. Neyestanki's testimony serves to impeach the confidential testimony of Opposer's witness and former counsel Ms. Mankoff-Elias, it is also allowed without disclosure under Fed. R. Civ. P. 26(a)(1)(A)(i) and 26(a)(3)(A).

## *In re Sealed Case*

United States Court of Appeals for the District of Columbia Circuit

May 2, 1988, Argued ; September 2, 1988, Decided

No. 87-5290

### Reporter

856 F.2d 268 \*; 1988 U.S. App. LEXIS 11949 \*\*; 272 U.S. App. D.C. 314; Fed. Sec. L. Rep. (CCH) P94,009

IN RE: SEALED CASE

**Prior History:** [\*\*1] Appeal from the United States District Court for the District of Columbia, Miscellaneous No. 87-00269.

### Core Terms

questions, district court, investigatory, law enforcement, discovery, deposition, disclosure, documents, work product, investigations, intervene, ex parte affidavit, seal, insider trading, requirements, attorney's, immunity, on-going, subpoena, files

### Case Summary

#### Procedural Posture

Appellant corporation filed an action for damages against several defendants and sought to compel discovery of appellee Securities and Exchange Commission (SEC). The United States District Court for the District of Columbia denied the discovery motion, but granted the motions of appellee Department of Justice (DOJ) to intervene and to file an ex parte affidavit under seal. The corporation sought review.

#### Overview

Both the DOJ and the SEC asserted the law enforcement investigatory privilege and the SEC also claimed that the discovery was precluded by attorney work product immunity. The court held that permissive intervention of the DOJ was authorized because it made a plausible claim of the privilege, which the district court properly accepted for the purpose of deciding the motion to intervene. The SEC was also allowed to assert the privilege because the decision to claim it was

made by the agency's head, who personally reviewed the deposition questions at issue and who specified the information for which the privilege was claimed. The SEC was further entitled to work product immunity because the deposition questions sought recollections of witness interviews that had been made in anticipation of litigation. However, the court remanded for reconsideration because both the privilege and the immunity were qualified and the district court failed to conduct the essential balancing process of the parties' interests.

#### Outcome

The order that granted the DOJ's motions to intervene and to file an ex parte affidavit under seal was affirmed. The order that denied the corporation's motion to compel was reversed and the motion was remanded.

### LexisNexis® Headnotes

Civil Procedure > Appeals > Standards of Review > Abuse of Discretion

#### [HN1](#) [↓] Abuse of Discretion

An appellate court will reverse a district court's discovery orders only for abuse of discretion, that is, if its actions are clearly unreasonable, arbitrary, or fanciful.

Civil Procedure > ... > Discovery > Misconduct During Discovery > Motions to Compel



## [HN2](#) **Motions to Compel**

The district court has broad discretion to weigh the factors in deciding whether discovery should be compelled.

[Evidence > ... > Government Privileges > Official Information Privilege > Investigative Files Privilege](#)

[Evidence > Privileges > Government Privileges > Procedural Matters](#)

[Evidence > Privileges > Government Privileges > General Overview](#)

[Evidence > ... > Government Privileges > Official Information Privilege > General Overview](#)

## [HN3](#) **Investigative Files Privilege**

To sustain a claim for the law enforcement investigatory privilege, three requirements must be met: (1) there must be a formal claim of privilege by the head of the department having control over the requested information; (2) assertion of the privilege must be based on actual personal consideration by that official; and (3) the information for which the privilege is claimed must be specified, with an explanation why it properly falls within the scope of the privilege.

[Evidence > ... > Government Privileges > Official Information Privilege > Investigative Files Privilege](#)

[Evidence > Privileges > Government Privileges > General Overview](#)

[Evidence > ... > Government Privileges > Official Information Privilege > General Overview](#)

## [HN4](#) **Investigative Files Privilege**

The law enforcement investigatory privilege is qualified. The public interest in nondisclosure must be balanced against the need of a particular litigant for access to the privileged information.

[Evidence > ... > Government Privileges > Official Information Privilege > Investigative Files Privilege](#)


[Civil Procedure > Appeals > Remands](#)

[Evidence > ... > Government Privileges > Official Information Privilege > General Overview](#)

## [HN5](#) **Investigative Files Privilege**

Although a district court has considerable leeway in weighing the different factors that must be considered when the law enforcement investigatory privilege is claimed, the failure to balance at all requires remand to the district court.

[Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview](#)

[HN6](#)  Work product immunity extends to oral statements made by witnesses to attorneys whether presently in the form of mental impressions or memoranda.

[Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview](#)

[Evidence > ... > Government Privileges > Official Information Privilege > Investigative Files Privilege](#)


[Evidence > ... > Government Privileges > Official Information Privilege > General Overview](#)

[HN7](#)  The attorney work product doctrine is a qualified immunity.

[Civil Procedure > ... > Discovery > Methods of Discovery > General Overview](#)

[Civil Procedure > Discovery & Disclosure > Discovery > Undue Burdens in Discovery](#)

[Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview](#)

[HN8](#)  Where the work product sought is based on oral statements from witnesses, a far stronger showing is required than the "substantial need" and "without

undue hardship" standard applicable to discovery of work-product protected documents and other tangible things.

**Counsel:** Harvey A. Levin, with whom, Michael I. Smith and Marc B. Dorfman were on the brief, for Appellant.

Thomas G. Sheehan, Attorney, Securities and Exchange Commission, of the bar of the Court of Appeals of the District of Columbia, pro hac vice, by special leave of court, with whom Paul Gonson, Solicitor, Daniel L. Goelzer, General Counsel and Elizabeth Stein, Counsel, Securities and Exchange Commission, were on the brief, for Appellee.

Jay B. Stephens, United States Attorney, John D. Bates, R. Craig Lawrence, Michael J. Ryan and Charles F. Flynn, Assistant United States Attorneys, were on the brief for Appellee.

**Judges:** Starr and Williams, Circuit Judges, and Weigel, Senior District Judge. \*

**Opinion by:** WEIGEL

## Opinion

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[\*270] WEIGEL, Senior District Judge:

Appellant, a corporation, appeals from the orders of the District Court denying its motion to compel discovery of appellee Securities and Exchange Commission and granting [\*2] the motions of appellee Department of Justice to intervene and to file an *ex parte* affidavit under seal. <sup>1</sup> We affirm the District Court's orders granting the motions of the Department of Justice, but remand the discovery motion for further consideration.

### I. BACKGROUND

This case arises out of an action pending between private parties in the United States District Court for the Southern District of New York. In that action, appellant

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\* Of the United States District Court for the Northern District of California, sitting by designation pursuant to 28 U.S.C. § 294(d).

<sup>1</sup> Both the appellant and the government have requested that the record in this case remain under seal. In order to preserve the confidentiality of on-going civil and criminal investigations, we do not provide the name of appellant and have limited statement of the facts to the minimum consistent with showing the reasons for decision.

seeks damages from several parties for alleged insider trading in the stock of a corporation later acquired by appellant. Appellant alleges that its cost of acquisition was artificially inflated as a result of the illegal insider trading.

In connection with its investigations of insider trading on Wall Street, the SEC had looked into suspicious activity by several defendants in the underlying action. As a result, [\*3] the Commission accumulated a large quantity of documents. Appellant has received some 40,000 pages of them delivered pursuant to request under the Freedom of Information Act.

Appellant seeks more through a subpoena obtained from the United States District Court for the District of Columbia. The subpoena directs the Commission to designate a witness to testify and produce documents related to alleged insider trading in the stock of the corporation acquired by appellant. Pursuant to the subpoena, the Commission did provide some documents but declared its intention to seek a court ruling that, based upon claims of privilege, it need not produce a small quantity of the documents.

At this point, counsel for appellant and the Commission met and agreed to cancel the oral deposition and proceed on written questions. The SEC agreed to answer a limited number of questions focused on the purchase of stock in the acquired corporation by certain defendants in the underlying action. The SEC reserved the right to object to any of appellant's questions.

Appellant thereafter propounded questions to be answered by the SEC at a deposition on July 13, 1987. Six questions called for production of all evidence [\*4] of securities laws violations by several defendants in the underlying action. Appendix [App.] 12-13. Appellant later propounded two related, redirect questions. App. 24-26. On July 10, 1987, the Commission notified appellant that it would object to all eight questions as calling for protected attorney work-product and to three (direct questions 2, 3, and 7) on the basis of law enforcement investigatory privilege. The SEC appeared at the deposition, made its objections, and refused to answer.

On August 12, 1987, appellant, pursuant to [Federal Rule of Civil Procedure 37](#), moved to compel the Commission's response. On September 10, 1987, appellee Department of Justice (Department) moved for leave to intervene in opposition. App. 53-66. The Department argued that disclosure of the information would interfere with on-going criminal investigations. The Department also moved for permission to file an *ex*

*parte* affidavit under seal containing "sensitive and confidential information." Supplemental Appendix [Supp. App.] 53.

On September 11, 1987, the District Court granted the Department's motions to [\*271] intervene and to file an *ex parte* affidavit, and denied appellant's motion to compel. [\*\*5] Appellant appeals.

## II. ANALYSIS

### A. Standard of Review

[HN1](#)<sup>↑</sup> An appellate court will reverse a district court's discovery orders only for abuse of discretion, that is, "if its actions were clearly unreasonable, arbitrary, or fanciful." *Northrop Corp. v. McDonnell Douglas Corp.*, 243 U.S. App. D.C. 19, 751 F.2d 395, 399 (D.C. Cir. 1984). [HN2](#)<sup>↑</sup> The district court has broad discretion to weigh the factors in deciding whether discovery should be compelled. *In re Multi-Piece Rim Products Liability Litigation*, 209 U.S. App. D.C. 416, 653 F.2d 671, 679 (D.C. Cir. 1981).

### B. Intervention of the Department of Justice

Appellant first challenges the District Court's grant of the Department's motions to intervene and to file an *ex parte* affidavit under seal. It is not clear whether the court granted intervention of right under *Federal Rule of Civil Procedure 24(a)* or permissive intervention under *Rule 24(b)*. Even assuming that the requirements for intervention of right were not satisfied, permissive intervention is clearly authorized. The Department's assertion of the law enforcement investigatory privilege involves the same legal question as that asserted by the SEC. *Federal Rule of Civil Procedure 24(b)(2)*.

Appellant's objections [\*\*6] to the motions really go to the merits of the Department's assertion of the privilege. However, the Department made a plausible claim of law enforcement investigatory privilege which the District Court properly accepted for the purpose of deciding the motion to intervene. See *United States v. American Tel. and Tel. Co.*, 206 U.S. App. D.C. 317, 642 F.2d 1285, 1293 (D.C. Cir. 1980). The District Court's orders granting the Department's motions to intervene and to file an *ex parte* affidavit under seal are affirmed.<sup>2</sup>

<sup>2</sup>On appeal, the Department tacitly admits that it has not met the requirements independently to assert a claim of law enforcement investigatory privilege. Brief of Appellee United States Department of Justice, 15-16. Instead, the Department seeks to have its affidavits considered in support of the SEC's

### C. Asserted Privileges

#### 1. Law Enforcement Investigatory Privilege

The SEC claims the law enforcement investigatory privilege to three of appellant's direct questions. [HN3](#)<sup>↑</sup> [\*\*7] To sustain the claim, three requirements must be met: (1) there must be a formal claim of privilege by the head of the department having control over the requested information; (2) assertion of the privilege must be based on actual personal consideration by that official; and (3) the information for which the privilege is claimed must be specified, with an explanation why it properly falls within the scope of the privilege. *Black v. Sheraton Corp. of America*, 184 U.S. App. D.C. 46, 564 F.2d 531, 542-43 (D.C. Cir. 1977); *Friedman v. Bache Halsey Stuart Shields, Inc.*, 238 U.S. App. D.C. 190, 738 F.2d 1336, 1341-42 (D.C. Cir. 1984). These conditions ensure that the privilege is presented in a deliberate, considered, and reasonably specific manner. *Friedman*, 738 F.2d at 1342.

As a threshold matter, appellant asserts that the privilege applies only to disclosure of documents from law enforcement investigatory files, not to testimony about the information obtained in the files. The Court disagrees. It make little sense to protect the actual files from disclosure while forcing the government to testify about their contents. The public interest in safeguarding the integrity of on-going civil and criminal investigations is [\*\*8] the same in both situations. The privilege may be asserted to protect testimony about or other disclosure of the contents of law enforcement investigatory files.

The SEC has met the requirements for asserting the privilege. The decision to claim the privilege was made by the agency's Commissioners, who personally reviewed [\*272] the deposition questions at issue. Declaration of Jonathan G. Katz, Secretary of the Securities and Exchange Commission, August 24, 1987, App. 118-21. The Commission also specified the information to which the privilege applied. *Id.* at 118-20.

The Commission further explained that disclosure of the information would jeopardize on-going investigations by prematurely revealing facts and investigatory materials to potential subjects of those investigations. *Id.* at 120.

assertion of the privilege. As we hold below that the SEC has adequately asserted its own privilege, we need not rule on the Department's request nor consider its arguments in opposition to appellant's motion to compel.

In support of this contention, the SEC submitted a lengthy declaration detailing the effect disclosure would have on its ongoing Wall Street investigation. Declaration of John H. Sturc, Associate Director of the SEC Division of Enforcement, August 20, 1987, App. 73, 85-6. In view of appellant's broadly-worded deposition questions, the SEC has asserted the privilege with sufficient specificity and particularity. [\*\*9]

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However, [HN4](#) [↑] the law enforcement investigatory privilege is qualified. The public interest in nondisclosure must be balanced against the need of a particular litigant for access to the privileged information. [Black, 564 F.2d at 545](#); [Friedman, 738 F.2d at 1341](#). The process of identifying and weighing the competing interests cannot be avoided. [Friedman, 738 F.2d at 1342](#). This Circuit has cited the list contained in [Frankenhauser v. Rizzo, 59 F.R.D. 339 \(E.D. Pa. 1973\)](#), as illustrative of the factors the district court must consider:

(1) the extent to which disclosure will [\*\*10] thwart governmental processes by discouraging citizens from giving the government information; (2) the impact upon persons who have given information of having their identities disclosed; (3) the degree to which governmental self-evaluation and consequent program improvement will be chilled by disclosure; (4) whether the information sought is factual data or evaluative summary; (5) whether the party seeking discovery is an actual or potential defendant in any criminal proceeding either pending or reasonably likely to follow from the incident in question; (6) whether the police investigation has been completed; (7) whether any interdepartmental disciplinary proceedings have arisen or may arise from the investigation; (8) whether the plaintiff's suit is non-frivolous and brought in good faith; (9) whether the information sought is available through other discovery or from other sources: (10) the

importance of the information sought to the plaintiff's case.

[Id. at 344](#); [Friedman, 738 F.2d at 1342-43](#).

The District Court's order in this case does not show engagement in this essential balancing process. [HN5](#) [↑] Although a district court has considerable leeway in weighing the different [\*\*11] factors, [Multi-Piece Rim Products, 653 F.2d at 679](#), the failure to balance at all requires remand to the District Court to consider the respective interests of appellant and the SEC in the information protected by the law enforcement investigatory privilege.

On remand the District Court is not required, *sua sponte*, to consider possible modifications of appellant's discovery request. When the privilege is asserted for documents, as distinct from testimony, the physical nature of the materials requested permits the court to consider application of the privilege to individual files. See [Northrop, 751 F.2d at 403](#) (district court must give appropriate consideration to modifying the subpoena for documents to accommodate the interests of the parties); [Federal Rule of Civil Procedure 45\(b\)\(1\)](#). However, written deposition questions do not lend themselves to modification by the Court. The Court has no duty to rewrite appellant's questions to make them acceptable. Appellant, of course, may redraft its questions [\*\*273] to meet the objections of the government and concerns of the Court.<sup>4</sup> Indeed, this may be a wiser course and lead to appellant's obtaining the desired information more [\*\*12] rapidly than by the lengthy process of appeal.

## 2. Attorney Work Product Immunity

The SEC also asserted attorney work product immunity in the District Court to all eight deposition questions.

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<sup>3</sup> Appellant argues that the SEC waived any claim of privilege by failing to seek a protective order prior to the deposition, [Federal Rule of Civil Procedure 26\(c\)](#), and by failing to seek a protective order after objecting to the questions, [Federal Rule of Civil Procedure 30\(d\)](#). However, when the claim of privilege is well-taken, appellant's remedy for the SEC's failure to take these procedural steps lies in the fees and sanctions provisions of [Rule 37](#), [Intern. U. of Elec., Etc. v. Westinghouse Elec. Corp., 91 F.R.D. 277, 279-80 & n.4 \(D.D.C. 1981\)](#), not in waiver of the privilege by the SEC.

<sup>4</sup> Appellant persistently has claimed on appeal that it had scaled back its discovery demands from the eight broad original questions to three limited inquiries. However, appellant has failed formally to alter its discovery demands before the District Court. Appellant's reply brief filed with the District Court only offered a summary of appellant's own deductions of what the SEC investigations had found regarding the involvement of certain defendants. While confirmation of this summary by the SEC may serve as the basis of settlement negotiations with the Commission or for a modified discovery request on remand to the District Court, the eight original questions remain before this Court on appeal.

The SEC maintains its response would require testimony from Commission attorneys on mental impressions of witness interviews conducted in connection with the insider trading investigation. Sturc Declaration, App. 82, 85. The Commission claims that recollections of the interviews, which were made [\*\*13] in anticipation of litigation, are protected attorney work product. See [Federal Rule of Civil Procedure 26\(b\)\(3\)](#).

denial of appellant's motion to compel is reversed and the motion is remanded for further proceedings consistent with this opinion.

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End of Document

The Commission's position is correct. The work product doctrine reflects the strong public policy against invading the privacy of an attorney's course of preparation. [Hickman v. Taylor, 329 U.S. 495, 510, 91 L. Ed. 451, 67 S. Ct. 385 \(1947\)](#). In *Hickman*, the Supreme Court held that [HN6](#) work product immunity extended to oral statements made by witnesses to attorneys "whether presently in the form of mental impressions or memoranda." [Id. at 512](#); see also [Upjohn v. United States, 449 U.S. 383, 399-401, 66 L. Ed. 2d 584, 101 S. Ct. 677 \(1981\)](#). The SEC properly has asserted attorney work product immunity.

However, [HN7](#) the attorney work product doctrine, like the law enforcement investigatory privilege, is a qualified immunity. It is designed to balance the needs of the adversary system to promote an attorney's preparation against society's general interest in revealing all facts relevant to the resolution of a dispute. [In re Subpoenas Duces Tecum, 238 U.S. App. D.C. 221, 738 F.2d 1367, 1371 \(D.C. Cir. 1984\)](#). The Commission's responses can be required if appellant makes out a sufficient showing of necessity for the information and its unavailability [\*\*14] by other means. [Upjohn, 449 U.S. at 400-402. HN8](#) As the work product sought here is based on oral statements from witnesses, a far stronger showing is required than the "substantial need" and "without undue hardship" standard applicable to discovery of work-product protected documents and other tangible things. [Id. at 401-402; Federal Rule of Civil Procedure 26\(b\)\(3\)](#); see also [Byers v. Burlison, 100 F.R.D. 436, 439 \(D.D.C. 1983\)](#) (precise contours of stronger showing not yet resolved).

The District Court's order does not indicate that appellant's need for the SEC testimony was weighed against the SEC's interest in protecting its attorneys' work product. Therefore, the case must be remanded for consideration of the competing interests.

Accordingly, the District Court's grant of the Department of Justice's motions to intervene and to file an *ex parte* affidavit under seal is affirmed. The District Court's

## [United States v. Adlman](#)

United States Court of Appeals for the Second Circuit

October 3, 1996, Argued ; February 13, 1998, Decided

Docket No. 96-6095

### Reporter

134 F.3d 1194 \*; 1998 U.S. App. LEXIS 2633 \*\*; 98-1 U.S. Tax Cas. (CCH) P50,230; 81 A.F.T.R.2d (RIA) 98-820; 39 Fed. R. Serv. 3d (Callaghan) 1189

United States of America, Petitioner-Appellee, v.  
Monroe Adlman, as Officer and Representative of  
Sequa Corporation, Respondent-Appellant.

memorandum prepared by respondent's outside  
accounting firm.

**Prior History:** [\*\*1] Appeal from an order of the United States District Court for the Southern District of New York (Knapp, J.) rejecting taxpayer's claim of work-product privilege, and enforcing an Internal Revenue Service summons for a memorandum prepared by taxpayer's outside accounting firm at the request of taxpayer's tax attorney to evaluate the tax consequences of a proposed corporate reorganization upon expected litigation with the IRS.

**Disposition:** Vacated and remanded.

### Core Terms

documents, Memorandum, work-product, anticipation of litigation, district court, preparation, work product, the Rule, attorneys, of the Rule, materials, business decision, discovery, restructuring, company's, disclosure, anticipated litigation, attorney-client, mental impressions, legal theory, discoverable, analyzing, accorded, business purpose, likely outcome, of Rule, circumstances, strategies, Products, inform

### Case Summary

#### Procedural Posture

Respondent taxpayer appealed from an order of the United States District Court for the Southern District of New York, which rejected respondent's claim of work-product privilege under [Fed. R. Civ. P. 26\(b\)\(3\)](#), and enforced an Internal Revenue Service summons for a

### Overview

The court reversed an order by the district court that held that a document prepared by respondent taxpayer's outside accounting firm was not entitled to work product protection under [Fed. R. Civ. P. 26\(b\)\(3\)](#) and enforced an Internal Revenue Service summons seeking the document. The court held that where a document was created because of anticipated litigation, and would not have been prepared in substantially similar form but for the prospect of that litigation, it fell within [Rule 26\(b\)\(3\)](#). The court's holding was based on an interpretation of language in [Rule 26\(b\)\(3\)](#) that documents protected by the rule be prepared in "anticipation of litigation." The court adopted a "because of" interpretation that brought documents prepared because of anticipated litigation within [Rule 26\(b\)\(3\)](#) protection. The document in question, an analysis of tax ramifications of a corporate restructuring that was likely to lead to litigation, was considered by the court to fall within the "because of" framework. The court remanded, however, so that the district court could determine whether the document would have been prepared even without the prospect of litigation.

### Outcome

The court reversed the order enforcing the Internal Revenue Service (IRS) summons and remanded for determination of whether the document sought by the IRS would have been prepared if litigation with the IRS was not anticipated. If the document was prepared because of anticipated litigation, it was protected under the work-product doctrine.

## LexisNexis® Headnotes

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Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

Civil Procedure > ... > Discovery > Methods of  
Discovery > Inspection & Production Requests


Civil Procedure > Discovery &  
Disclosure > Discovery > Relevance of  
Discoverable Information

Civil Procedure > Discovery & Disclosure > General  
Overview

Civil Procedure > ... > Discovery > Methods of  
Discovery > General Overview

**HN1**  [Fed. R. Civ. P. 26\(b\)\(3\)](#) provides in relevant part that a party may obtain discovery of documents and tangible things otherwise discoverable and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative (including the other party's attorney, consultant, surety, indemnitor, insurer, or agent) only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.


Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

**HN2**  Internal Revenue Service summons are subject to the traditional privileges and limitations, including the work product doctrine codified at [Fed. R. Civ. P. 26\(b\)\(3\)](#).

Evidence > Privileges > Attorney-Client


Privilege > General Overview

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

**HN3**  The non-occurrence of events giving rise to litigation prior to preparation of documents is a factor to be considered, but it does not necessarily preclude application of a work-product privilege.

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

Civil Procedure > Attorneys > General Overview

**HN4**  The work-product doctrine, codified in [Fed. R. Civ. P. 26\(b\)\(3\)](#), is intended to preserve a zone of privacy in which a lawyer can prepare and develop legal theories and strategy with an eye toward litigation, free from unnecessary intrusion by his adversaries. Analysis of a case in anticipation of litigation is an example of work product and receives heightened protection under [Rule 26\(b\)\(3\)](#).

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > Opinion Work Product

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview


### **HN5** **Opinion Work Product**

Documents that tend to reveal an attorney's mental process, described as opinion work product, receive special protection not accorded to factual material. Special treatment for opinion work product is justified because the work-product doctrine shelters the mental processes of the attorney, providing a privileged area within which he can analyze and prepare his client's case.


Civil Procedure > ... > Discovery > Methods of  
Discovery > General Overview

Civil Procedure > ... > Privileged


Communications > Work Product  
Doctrine > General Overview

[HN6](#)  [Fed. R. Civ. P. 26\(b\)\(3\)](#) states that documents prepared in anticipation of litigation or for trial are discoverable only upon a showing of substantial need of the materials and inability, without undue hardship, to obtain their substantial equivalent elsewhere. Even where this showing has been made, however, [Rule 26\(b\)\(3\)](#) provides that the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.


Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

[HN7](#)  [Fed. R. Civ. P. 26\(b\)\(3\)](#) does not limit its protection to materials prepared to assist at trial.

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview


[HN8](#)  [Fed. R. Civ. P. 26\(b\)\(3\)](#) is intended to ratify the principles 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.

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

[HN9](#)  Documents should be deemed prepared "in anticipation of litigation," and thus within the scope of [Fed. R. Civ. P. 26\(b\)\(3\)](#), if in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation.


Civil Procedure > ... > Discovery > Methods of  
Discovery > General Overview

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

[HN10](#)  The "because of" formulation withholds work-product protection from documents that are prepared in the ordinary course of business or that would have been created in essentially similar form irrespective of the litigation.

Civil Procedure > Attorneys > General Overview

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

[HN11](#)  [Fed. R. Civ. P. 26\(b\)\(3\)](#) makes clear that a showing of "substantial need" sufficient to compel disclosure of other work product is not necessarily sufficient to compel disclosure of mental impressions, conclusions, opinions or legal theories of an attorney or other representatives. [Rule 26](#) is clear that, at a minimum, such material is to be protected unless a highly persuasive showing is made.

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WILLIAM J. HOFFMAN, Assistant United States Attorney, (Mary Jo White, United States Attorney for the Southern District of New York, Steven M. Haber, Assistant United States Attorney, New York, N.Y., Of Counsel), for Petitioner-Appellee.

**Judges:** Before: KEARSE, LEVAL, and CABRANES, Circuit Judges. KEARSE, Circuit Judge, dissenting.

**Opinion by:** LEVAL

## Opinion

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[\*1194] LEVAL, [Circuit Judge](#):

This appeal concerns the proper interpretation of [Federal Rule of Civil Procedure 26\(b\)\(3\)](#) ("the Rule"), which grants limited protection against [\[\\*\\*2\]](#) discovery to documents [\[\\*1195\]](#) and materials prepared "in



anticipation of litigation." <sup>1</sup> Specifically, we must address whether a study prepared for an attorney assessing the likely result of an expected litigation is ineligible for protection under the Rule if the primary or ultimate purpose of making the study was to assess the desirability of a business transaction, which, if undertaken, would give rise to the litigation. We hold that a document created because of anticipated litigation, which tends to reveal mental impressions, conclusions, opinions or theories concerning the litigation, does not lose work-product protection merely because it is intended to assist in the making of a business decision influenced by the likely outcome of the anticipated litigation. Where a document was created because of anticipated litigation, and would not have been prepared in substantially similar form but for the prospect of that litigation, it falls within [Rule 26\(b\)\(3\)](#).

[\*\*3] The district court ruled that the document sought by the IRS in this case did not fall within the scope of [Rule 26\(b\)\(3\)](#) and ordered its production. Because we cannot determine whether the district court used the correct standard in reaching its decision, we vacate the judgment and remand for reconsideration.

### Background

Sequa Corporation is an aerospace manufacturer with annual revenues of nearly \$ 2 billion. Prior to 1989, Atlantic Research Corporation ("ARC") and Chromalloy Gas Turbine Corporation ("Chromalloy") were wholly-owned Sequa subsidiaries. Appellant Monroe Adlman is an attorney and Vice President for Taxes at Sequa.

In the spring of 1989, Sequa contemplated merging Chromalloy and ARC. The contemplated merger was

expected to produce an enormous loss and tax refund, which Adlman expected would be challenged by the IRS and would result in litigation. Adlman asked Paul Sheahen, an accountant and lawyer at Arthur Andersen & Co. ("Arthur Andersen"), to evaluate the tax implications of the proposed restructuring. Sheahen did so and set forth his study in a memorandum (the "Memorandum"). He submitted the Memorandum in draft form to Adlman in August 1989. After further [\*\*4] consultation, on September 5, 1989, Sheahen sent Adlman the final version. The Memorandum was a 58-page detailed legal analysis of likely IRS challenges to the reorganization and the resulting tax refund claim; it contained discussion of statutory provisions, IRS regulations, legislative history, and prior judicial and IRS rulings relevant to the claim. It proposed possible legal theories or strategies for Sequa to adopt in response, recommended preferred methods of structuring the transaction, and made predictions about the likely outcome of litigation.

Sequa decided to go ahead with the restructuring, which was completed in December 1989 in essentially the form recommended by Arthur Andersen. Sequa sold 93% of its stock in ARC to Chromalloy for \$ 167.4 million, and the remaining 7% to Bankers Trust for \$ 12.6 million. The reorganization resulted in a \$ 289 million loss. Sequa claimed the loss on its 1989 return and carried it back to offset 1986 capital gains, thereby generating a claim for a refund of \$ 35 million.

In an ensuing audit of Sequa's 1986-1989 tax returns, the IRS requested a number of documents concerning the restructuring transaction. Sequa acknowledged the existence [\*\*5] of the Memorandum, but cited work-product privilege as grounds for declining to [\*\*1196] produce it. <sup>2</sup> On September 23, 1993, the IRS served a summons on Adlman for production of the Memorandum.

When Adlman declined to comply, the IRS instituted an action in the United States District Court for the Southern District of New York to enforce the subpoena. Adlman defended on the grounds that the Memorandum was protected by both the attorney-client and work-

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<sup>1</sup> [HN1](#) [↑] [Fed. R. Civ. P. 26\(b\)\(3\)](#) provides in relevant part that "a party may obtain discovery of documents and tangible things otherwise discoverable . . . and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative (including the other party's attorney, consultant, surety, indemnitor, insurer, or agent) only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation."

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<sup>2</sup> [HN2](#) [↑] IRS summons are "subject to the traditional privileges and limitations," [United States v. Euge](#), 444 U.S. 707, 714, 100 S. Ct. 874, 879, 63 L. Ed. 2d 141 (1980), including the work product doctrine codified at [Rule 26\(b\)\(3\)](#). [Upjohn Co. v. United States](#), 449 U.S. 383, 398-99, 101 S. Ct. 677, 687, 66 L. Ed. 2d 584 (1981).

product privileges. The district court (Knapp, J.) in its first decision rejected Adlman's claim that the Memorandum was protected by attorney-client privilege, finding that Adlman had not consulted Arthur Andersen in order to obtain assistance [\*\*6] in furnishing legal advice to Sequa. [United States v. Adlman, 1994 U.S. Dist. LEXIS 6393](#), M-18-304, 1994 WL 191869, at \*2 (S.D.N.Y. May 16, 1994). It rejected Adlman's claim of work-product privilege because the Memorandum was prepared for litigation based on actions or events that had not yet occurred at the time of its creation. *Id.* at \*3. The court granted the IRS's petition to enforce the summons.

On appeal, we affirmed denial of Adlman's claim of attorney-client privilege. [United States v. Adlman, 68 F.3d 1495 \(2d Cir. 1995\)](#). We vacated the district court's enforcement order, however, because the district court had evaluated Adlman's claim of work-product privilege under the wrong standard. Although [HN3](#) the non-occurrence of events giving rise to litigation prior to preparation of the documents is a factor to be considered, we explained, it does not necessarily preclude application of work-product privilege. See *id.* at [1501](#). For example, where a party faces the choice of whether to engage in a particular course of conduct virtually certain to result in litigation and prepares documents analyzing whether to engage in the conduct based on its assessment of the likely result of the anticipated litigation, [\*\*7] we concluded that the preparatory documents should receive protection under [Rule 26\(b\)\(3\)](#). *Id.* We therefore remanded for reconsideration whether the Memorandum was protected work product. *Id.*

On remand, Adlman argued that the Memorandum was protected by [Rule 26\(b\)\(3\)](#) because it included legal opinions prepared in reasonable anticipation of litigation. Litigation was virtually certain to result from the reorganization and Sequa's consequent claim of tax losses. Sequa's tax returns had been surveyed or audited annually for at least 30 years. In addition, the size of the capital loss to be generated by the proposed restructuring would result in a refund so large that the Commissioner of Internal Revenue would be required by federal law to submit a report to the Joint Congressional Committee on Taxation. See [26 U.S.C.A. § 6405\(a\)](#). Finally, Sequa's tax treatment of the restructuring was based on an interpretation of the tax code without a case or IRS ruling directly on point. In light of the circumstances of the transaction, Adlman asserted there was "no doubt that Sequa would end up in litigation with the IRS." Sequa's accountant at Arthur Andersen

concurred, opining that [\*\*8] "any corporate tax executive would have realistically predicted that this capital loss would be disputed by the IRS" because of the "unprecedented and creative nature of the reorganization, the fact that Sequa was continually under close scrutiny by the IRS and the size of the refund resulting from the capital loss."

The district court again rejected the claim of work-product privilege, concluding that the Memorandum was not prepared in anticipation of litigation. [1996 U.S. Dist. LEXIS 2167](#), M-18-304, 1996 WL 84502, at \*1 (S.D.N.Y. Feb. 27, 1996). Adlman appeals.

#### Discussion

[HN4](#) The work-product doctrine, codified for the federal courts in [Fed. R. Civ. P. 26\(b\)\(3\)](#), is intended to preserve a zone of privacy in which a lawyer can prepare and develop legal theories and strategy "with an eye toward litigation," free from unnecessary intrusion by his adversaries. [Hickman v. Taylor, 329 U.S. 495, 510-11, 67 S. Ct. 385, 393-94, 91 L. Ed. 451 \(1947\)](#). Analysis of one's case "in anticipation [\*\*1197] of litigation" is a classic example of work product, see [NLRB v. Sears, Roebuck & Co., 421 U.S. 132, 154, 95 S. Ct. 1504, 1518, 44 L. Ed. 2d 29 \(1975\)](#), and receives heightened protection under [Fed. R. Civ. P. 26\(b\)\(3\)](#).

[\*\*9] This case involves a question of first impression in this circuit: whether [Rule 26\(b\)\(3\)](#) is inapplicable to a litigation analysis prepared by a party or its representative in order to inform a business decision which turns on the party's assessment of the likely outcome of litigation expected to result from the transaction. Answering that question requires that we determine the proper interpretation of [Rule 26\(b\)\(3\)](#)'s requirement that documents be prepared "in anticipation of litigation" in order to qualify for work-product protection.

I.

In [Hickman v. Taylor, 329 U.S. 495, 67 S. Ct. 385, 91 L. Ed. 451 \(1947\)](#), the Supreme Court held that notes taken by the defendant's attorney during interviews with witnesses to the event that eventually gave rise to the lawsuit in the case were not discoverable by the plaintiff. [329 U.S. at 510, 67 S. Ct. at 393](#). As the Court explained,

In performing his various duties, . . . it is essential

that a lawyer work with a certain degree of privacy, free from unnecessary intrusion by opposing parties and their counsel. Proper preparation of a client's case demands that he . . . prepare his legal theories and plan his strategy without undue [\*\*10] and needless interference.

[329 U.S. at 510-11, 67 S. Ct. at 393.](#)

Were the attorney's work accessible to an adversary, the Hickman court cautioned, "much of what is now put down in writing would remain unwritten" for fear that the attorney's work would redound to the benefit of the opposing party. [Id. at 511, 67 S. Ct. at 393-94.](#) Legal advice might be marred by "inefficiency, unfairness and sharp practices," and the "effect on the legal profession would be demoralizing." [Id. at 511, 67 S. Ct. at 394.](#) Neither the interests of clients nor the cause of justice would be served, the court observed, if work product were freely discoverable. [Id.](#)

The Supreme Court has reaffirmed the "strong public policy" underlying the work-product privilege in the decades since Hickman. See [United States v. Nobles, 422 U.S. 225, 236, 95 S. Ct. 2160, 2169, 45 L. Ed. 2d 141 \(1975\); Upjohn Co. v. United States, 449 U.S. 383, 398, 101 S. Ct. 677, 687, 66 L. Ed. 2d 584 \(1981\).](#) It has also made clear that [HN5](#) documents that "tend[] to reveal the attorney's mental process" -- described by commentators as "opinion work product," see Special Project, The Work Product Doctrine, [\*\*11] [68 Cornell L. Rev. 760, 817 \(1983\)](#) -- receive special protection not accorded to factual material. [Upjohn, 449 U.S. at 399, 101 S. Ct. at 687.](#) Special treatment for opinion work product is justified because, "at its core, the work-product doctrine shelters the mental processes of the attorney, providing a privileged area within which he can analyze and prepare his client's case." [Nobles, 422 U.S. at 238, 95 S. Ct. at 2170.](#)

[Rule 26\(b\)\(3\)](#) codifies the principles articulated in Hickman. [HN6](#) The Rule states that documents "prepared in anticipation of litigation or for trial" are discoverable only upon a showing of substantial need of the materials and inability, without undue hardship, to obtain their substantial equivalent elsewhere. Even where this showing has been made, however, the Rule provides that the court "shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation."

II.

The first problem we face is to determine the meaning of the phrase prepared "in anticipation of litigation." The phrase has never been interpreted by our circuit; furthermore, courts [\*\*12] and commentators have expressed a range of views as to its meaning. It is universally agreed that a document whose purpose is to assist in preparation for litigation is within the scope of the Rule and thus eligible to receive protection if the other conditions of protection prescribed by the Rule are met. The issue is less clear, however, as to documents which, although prepared because of expected litigation, are intended to inform a business decision influenced by [\*\*1198] the prospects of the litigation. The formulation applied by some courts in determining whether documents are protected by work-product privilege is whether they are prepared "primarily or exclusively to assist in litigation" -- a formulation that would potentially exclude documents containing analysis of expected litigation, if their primary, ultimate, or exclusive purpose is to assist in making the business decision. Others ask whether the documents were prepared "because of" existing or expected litigation -- a formulation that would include such documents, despite the fact that their purpose is not to "assist in" litigation. Because we believe that protection of documents of this type is more consistent with both the [\*\*13] literal terms and the purposes of the Rule, we adopt the latter formulation.

#### 1. "Primarily to assist in" litigation.

The "primarily to assist in litigation" formulation is exemplified by a line of cases from the United States Court of Appeals for the Fifth Circuit. In [United States v. Davis, 636 F.2d 1028 \(5th Cir.\), cert. denied, 454 U.S. 862, 102 S. Ct. 320, 70 L. Ed. 2d 162 \(1981\)](#), the Fifth Circuit denied protection to documents made in the course of preparation of a tax return. This result was well justified as there was no showing whatsoever of anticipation of litigation. In what might be characterized as a dictum, or in any event a statement going far beyond the issues raised in the case, the court asserted that the Rule applies only if the "primary motivating purpose behind the creation of the document was to aid in possible future litigation." [636 F.2d at 1040.](#)

Then, in [United States v. El Paso Co., 682 F.2d 530 \(5th Cir. 1982\), cert. denied, 466 U.S. 944, 104 S. Ct. 1927, 80 L. Ed. 2d 473 \(1984\)](#), a large public corporation sought to shield documents that analyzed prospective liabilities that might result from litigation with the IRS over its tax [\*\*14] returns. The documents were prepared not to assist in litigation but to establish and justify appropriate reserves in El Paso's financial

statements. Treating the Davis dictum as law, the Fifth Circuit held that because the "primary motivating force [behind the preparation of the documents was] not to ready El Paso for litigation" but rather "to bring its financial books into conformity with generally accepted auditing principles," [682 F.2d at 543](#), and because the documents' liability analysis was "only a means to a business end," id., the documents were not prepared "in anticipation of litigation" within the meaning of the Rule and enjoyed no work-product protection. The El Paso requirement that the document be prepared to aid in litigation was then applied by a Fifth Circuit judge writing for the Temporary Emergency Court of Appeals in [United States v. Gulf Oil Corp., 760 F.2d 292, 296-97 \(Temp. Emer. Ct. App. 1985\)](#).<sup>3</sup>

[\*\*15] We believe that a requirement that documents be produced primarily or exclusively to assist in litigation in order to be protected is at odds with the text and the policies of the Rule. Nowhere does [Rule 26\(b\)\(3\)](#) state that a document must have been prepared to aid in the conduct of litigation in order to constitute work product, much less primarily or exclusively to aid in litigation. Preparing a document "in anticipation of litigation" is sufficient.

The text of [HN7\[↑\] Rule 26\(b\)\(3\)](#) does not limit its protection to materials prepared to assist at trial. To the contrary, the text of the Rule clearly sweeps more broadly. It expressly states that work-product privilege applies not only to documents "prepared . . . for trial" but also to those prepared "in anticipation of litigation." If the drafters of the Rule intended to limit its protection to documents made to assist in preparation for litigation, this would have been adequately conveyed by the phrase "prepared . . . for trial." The fact that documents prepared "in anticipation of litigation" were also included confirms that the drafters considered this to be a different, and broader category. Nothing in the Rule states or suggests [\*\*16] that documents prepared "in anticipation of litigation" with the purpose [\*\*1199] of assisting in the making of a business decision do not fall within its scope.

In addition, the Rule takes pains to grant special protection to the type of materials at issue in this case --

<sup>3</sup>Other court opinions that have used the "principally or exclusively to assist in litigation" formulation include: [In re Kidder Peabody Sec. Litig., 168 F.R.D. 459, 462, 466 \(S.D.N.Y. 1996\)](#); [Bowne v. AmBase Corp., 150 F.R.D. 465, 471 \(S.D.N.Y. 1993\)](#); [Martin v. Valley Nat'l Bank of Arizona, 140 F.R.D. 291 \(S.D.N.Y. 1991\)](#).

documents setting forth legal analysis. While the Rule generally withholds protection for documents prepared in anticipation of litigation if the adverse party shows "substantial need" for their disclosure and inability to obtain their equivalent by other means, even where the party seeking disclosure has made such a showing the Rule directs that "the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of . . . [a party or its representative] concerning the litigation." [Fed. R. Civ. P. 26\(b\)\(3\)](#) (emphasis added). As the Advisory Committee notes indicate, [HN8\[↑\] Rule 26\(b\)\(3\)](#) is intended to ratify the principles 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." Where the Rule has [\*\*17] explicitly established a special level of protection against disclosure for documents revealing an attorney's (or other representative's) opinions and legal theories concerning litigation, it would oddly undermine its purposes if such documents were excluded from protection merely because they were prepared to assist in the making of a business decision expected to result in the litigation.

Admittedly, there are fragmentary references in the caption to the Rule and in its commentary that can be read to lend support to a contrary interpretation. The caption, for example, refers to "Trial Preparation," and the Advisory Committee Notes make occasional reference to "trial preparation materials." We attach small importance to those references. Given that the text of the Rule (and of the commentary) expressly goes beyond documents "prepared . . . for trial" to encompass also those documents "prepared in anticipation of litigation," we cannot read the references in the caption and commentary as overriding the text of the Rule. See [United States v. Minker, 350 U.S. 179, 185, 76 S. Ct. 281, 285, 100 L. Ed. 185 \(1956\)](#); [Whitehouse v. United States District Court, 53 F.3d 1349, 1358 n.12 \[\\*\\*18\] \(1st Cir. 1995\)](#).

In addition to the plain language of the Rule, the policies underlying the work-product doctrine suggest strongly that work-product protection should not be denied to a document that analyzes expected litigation merely because it is prepared to assist in a business decision. Framing the inquiry as whether the primary or exclusive purpose of the document was to assist in litigation threatens to deny protection to documents that implicate key concerns underlying the work-product doctrine.

The problem is aptly illustrated by several hypothetical fact situations likely to recur:

(i) A company contemplating a transaction recognizes that the transaction will result in litigation; whether to undertake the transaction and, if so, how to proceed with the transaction, may well be influenced by the company's evaluation of the likelihood of success in litigation. Thus, a memorandum may be prepared in expectation of litigation with the primary purpose of helping the company decide whether to undertake the contemplated transaction. An example would be a publisher contemplating publication of a book where the publisher has received a threat of suit from a competitor purporting [\*\*19] to hold exclusive publication rights. The publisher commissions its attorneys to prepare an evaluation of the likelihood of success in the litigation, which includes the attorneys' evaluation of various legal strategies that might be pursued. If the publisher decides to go ahead with publication and is sued, under the "primarily to assist in litigation" formulation the study will likely be disclosed to the opposing lawyers because its principal purpose was not to assist in litigation but to inform the business decision whether to publish. We can see no reason under the words or policies of the Rule why such a document should not be protected. See *United States v. Adlman*, 68 F.3d at 1501.

(ii) A company is engaged in, or contemplates, some kind of partnership, merger, joint undertaking, or business association with another company; the other company reasonably requests that the company furnish [\*1200] a candid assessment by the company's attorneys of its likelihood of success in existing litigations. For instance, the company's bank may request such a report from the company's attorneys concerning its likelihood of success in an important litigation to inform its lending policy toward [\*\*20] the company. Or a securities underwriter contemplating a public offering of the company's securities may wish to see such a study to decide whether to go ahead with the offering without waiting for the termination of the litigation. Such a study would be created to inform the judgment of the business associate concerning its business decisions. No part of its purpose would be to aid in the conduct of the litigation. Nonetheless it would reveal the attorneys' most intimate strategies and assessments concerning the litigation. We can see no reason

why, under the Rule, the litigation adversary should have access to it. But under the Fifth Circuit's "to assist" test, it would likely be discoverable by the litigation adversary.

(iii) A business entity prepares financial statements to assist its executives, stockholders, prospective investors, business partners, and others in evaluating future courses of action. Financial statements include reserves for projected litigation. The company's independent auditor requests a memorandum prepared by the company's attorneys estimating the likelihood of success in litigation and an accompanying analysis of the company's legal strategies and options [\*\*21] to assist it in estimating what should be reserved for litigation losses.

In each scenario, the company involved would require legal analysis that falls squarely within Hickman's area of primary concern -- analysis that candidly discusses the attorney's litigation strategies, appraisal of likelihood of success, and perhaps the feasibility of reasonable settlement. The interpretation of Rule 26(b)(3) advocated by the IRS Imposes an untenable choice upon a company in these circumstances. If the company declines to make such analysis or scrimps on candor and completeness to avoid prejudicing its litigation prospects, it subjects itself and its co-venturers to ill-informed decisionmaking. On the other hand, a study reflecting the company's litigation strategy and its assessment of its strengths and weaknesses cannot be turned over to litigation adversaries without serious prejudice to the company's prospects in the litigation. Cf. *Hickman*, 329 U.S. at 516, 67 S. Ct. at 396 (Jackson, J., concurring) ("Discovery was hardly intended to enable a learned profession to perform its functions either without wits or on wits borrowed from the adversary.").

We perceive nothing in [\*\*22] the policies underlying the work-product doctrine or the text of the Rule itself that would justify subjecting a litigant to this array of undesirable choices. The protection of the Rule should be accorded to such studies in these circumstances. See *United States v. Adlman*, 68 F.3d at 1501 ("There is no rule that bars application of work-product protection to documents created prior to the event giving rise to litigation."). We see no basis for adopting a test under which an attorney's assessment of the likely outcome of litigation is freely available to his litigation adversary merely because the document was created for a business purpose rather than for litigation assistance. The fact that a document's purpose is business-related

appears irrelevant to the question whether it should be protected under [Rule 26\(b\)\(3\)](#).<sup>4</sup>

[\*\*23] [\*1201] We note that in [Delaney, Migdail & Young, Chartered v. IRS, 264 U.S. App. D.C. 52, 826 F.2d 124 \(D.C. Cir. 1987\)](#), the IRS successfully argued against the very position it here advocates. The D.C. Circuit sustained the IRS's claim of work-product privilege in circumstances where the claim would have failed under the test applied by the Fifth Circuit and advocated by the IRS on this appeal. The documents sought in [Delaney](#) were prepared by IRS attorneys for a business purpose -- to help the IRS decide whether to adopt a proposed system of statistical sampling for its corporate audit program for large accounts. However, the study was prepared because of expected litigation which would result from adoption of the program; it analyzed expected legal challenges to the use of the proposed program, potential defenses available to the agency, and the likely outcome. Based on the preparatory study, the IRS concluded that the proposed statistical sampling program presented an acceptable legal risk and authorized it. The court refused discovery with the observation that the party requesting discovery was

seeking the agency's attorneys assessment of the program's legal vulnerabilities [\*\*24] in order to

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<sup>4</sup> Judge Kearse argues in dissent that [Rule 26\(b\)\(3\)](#) has no application where the anticipated litigation will not occur unless the client makes a contemplated business decision. We believe this view writes a significant and unauthorized limitation into the Rule. The Rule extends limited protection to documents prepared "in anticipation of litigation." According to Judge Kearse's reading, it protects documents prepared "in anticipation of litigation, but not where the anticipated litigation would result from a business decision still in contemplation." We can find no justification in the Rule, the commentary, or the purposes underlying the Rule for adding such a limitation.

Judge Kearse also argues that work product protection is unnecessary because protection will generally be accorded by the attorney-client privilege. No doubt in many instances this will be true, but it is irrelevant. Where true, the issue is moot. In other circumstances, however, the attorney-client privilege may be unavailable for a number of reasons. For example, as suggested in hypothetical examples considered above, the document may have been shown to others simply because there was some good reason to show it. The attorney-client privilege and the work product rule serve different objectives. The fact that a document does not come within the attorney-client privilege should not result in the deprivation of the protection accorded by [Rule 26\(b\)\(3\)](#).

make sure it does not miss anything in crafting its legal case against the program. This is precisely the type of discovery the [Supreme] Court refused to permit in [Hickman v. Taylor](#).

[826 F.2d at 127](#) (emphasis added) (footnote omitted). The Seventh Circuit has also considered and rejected the contention that documents automatically fall outside the scope of the work-product doctrine when they are prepared for purposes other than assistance in litigation. See [In re Special September 1978 Grand Jury \(II\), 640 F.2d 49, 61-62 \(7th Cir. 1980\)](#).<sup>5</sup>

[\*\*25] Similarly, several district courts have rejected the contention that [Rule 26\(b\)\(3\)](#) does not apply to documents that are not prepared for the primary or exclusive purpose of assisting in that litigation. See [Vanguard Sav. and Loan Ass'n v. Banks, 1995 U.S. Dist. LEXIS 13712](#), No. 93- CV-4627, 1995 WL 555871, at \*4 (E.D. Pa. 1995) (letters from defendant's attorneys giving the attorneys' opinion as to the likely outcome of pending litigation protected from discovery even though the letters "were created primarily for the business purpose of satisfying the regulatory examination required by the Pennsylvania Department of Banking"); [American Optical Corp. v. Medtronic, 56 F.R.D. 426, 431 \(D. Mass. 1972\)](#) (memoranda prepared by a lawyer in the course of counseling a client whether to accept a license or challenge the validity of a competitor's patent in court protected work product); [Sylgab Steel & Wire Corp. v. Imoco-Gateway Corp., 62 F.R.D. 454, 456 \(N.D. Ill. 1974\)](#) (opinion letters analyzing whether proposed products violated patents is protected work product), [aff'd, 534 F.2d 330 \(7th Cir. 1976\)](#); [Chemcentral/Grand Rapids Corp. v. EPA, 1992 U.S. Dist. LEXIS 15149](#), No. 91 C 4380, 1992 WL 281322, at

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<sup>5</sup> In [Special September 1978 Grand Jury](#), the government contended that the reports sought to be protected from subpoena could not be work product because they were prepared for the filing of legally required state campaign contribution reports. [640 F.2d at 61](#). Acknowledging that the reports had indeed been prepared for that nonlitigation purpose, the court pointed out that they were prepared with the knowledge that litigation was imminent and in anticipation of that litigation. Accordingly, the protection of the Rule was allowed. [Id. at 62](#). We do not necessarily concur with the holding of the case. Since the documents at issue were required to be prepared under Illinois law, it is arguable that they were not prepared "because of" litigation. We agree fully, however, that preparation for a nonlitigation purpose should not disqualify documents that were prepared in anticipation of litigation.

\*5 (N.D. Ill. Oct. 6, 1992) [**\*\*26**] (EPA documents analyzing likely legal challenges to proposed toxic waste cleanup plans are protected work product); *In re Woolworth Corp. Sec. Class Action Litig.*, 1996 U.S. Dist. LEXIS 7773, No. 94 Civ. 2217, 1996 WL 306576, at \*3 (S.D.N.Y. June 7, 1996) (company's business purpose for creating material would not preclude application of Rule 26(b)(3)).

The few commentators to have specifically addressed whether the work-product doctrine should apply to documents analyzing [**\*1202**] anticipated litigation, but prepared to assist in a business decision rather than to assist in the conduct of the litigation, have generally concluded that protection is desirable. One argues that the work-product doctrine is intended to protect a lawyer's (or other representative's) personal evaluation of his or her case, and to ensure that adversaries have the opportunity to memorialize their mental impressions, strategies, and ideas free from the concern that their litigation opponents might gain access to the material. Special Project, The Work Product Doctrine, 68 Cornell L. Rev. at 784-85. "The fact that the materials serve other functions apart from litigation does not mean that they should not be protected by work-product immunity [**\*\*27**] if they reveal directly or indirectly the mental impressions or opinions of the attorney who prepared them." Note, The Work Product Doctrine: Why Have an Ordinary Course of Business Exception?, 1988 Colum. Bus. L. Rev. 587, 604. Allowing discovery of this type of material has also been characterized as an "intolerable intrusion on the [settlement] bargaining process . . . [which] allow[s] one party to take advantage of the other's assessment of his prospects for victory and an acceptable settlement figure." Edward H. Cooper, Work Product of the Rulesmakers, 53 Minn. L. Rev. 1269, 1283 (1969). Under the standard advocated by the IRS, documents assessing the strengths and weaknesses of one's case, or the likelihood of settlement and its expected cost, would be unprotected if prepared for a business purpose rather than to assist in litigation. This result is unwarranted.

## 2. Prepared "because of" litigation.

The formulation of the work-product rule used by the Wright & Miller treatise, and cited by the Third, Fourth, Seventh, Eighth and D.C. Circuits, is that HN9 documents should be deemed prepared "in anticipation of litigation," and thus within the scope of the Rule, [**\*\*28**] if "in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained

because of the prospect of litigation." Charles Alan Wright, Arthur R. Miller, and Richard L. Marcus, 8 Federal Practice & Procedure § 2024, at 343 (1994) (emphasis added). See *In re Grand Jury Proceedings*, 604 F.2d 798, 803 (3d Cir. 1979); *National Union Fire Ins. Co. v. Murray Sheet Metal Co., Inc.*, 967 F.2d 980, 984 (4th Cir. 1992); *Binks Mfg. Co. v. National Presto Indus., Inc.*, 709 F.2d 1109, 1118-19 (7th Cir. 1983); *Simon v. G.D. Searle & Co.*, 816 F.2d 397, 401 (8th Cir.), cert. denied, 484 U.S. 917, 108 S. Ct. 268, 98 L. Ed. 2d 225 (1987); *Senate of Puerto Rico v. United States Dep't of Justice*, 262 U.S. App. D.C. 166, 823 F.2d 574, 586 n.42 (D.C. Cir. 1987).

The Wright & Miller "because of" formulation accords with the plain language of Rule 26(b)(3) and the purposes underlying the work-product doctrine. Where a document is created because of the prospect of litigation, analyzing the likely outcome of that litigation, it does not lose protection under this formulation merely because [**\*\*29**] it is created in order to assist with a business decision.

Conversely, it should be emphasized that HN10 the "because of" formulation that we adopt here withholds protection from documents that are prepared in the ordinary course of business or that would have been created in essentially similar form irrespective of the litigation. It is well established that work-product privilege does not apply to such documents. See Fed. R. Civ. P. 26(b)(3), Advisory Committee's note ("Materials assembled in the ordinary course of business . . . are not under the qualified immunity provided by this subdivision."); see, e.g., *National Union Wire*, 967 F.2d at 984. Even if such documents might also help in preparation for litigation, they do not qualify for protection because it could not fairly be said that they were created "because of" actual or impending litigation. See Wright & Miller § 2024, at 346 ("even though litigation is already in prospect, there is no work-product immunity for documents prepared in the regular course of business rather than for purposes of the litigation").

Furthermore, although a finding under this test that a document is prepared because of the prospect of [**\*\*30**] litigation warrants application of Rule 26(b)(3), this does not necessarily mean that the document will be protected against discovery. Rather, it means that a [**\*1203**] document is eligible for work-product privilege. The district court can then assess whether the party seeking discovery has made an adequate showing of substantial need for the document and an inability to

obtain its contents elsewhere without undue hardship. The district court can order production of the portions of the document for which a litigant has made an adequate showing. The court can focus its attention on whether the document or any portion is the type of material that should be disclosed, while retaining the authority to protect against disclosure of the mental impressions, strategies, and analyses of the party or its representative concerning the litigation.

In short, we find that the Wright & Miller "because of" test appropriately focuses on both what should be eligible for the Rule's protection and what should not. We believe this is the proper test to determine whether a document was prepared "in anticipation of litigation" and is thus eligible for protection depending on the further findings required by [\*\*31] the Rule.

III.

We cannot determine from the district court's opinion what test it followed in concluding that the Memorandum was ineligible for protection.

There are indications that the district court may have followed the "primarily to assist in litigation" test, which we here reject. At one point the opinion asserted that "the court must determine whether the party seeking [work-product protection] has shown that the 'documents were prepared principally or exclusively to assist in anticipated or ongoing litigation.'" [United States v. Construction Products Research Inc.](#), [73 F.3d 464, 473 (2d Cir.), cert. denied, \_\_\_ U.S. \_\_\_, 136 L. Ed. 2d 213, 117 S. Ct. 294 (1996)]." (emphasis added by district court).<sup>6</sup> Then, in stating its conclusion, the court said,

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<sup>6</sup>The district court may have believed that we endorsed the "primarily to assist in litigation" test in [Construction Products](#), from which the district court quoted in the passage cited above. If so, the perception was mistaken.

First, the district court's quotation of the passage from [Construction Products](#) was incomplete, and the omitted portion makes clear that our opinion does not support that interpretation. On turning to the Issue of work product privilege in [Construction Products](#), we said, "To invoke the privilege a party generally must show that the documents were prepared principally or exclusively to assist in anticipated or ongoing litigation." [73 F.3d at 473](#) (emphasis added). In quoting the passage, the district court omitted the word "generally." The omitted word is of great significance, for it indicates that the court was not enunciating a categorical rule but rather describing the conventional circumstances in which work product privilege applies.

"The primary purpose [of the Memorandum] was not to prepare for litigation; the primary purpose was to decide whether or not to go through with a multimillion dollar transaction." These passages suggest the district court may have employed the test we reject.

[\*\*32] On the other hand, the tenor of the discussion in the court's opinion suggests it may have focussed properly on the question whether the Memorandum studying the tax implications of the contemplated restructuring would have been prepared in substantially similar form regardless whether litigation was contemplated, and thus was not prepared "because of" the expected litigation.

We remand with instructions to the district court to reconsider the issue under the Wright & Miller test of whether "the document can fairly be said to have been prepared . . . [\*1204] because of the prospect of litigation." Wright & Miller, § 2024 at 343. There is little doubt under the evidence that Sequa had the prospect of litigation in mind when it directed the preparation of the Memorandum by Arthur Andersen. Whether it can fairly be said that the Memorandum was prepared because of that expected litigation really turns on whether it would have been prepared irrespective of the expected litigation with the IRS.

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 [\*\*33] court should

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In the vast majority of cases, work product protection is sought for documents that were prepared to assist in the conduct of the litigation. Use of the word "generally" implies, however, that there exist circumstances in which the requirements of proof are different. The statement cannot stand as authority for the proposition that, whenever [Rule 26\(b\)\(3\)](#) is invoked, the applicant must show that the documents were prepared to assist in the litigation.

Second, the part of the quoted passage on which the district court relied was unrelated to the issues in dispute. We denied work product protection in [Construction Products](#) because the applicant's privilege log "simply [did] not provide enough information to support the privilege claim, particularly in the glaring absence of any supporting affidavits or other documentation." [Id. at 474](#). The question whether documents prepared because of anticipated litigation but intended to inform a business decision are covered by the Rule was not at issue. Accordingly, the observation on which the district court may have relied was pure dictum. [Construction Products](#) simply does not address the question here presented.



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.

The IRS contends that even if the Memorandum qualifies as work product, it has made a sufficient showing of substantial need and unavailability so as to overcome the qualified protection accorded by [Rule 26\(b\)\(3\)](#). We disagree. The Memorandum falls within the most protected category of work product -- that which shows the "mental impressions, conclusions, opinions or legal theories of an attorney or other representative." [Fed. R. Civ. P. 26\(b\)\(3\)](#). [HN11](#)<sup>7</sup> The Rule makes clear that a showing of "substantial need" sufficient to compel disclosure of other work product is not necessarily sufficient to compel disclosure of such materials. We need not decide whether such opinion work product is ever discoverable upon a showing of necessity and unavailability by other means. See [Duplan Corp. v. Moulinage](#) [<sup>\*\*34</sup>] [et Retorderie de Chavanoz](#), 509 F.2d 730, 734 (4th Cir. 1974) (opinion work product never discoverable), cert. denied, 420 U.S. 997, 95 S. Ct. 1438, 43 L. Ed. 2d 680 (1975). [Contra Holmgren v. State Farm Mut. Auto. Ins. Co.](#), 976 F.2d 573, 577 (9th Cir. 1992). The Rule is clear that, at a minimum, such material is to be protected unless a highly persuasive showing is made. See [Upjohn](#), 449 U.S. at 402, 101 S. Ct. at 689. The IRS has failed to meet that high standard.

The IRS claims necessity for the Memorandum on the ground that it will provide insight into Sequa's subjective motivation for engaging in corporate restructuring and is thus relevant to determining whether the transaction was motivated by a legitimate business purpose. See, e.g., [Kirchman v. Commissioner](#), 862 F.2d 1486, 1492 (11th Cir. 1989); [Rice's Toyota World, Inc. v. Commissioner](#), 752 F.2d 89, 91-92 (4th Cir. 1985). In camera review of the Memorandum shows that it does not reflect the motives of Sequa's executives, but rather the legal analysis of its accountants. While the Memorandum unquestionably presupposes a desire to achieve a favorable tax result, such a desire is in no way incompatible with [<sup>\*\*35</sup>] the existence of a "legitimate non-tax business reason" for its choice. [Newman v. Commissioner](#), 902 F.2d 159, 163 (2d Cir. 1990); see also [Frank Lyon Co. v. United States](#), 435

[U.S. 561, 580, 98 S. Ct. 1291, 1302, 55 L. Ed. 2d 550 \(1978\)](#) ("The fact that favorable tax consequences were taken into account . . . on entering into [a] transaction is no reason for disallowing those consequences" where the transaction has a legitimate business purpose.). The Memorandum, being the technical and legal analysis of outside accountants, and not the reflections of decisionmakers at Sequa, simply does not address or reflect Sequa's business reason for the proposed restructuring.

Moreover, the IRS has made no showing, beyond bare assertion, that the relevant information in the Memorandum is unavailable by other means. This falls far short of the heightened showing mandated by [Upjohn](#).<sup>7</sup>

[<sup>\*\*36</sup>] [<sup>\*1205</sup>] In short, the enforceability of the IRS summons for the Memorandum will turn on whether it (or substantially the same document) would have been prepared irrespective of the anticipated litigation and therefore was not prepared because of it.

### Conclusion

The order enforcing the IRS summons is vacated, and the matter is remanded to the district court for further findings under the standard prescribed in this ruling.

**Dissent by:** KEARSE

### Dissent

KEARSE, Circuit Judge, dissenting:

I respectfully dissent. It does not appear to me that the

<sup>7</sup> A brief introductory section of the Memorandum discusses the historical background of the proposed restructuring. This factual information, although not subject to the heightened standard accorded opinion work product under [Upjohn](#), is nonetheless available to the IRS only upon a showing of substantial need and inability to obtain the material elsewhere without undue hardship. See [Fed. R. Civ. P. 26\(b\)\(3\)](#). Although the IRS has asserted that it is unable to obtain this material elsewhere, it has offered no support for this proposition and is in all likelihood able to obtain it, since it appears that the information sought would have been included on Sequa's tax returns for the relevant time periods. Disclosure of this portion of the Memorandum is thus unwarranted.

district court applied an erroneous standard in this case. Accordingly, I would affirm.

The attorney work product privilege accords limited protection for materials that were "prepared in anticipation of litigation or for trial." See [Fed. R. Civ. P. 26\(b\)\(3\)](#). Where the only prospect of litigation is what would be anticipated if the party undertakes a contemplated transaction but not otherwise, and the materials in question were prepared in connection with providing legal advice to the party as to whether or not to undertake that transaction, I do not regard the materials as having been prepared "in anticipation of litigation." I regard the majority [**\*\*37**] as having extended the work product privilege to a stage that precedes any possible "anticipation" of litigation.

This does not mean, as suggested by the majority opinion, *ante* at 14-17, 20-21, that such materials will normally be discoverable. Documents in which a party's attorney assesses the legal advisability of contemplated business transactions, including the possibility and efficacy of litigation if the client elects to proceed with the transaction, will normally be protected from discovery, by the attorney-client privilege, so long as the client meets the usual requirements of, *inter alia*, maintaining confidentiality and showing that it was seeking legal advice. The assertion of attorney-client privilege in the present case was rejected only because the client had failed to make any record that distinguished the present consultation of its accounting firm from its normal business consultations. See [United States v. Adlman, 68 F.3d 1495, 1499-1500 \(2d Cir. 1995\)](#).

I disagree with the majority's expansion of the work-product privilege to afford protection to documents not prepared in anticipation of litigation but instead prepared in order to permit the client to [**\*\*38**] determine whether to undertake a business transaction, where there will be no anticipation of litigation unless the transaction is undertaken.

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End of Document

## [6 Moore's Federal Practice - Civil § 26.70](#)

***Moore's Federal Practice - Civil > Volume 6: Analysis: Civil Rules 24–29 > Volume 6 Analysis: Civil Rules 24–29 > Chapter 26 Duty to Disclose; General Provisions Governing Discovery > C. DISCOVERY SCOPE AND LIMITS > 3. TRIAL PREPARATION: MATERIALS***

### Author

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by Patrick E. Higginbotham\*

### § 26.70 Discovery of Work Product

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#### **[1] Purpose of Rule Is to Protect Attorney's Mental Processes**

The work product doctrine, as codified in Rule 26(b)(3),<sup>1</sup> provides that a party may not obtain discovery of documents or other tangible things prepared in anticipation of litigation or trial by or for another party or that other party's representative, unless the party seeking discovery (1) has substantial need of the materials in the preparation of his or her case, and (2) the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court must protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.<sup>2</sup>

The purpose of the work product doctrine is to protect an attorney's mental processes so that the attorney can analyze and prepare for the client's case without interference from an opponent.<sup>3</sup> The language of Rule 26(b)(3)

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\* The Honorable Patrick E. Higginbotham is a United States Circuit Court Judge for the Fifth Circuit.

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<sup>1</sup> See [Fed. R. Civ. P. 26\(b\)\(3\)](#).

<sup>2</sup> [Fed. R. Civ. P. 26\(b\)\(3\)\(B\)](#).

<sup>3</sup> **Protects attorney's mental processes.** See [United States v. Adlman, 68 F.3d 1495, 1501 \(2d Cir. 1995\)](#) (purpose of doctrine is to establish "zone of privacy").

1st Circuit See [In re San Juan Dupont Plaza Hotel Fire Litig., 859 F.2d 1007, 1014 \(1st Cir. 1988\)](#) (zone of privacy); [Pacamor Bearings, Inc. v. Minebea Co., 918 F. Supp. 491, 512 \(D.N.H. 1996\)](#) (disputed documents did not qualify for work product protection).

2d Circuit [United States v. Adlman, 68 F.3d 1495, 1501 \(2d Cir. 1995\)](#) (purpose of doctrine is to establish "zone of privacy"); [Bagley v. Yale Univ., 318 F.R.D. 234, 240 \(D. Conn. 2016\)](#) (quoting **Moore's**, court found that litigation hold notices issued by defendant to its employees were not work product).

attempts to strike a balance between the necessity of protecting an attorney's preparation under the adversary system, and the policy of full and open discovery underlying the Federal Rules of Civil Procedure.<sup>4</sup> As a result of this focus, work product protection may be claimed either by the client or the attorney.<sup>5</sup> While both the client and the attorney may have an interest in protecting work product, when the interests of the client and the attorney are not aligned, the client's interest prevails. Thus, for example, if the client is suing the former law firm, or if the client has specifically requested release of the documents in connection with other litigation, a law firm does not have an independent right to invoke the work product doctrine to prevent disclosure of the documents.<sup>5.01</sup>

The work product doctrine is not actually a privilege, but rather a qualified immunity from discovery.<sup>5.1</sup>

## [2] Work Product Protection Applies Only to Documents and Tangible Things

### [a] Facts Contained in Work Product Are Freely Discoverable

By its own terms, the work product doctrine, as codified in Rule 26(b)(3),<sup>6</sup> applies only to requests for production of documents and tangible things. However, because the doctrine is intended only to guard against divulging an attorney's strategies and legal impressions, it does not protect facts concerning the creation of work product, or facts contained within work product.<sup>7</sup> Likewise, facts are not protected from disclosure by virtue of having been gathered by an attorney.<sup>8</sup> Nevertheless, the courts do afford work product protection to documents in which an attorney collates or categorizes the facts. Thus, while the facts themselves are not privileged, a chart or other compilation of facts may be protected as work product.<sup>8.1</sup>

### [b] Definition of Document or Tangible Thing Is Expansive

There is no preset limitation on what constitutes a "document or tangible thing" within the meaning of the work product doctrine, as codified in Rule 26(b)(3),<sup>9</sup> provided the item was prepared in anticipation of

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D.C. Circuit See [United States v. Deloitte LLP, 610 F.3d 129, 135 \(D.C. Cir. 2010\)](#) (opinion work product "is virtually undiscoverable").

<sup>4</sup> **Balances preparation and discovery.** [Republic of Ecuador v. Mackay, 742 F.3d 860, 867 \(9th Cir. 2014\)](#) (citing **Moore's**, court observed that the work product doctrine attempts to balance necessity of protecting attorney's preparation against policy of full and open discovery under the rules).

<sup>5</sup> **Either may claim work product.**

7th Circuit [Hobley v. Burge, 433 F.3d 946, 949 \(7th Cir. 2006\)](#) (work product privilege may be invoked by either client, attorney, or even former attorney).

D.C. Circuit See, e.g., [In re Sealed Case, 29 F.3d 715, 718 \(D.C. Cir. 1994\)](#) (work product may be claimed by attorney or client).

<sup>5.01</sup> **Client's interest prevails over attorney's.** [S.E.C. v. McNaul, 271 F.R.D. 661 \(D. Kan. 2010\)](#) ("a law firm should not have an independent right to prevent production of its work product, even opinion work product, when the interests of the former client and the law firm are not aligned, and the interests of the former client show a compelling need for production of the information").

<sup>5.1</sup> **Qualified immunity from discovery.**

4th Circuit [Continental Cas. Co. v. Under Armour, Inc., 537 F. Supp. 2d 761, 769 \(D. Md. 2008\)](#) (because work product is not a privilege, federal law governs waiver issue even in diversity cases).

9th Circuit [Republic of Ecuador v. Mackay, 742 F.3d 860, 867 \(9th Cir. 2014\)](#) (citing **Moore's**, court noted that work product is a "qualified immunity from discovery").

10th Circuit [S.E.C. v. Goldstone, 301 F.R.D. 593, 652 \(D.N.M. 2014\)](#) (citing **Moore's**, the court observed that "the work-product doctrine is distinct from the attorney-client privilege and provides, in some ways, broader protection").

litigation (*see* [3], *below*). Items that have been held within the protection include letters,<sup>10</sup> interview notes,<sup>11</sup> interview transcripts,<sup>12</sup> surveillance tapes,<sup>13</sup> and studies.<sup>14</sup>

Even “post-it” notes attached to files transmitted from corporate employees to counsel for the corporation have been found to be protected because they would allow the opposing party to learn what documents counsel thought were important.<sup>14.1</sup>

Although video surveillance tapes are considered to be “documents or things” theoretically within the protection of the work product privilege, at least in personal injury cases, the courts have held that they are subject to production because they are unique evidence of whether and to what extent a claimant was injured.<sup>14.2</sup> On the other hand, a court will be less likely to order production of written surveillance reports prepared for defendant’s counsel by his or her investigators because they are likely to reflect counsel’s thought processes. Nevertheless, the observations of defendant’s investigators, as well as relevant information with respect to the mechanics of the surveillance, are “fair game” for inquiry because film and video tape are “extraordinarily manipulable media.”<sup>14.3</sup>

An attorney’s selection and compilation of a group of documents out of thousands gathered for litigation also may fall within the purview of work product protection.<sup>15</sup> Courts have cautioned, however, that work product protection for the selection of documents depends upon the existence of a real, rather than speculative, concern that counsel’s thought processes might be revealed.<sup>16</sup> Some courts hold that an attorney’s selection of documents shown to a witness to prepare for deposition or trial testimony generally is not entitled to work product protection.<sup>16.01</sup>

Although sworn witness statements and affidavits are not considered to be work product, draft affidavits are typically covered by the work product doctrine.<sup>16.1</sup>

### **[c] Attorney’s Thoughts, Mental Processes, Strategy, and Opinions Are Protected Regardless of Discovery Method**

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<sup>6</sup> [Fed. R. Civ. P. 26\(b\)\(3\)\(A\)](#).

#### <sup>7</sup> **Facts freely discoverable.**

2d Circuit [Abbo-Bradley v. City of Niagara Falls, 293 F.R.D. 401, 407–408 \(W.D.N.Y. 2013\)](#) (citing **Moore’s**, court observed that “the work product doctrine does not immunize litigants or their consultants from disclosing the underlying facts obtained during the course of their investigations”).

3d Circuit [United States v. Dentsply Int’l, Inc., 187 F.R.D. 152, 156 \(D. Del. 1999\)](#) (citing **Moore’s**, court required government to answer interrogatory seeking facts learned by government during witness interviews conducted in course of its antitrust investigation of defendant).

5th Circuit *See* [In re Int’l Sys. & Controls Corp. Sec. Litig., 693 F.2d 1235, 1240 \(5th Cir. 1982\)](#) (when materials were not work product, lesser showing of need required for disclosure).

10th Circuit *See* [Resolution Trust Corp. v. Dabney, 73 F.3d 262, 266 \(10th Cir. 1995\)](#) (attorney’s conduct was not valid exercise of work product doctrine); [Feldman v. Pioneer Petroleum, Inc., 87 F.R.D. 86, 89 \(W.D. Okla. 1980\)](#) (discovery of facts learned by accountant).

D.C. Circuit *See* [United States v. All Assets Held at Bank Julius Baer & Co., 270 F. Supp. 3d 220, 226 \(D.D.C. 2017\)](#) (although list of all individuals counsel interviewed was protected as opinion work product, respondent would be required to disclose facts learned from any witnesses interviewed).

<sup>8</sup> **Facts gathered by attorney.** *See* [Audiotext Communications Network v. U.S. Telecom, Inc., 164 F.R.D. 250, 254 \(D. Kan. 1996\)](#) (attorney’s selection and grouping of otherwise discoverable documents into notebook did not transform them into work product).

Although some cases have held that the work product doctrine,<sup>17</sup> protects only documentary evidence,<sup>18</sup> other courts have protected an attorney's thoughts, mental processes, strategy, and opinions from disclosure, regardless of the discovery method employed.

An attorney's personal opinions, as opposed to opinions reflective of strategy or legal theory, are not entitled to work product protection.<sup>18.1</sup>

In *Hickman v. Taylor*,<sup>19</sup> the case from which Rule 26(b)(3) is derived, the Supreme Court articulated the work product doctrine in terms that spanned the entire scope of discovery. Courts have continued to apply *Hickman* to prevent parties from circumventing the work product doctrine by attempting to elicit an attorney's thought processes through depositions or interrogatories.<sup>20</sup> This approach reflects, correctly, that the work product doctrine as articulated in *Hickman* is only partially codified in Rule 26(b)(3) and continues to have vitality outside the parameters of the Rule.<sup>21</sup> That work product protection extends beyond documents is also reflected in the 2010 amendments to Rule 26(b)(4)(B) and (C), which explicitly protect specified work product "regardless of the form" in which it is communicated, and [Federal Rule of Evidence 502\(g\)](#), which defines "work-product protection" to encompass "tangible material (or its intangible equivalent)."

#### **[d] Tape Recorded Conversations**

A number of courts have ruled that tape recorded conversations may constitute work product material.<sup>21.1</sup> On the other hand, courts have ruled that unprofessional attorney conduct may constitute grounds to vitiate work product protection, and a number of courts have applied that rule to secret taping of conversations.<sup>21.2</sup> Most of these cases have relied in whole or in part on the American Bar Association's Model Rules of Professional Conduct, which prohibit attorneys from clandestinely tape recording conversations. Another

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<sup>8.1</sup> **Compilation of facts may be protected.** [In re Grand Casinos, Inc., 181 F.R.D. 615, 622 \(D. Minn. 1998\)](#) (noting, however, that party may not assert blanket privilege as to facts generated by its investigation merely because those facts were subsequently incorporated into compilation).

<sup>9</sup> [Fed. R. Civ. P. 26\(b\)\(3\)\(A\)](#).

<sup>10</sup> **Letters.** See, e.g., [Rail Intermodal Specialists, Inc. v. General Elec. Capital Corp., 154 F.R.D. 218, 219 \(N.D. Iowa 1994\)](#) (letters sent by defense counsel to two expert witnesses retained by defense protected).

<sup>11</sup> **Interview notes.** See, e.g., [Ryall v. Appleton Elec. Co., 153 F.R.D. 660, 662–663 \(D. Colo. 1994\)](#) (employer precluded from introducing contents of privileged interviews or resulting notes).

1st Circuit See, e.g., [Massachusetts v. First Nat'l Supermarkets, Inc., 112 F.R.D. 149, 151 \(D. Mass. 1986\)](#) (attorney's notes of interviews with client's employees taken during investigation of government antitrust probe were protected by work product doctrine).

6th Circuit See [Trustees of Plumbers and Steamfitters Local Union No. 43 v. Crawford, 573 F. Supp. 2d 1023, 1028 n.3 \(E.D. Tenn. 2008\)](#) (notes taken by attorneys during interviews are typically covered by work product doctrine).

10th Circuit See, e.g., [Ryall v. Appleton Elec. Co., 153 F.R.D. 660, 662–663 \(D. Colo. 1994\)](#) (employer precluded from introducing contents of privileged interviews or resulting notes).

<sup>12</sup> **Interview transcripts.** See, e.g., [American Standard Inc. v. Bendix Corp., 71 F.R.D. 443, 446 \(W.D. Mo. 1976\)](#) (transcripts of plaintiff's counsel's interviews of antitrust defendant's employees fell within classic definition of work product).

<sup>13</sup> **Surveillance tapes.** See [Ford v. CSX Transp., Inc., 162 F.R.D. 108, 111–112 \(E.D.N.C. 1995\)](#) (in personal injury suit, court allowed discovery after defendant had chance to depose plaintiff about his injuries).

1st Circuit *But see* [Papadakis v. CSX Transp., Inc., 233 F.R.D. 227, 228 \(D. Mass. 2006\)](#) (in personal injury cases, federal and state courts have "fairly uniformly" held that video surveillance tapes, even if work product, are discoverable).

reason for vitiating the work-product privilege is Rule 26(b)(3), which provides that parties and other persons have a right to obtain a copy of their own previous statements on request. At least one court has reasoned that this right to request necessarily presumes awareness of the statement. Thus, Rule 23(b)(3) implicitly requires disclosure of the existence of surreptitiously recorded statements at some time prior to trial. As a matter of policy, this court concluded that Rule 26(b)(3) requires a recording party to inform the person being recorded at the time of the recording in order to qualify the statement for work product protection. If a party chooses to record conversations surreptitiously, the statements will not be accorded work product protection. In such a case, the right to production depends only on the issue of relevancy.<sup>21.3</sup>

In determining whether the work product privilege is vitiated, the fact that the client rather than the attorney did the taping is irrelevant when there is later attorney involvement with the secret recordings. If the attorney's involvement is substantial, the client's conduct may be subjected to attorney ethics rules.<sup>21.4</sup> Furthermore, the fact that the client secretly recorded conversations before hiring the attorney does not change the outcome. Although a party who creates work-product material before hiring an attorney is generally permitted to take advantage of the work-product doctrine to protect that material, in the case of tape-recorded conversations, a lay person will be held to the same standards as an attorney when asserting work-product protection. Thus, while it would be considered work product for an attorney (or an unrepresented lay person) to consensually record an interview with a third-party witness, work-product protection is vitiated when the conversation is recorded clandestinely.<sup>21.5</sup>

### **[3] Work Product Protection Applies Only to Documents or Things Prepared in Anticipation of Litigation or for Trial**

#### **[a] Litigation Need Not Have Commenced**

The work product doctrine, as codified in Rule 26(b)(3),<sup>22</sup> applies to documents or things prepared in anticipation of litigation or for trial. Courts have devised various formulations regarding just how concrete

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2d Circuit [\*Marchello v. Chase Manhattan Auto Fin. Corp.\*, 219 F.R.D. 217, 219 \(D. Conn. 2004\)](#) (court declined to apply rule that personal injury plaintiff always has per se substantial need for defendant's surveillance tapes, and ruled instead that plaintiff must make specific showing of substantial need to overcome work product privilege).

4th Circuit See [\*Ford v. CSX Transp., Inc.\*, 162 F.R.D. 108, 111–112 \(E.D.N.C. 1995\)](#) (in personal injury suit, court allowed discovery after defendant had chance to depose plaintiff about his injuries).

10th Circuit See [\*Martino v. Baker\*, 179 F.R.D. 588, 590 \(D. Colo. 1998\)](#) (although surveillance tapes are protected by work product privilege, since they do not contain counsel's mental impressions and legal theories, privilege is qualified and may be overcome by showing of substantial need).

<sup>14</sup> **Studies.** See, e.g., [\*Martin v. Monfort, Inc.\*, 150 F.R.D. 172, 173 \(D. Colo. 1993\)](#) (time and motion studies prepared at direction of defendant's counsel were work product).

<sup>14.1</sup> **Post-it notes.** [\*Marshall v. District of Columbia Water & Sewage Auth.\*, 218 F.R.D. 4, 6 \(D.D.C. 2003\)](#) (transmission slips would reveal what documents counsel thought were needed to answer interrogatories, thereby necessarily disclosing counsel's theory of how to answer them and revealing the mental process counsel used to perform a legal task).

<sup>14.2</sup> **Production of surveillance tapes required.** [\*Papadakis v. CSX Transp., Inc.\*, 233 F.R.D. 227, 228 \(D. Mass. 2006\)](#) (because existence and extent of injury is "very essence" of plaintiff's case, surveillance tapes generally must be produced even if work product).

<sup>14.3</sup> **Written surveillance reports not discoverable.** [\*Papadakis v. CSX Transp., Inc.\*, 233 F.R.D. 227, 228 \(D. Mass. 2006\)](#) (although written reports need not be produced, court ordered defendant to produce names and addresses of investigators so plaintiff could take their depositions, if desired).

the prospect of litigation must be before protection will attach to a given document. For example, some courts require “more than a remote possibility of litigation” when the document is prepared.<sup>23</sup> Others state that there must be “an identifiable prospect of litigation,” and require that specific claims must have already arisen when the document is prepared.<sup>24</sup> Still others require that at the time the document is created, the party or its representative must have in mind a “specific claim supported by concrete facts which would likely lead to litigation.”<sup>25</sup> Some courts require that the *primary* motivating purpose behind the creation of the document be to aid in possible litigation.<sup>25.1</sup> Among the factors relevant to determining the primary motivation for creating a document are (1) the retention of counsel and counsel’s involvement in the generation of the document, and (2) whether it was a routine practice to prepare that type of document or whether the document was instead prepared in response to a particular circumstance.<sup>25.1.1</sup>

The Second Circuit has adopted the “because of” approach to determining whether a document was prepared “in anticipation of litigation.” Under this approach, a document is entitled to work product protection if it is prepared “because of” existing or expected litigation. The “because of” approach is more inclusive than the approach taken by those courts that require a document to be prepared “primarily or exclusively to assist in litigation.” Under the latter approach, a document prepared primarily to assist in making a business decision would not be entitled to work product protection. On the other hand, under the “because of” approach, the Second Circuit found that a document containing a detailed legal analysis of a likely IRS challenge to a proposed business reorganization was prepared in anticipation of litigation, and did not lose its work-product protection merely because it was created primarily to assist in the making of a business decision about reorganization. Nevertheless, the Second Circuit emphasized that even the “because of” formulation withholds protection from documents that are prepared in the ordinary course of business.<sup>25.2</sup>

The “because of” approach adopted by the Second Circuit is the more persuasive view. Regular course of business and in anticipation of litigation are not always mutually exclusive and dichotomous fields. Many

<sup>15</sup> **Selection of documents.** See [Sporck v. Peil, 759 F.2d 312, 315–316 \(3d Cir. 1985\)](#) (identification of selected documents would reveal defense counsel’s selection process, and thus counsel’s mental impressions).

2d Circuit See [Flaherty v. Seroussi, 209 F.R.D. 300, 307 \(N.D.N.Y. 2002\)](#) (newspaper articles gathered by plaintiff’s counsel were privileged because disclosure might reveal litigation strategy, but press releases prepared by counsel were not entitled to protection because dissemination of materials to media is “conceptually inconsistent” with claim that documents provide indication of counsel’s closely guarded trial strategy).

3d Circuit See [Sporck v. Peil, 759 F.2d 312, 315–316 \(3d Cir. 1985\)](#) (identification of selected documents would reveal defense counsel’s selection process, and thus counsel’s mental impressions).

<sup>16</sup> **Protection for selection limited.**

2d Circuit See [Gould, Inc. v. Mitsui Mining & Smelting Co., 825 F.2d 676, 680 \(2d Cir. 1987\)](#) (district court order quashing subpoena seeking discovery of documents from counsel vacated because record below was insufficient); [Hendrick v. Avis Rent A Car Sys., 916 F. Supp. 256, 259](#) (W.D.N.Y. 1996 (disclosure of statements made by employee of defendant in products liability action would not reveal plaintiff’s counsel’s strategy because counsel’s strategy of identifying similar actions against defendant and obtaining relevant documents was well known)).

3d Circuit See [Charleswell v. Chase Manhattan Bank, N.A., 277 F.R.D. 277, 282 \(D.V.I. 2011\)](#) (lawyer’s compilation of documents for use in preparing witnesses for deposition constitute work product, but documents compiled for use as exhibits at deposition fall into unprotected “fact” category because documents would ultimately be revealed at deposition anyway).

<sup>16.01</sup> **Selection for use in preparing witness testimony.** See [Northern Natural Gas Co. v. Approximately 9117.53 Acres, 289 F.R.D. 644, 647–648 \(D. Kan. 2013\)](#) (noting that Tenth Circuit has not yet addressed this issue, court ruled that attorney’s selection of documents shown to witness in preparation for deposition testimony does not constitute work product when those documents have already been produced during discovery).

<sup>16.1</sup> **Affidavits and draft affidavits.**



business decisions are made in anticipation of the inevitable litigation. The “because of” inquiry offers a more administrable standard, effectively resolving uncertainty at the margins in favor of work product protection. At the same time, protection is not unduly expanded if the document would not have been produced but for the anticipated suit. Evaluating the risks of litigation that a business plan will face is often integral to the plan and is in this sense generated in the course of business. There is no persuasive reason to deny work product protection because the document has these marks of business purpose, if it was prepared because of the anticipated litigation.<sup>25,3</sup>

Even if the anticipated litigation never is commenced, as long as the document was prepared in anticipation of litigation, it is entitled to protection.<sup>26</sup> The non-occurrence of the events underlying the anticipated litigation, however, is a factor that the court may consider in deciding whether to order disclosure.<sup>27</sup>

Just as litigation need not have been commenced for work product protection to apply, a document does not necessarily lose its protection when the litigation ends. Just how much protection a document enjoys in subsequent litigation is a matter of disagreement among the courts. The Fourth Circuit has held that a document remains protected by the work product doctrine in subsequent litigation, reasoning that the doctrine is designed to protect the attorney as much as the client, so that its application should not depend solely on how closely related the subsequent litigation is to the parties or issues involved in the prior case.<sup>28</sup> While many courts have followed the rule of the Fourth Circuit,<sup>29</sup> other courts require a close relationship between the parties or issues in the subsequent litigation for the work product rule to apply.<sup>30</sup>

The Fourth Circuit’s position, which protects documents in subsequent litigation, received indirect support from the Supreme Court in *FTC v. Grolier, Inc.*,<sup>31</sup> a case arising under the Freedom of Information Act (FOIA). *Grolier* involved a request by a corporation for Federal Trade Commission documents generated by an investigation in connection with a prior lawsuit. The Supreme Court held that FOIA’s Exemption 5,<sup>32</sup> which, by its terms, is coextensive with the work product rule in civil litigation, protects work product materials “from mandatory disclosure without regard to the status of the litigation for which it was prepared.”<sup>33</sup> Although the Court’s holding was based on FOIA Exemption 5, the Court stated that it was not

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3d Circuit See [Bell v. Lackawanna County, 892 F. Supp. 2d 647, 660–661 \(M.D. Pa. 2012\)](#) (observing that party declarations should be distinguished from witness statements provided by nonparty, court found that party declarations are work product until filed with the court in support of a motion).

6th Circuit See [Trustees of Plumbers and Steamfitter Local Union No. 43 v. Crawford, 573 F. Supp. 2d 1023, 1028 n.3 \(E.D. Tenn. 2008\)](#) (sworn witness statements and affidavits are evidence of a witness’s own statement and are not protected by work product doctrine).

<sup>17</sup> [Fed. R. Civ. P. 26\(b\)\(3\)](#).

<sup>18</sup> **Documentary evidence only.** See [Boyer v. Board of County Comm’rs, 162 F.R.D. 687, 689 \(D. Kan. 1995\)](#) (work product protection applies to discovery of documents and tangible things).

<sup>18.1</sup> **Attorney’s personal opinions.** See [Kushner v. Buhta, 322 F.R.D. 494, 499 \(D. Minn. 2017\)](#) (attorneys’ personal reactions to news article, derogative comments about plaintiff, and personal reactions expressing frustration with press coverage, “while perhaps embarrassing and ill-considered, simply to not reflect legal strategies and opinions about the City’s case”).

<sup>19</sup> **Hickman case.** [Hickman v. Taylor, 329 U.S. 495, 505, 67 S. Ct. 385, 91 L. Ed. 451 \(1947\)](#) (see accompanying text).

<sup>20</sup> **Doctrine applied to entire scope of discovery.** See, e.g., [In re Sealed Case, 856 F.2d 268, 273 \(D.C. Cir. 1988\)](#) (deposition response would have required testimony from SEC attorneys on their mental impressions of witness interviews conducted in connection with insider trading investigation).

3d Circuit See, e.g., [Sporck v. Peil, 759 F.2d 312, 315–316 \(3d Cir. 1985\)](#) (identification of documents would reveal counsel’s mental impressions).

relying “exclusively on any particular construction of Rule 26(b)(3)” and that Exemption 5 is coextensive with Rule 26(b)(3). The Court also observed that “the literal language of [Rule 26(b)(3)] protects materials prepared for *any* litigation or trial as long as they were prepared by or for a party to the subsequent litigation.”<sup>34</sup>

The position of the Fourth Circuit is more persuasive. *Grolier* is at least a strong hint by the Supreme Court that the literal language of the rule will not be lightly enlarged upon—any means any. That the privilege is qualified, falling on a showing of good cause, supports confining the inquiry to the literal language of the rule in two ways. First, it softens its bite. Second, it avoids multiplying the inquiry into the availability of the privilege. Questions about the relationship among cases and the similarity of claims do not necessarily implement the protection of work product accorded by Rule 26. By definition, the requirement of good cause will sort the cases in a manner more relevant to the principle that the material is to be protected absent a demonstration of genuine need for it, than examining the relationship between the claims in the case in which work product was initially protected and the claims in the case in which production is later sought.

Another issue faced by the courts is what type of proceeding constitutes “litigation” for purposes of the work product doctrine. One district court has ruled that an arbitration or grievance proceeding is “litigation” for purposes of the work product doctrine, and documents prepared by a party in anticipation of a grievance proceeding between an employer and employee-driver were entitled to work product protection in a subsequent personal injury action brought against the driver by an injured party.<sup>34.1</sup>

### **[b] Documents Prepared in Regular Course of Business Are Not Protected**

Because Rule 26(b)(3) work product protection extends only to documents prepared in anticipation of litigation or trial,<sup>35</sup> it follows that documents prepared in the regular course of a party’s business are not protected by the doctrine.<sup>36</sup> The crucial factor in determining whether a document was prepared in the regular course of business or in anticipation of litigation is the party’s purpose in preparing the document, or

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6th Circuit See, e.g., [United States v. One Tract of Real Property, 95 F.3d 422, 428 n.10 \(6th Cir. 1996\)](#) (depositions, interrogatories and requests for admissions are covered by *Hickman* rule).

8th Circuit See, e.g., [Shelton v. American Motors Corp., 805 F.2d 1323, 1326–1327 \(8th Cir. 1986\)](#) (attorney not required to testify at deposition regarding existence of certain documents because testimony would implicitly reveal attorney’s conclusions as to which of the voluminous records involved in case were relevant, and might compromise attorney’s professional judgment).

D.C. Circuit See, e.g., [In re Sealed Case, 856 F.2d 268, 273 \(D.C. Cir. 1988\)](#) (deposition response would have required testimony from SEC attorneys on their mental impressions of witness interviews conducted in connection with insider trading investigation).

#### **<sup>21</sup> Doctrine only partially codified.**

3d Circuit See [Sporck v. Peil, 759 F.2d 312, 316 \(3d Cir. 1985\)](#) (“the work product doctrine as articulated in *Hickman* has been partially codified in [Federal Rule of Civil Procedure 26\(b\)\(3\)](#)”).

D.C. Circuit See [United States v. Deloitte LLP, 610 F.3d 129, 135–136 \(D.C. Cir. 2010\)](#) (Rule 26(b)(3) does not provide “an exhaustive definition of what constitutes work product” because it only addresses “documents and tangible things,” but *Hickman* provides work product protection for intangible work product independent of Rule 26(b)(3)).

#### **<sup>21.1</sup> Tape recorded conversations as work product.**

3d Circuit See, e.g., [Ward v. Maritz, Inc., 156 F.R.D. 592, 597 \(D.N.J. 1994\)](#) (surreptitious recording of nonparties may constitute work product).

4th Circuit See, e.g., [Suggs v. Whitaker, 152 F.R.D. 501, 506 \(M.D.N.C. 1993\)](#) (recording of defendant’s own insured was work product).

causing its preparation.<sup>37</sup> If there was an ordinary business purpose behind the document's preparation, it is unprotected, even if litigation was imminent.<sup>38</sup> Merely placing a stamp that reads "attorney work product" on a document prepared in the ordinary course of business is not sufficient to turn it into work product.<sup>39</sup>

Although prepared in the regular course of business, an attorney's billing entries may be protected by the work-product privilege because they reflect what the attorney has done on behalf of the client and directly or indirectly reveal the attorney's mental processes. One court noted as an example a billing entry showing that the attorney spent hours interviewing a witness, followed by the attorney not listing the person as a potential witness. This instantly discloses to opposing counsel that the lawyer thought the witness was either of no help or harmful.<sup>39.1</sup>

Documents required to be prepared to comply with public requirements not related to litigation are not entitled to work product protection.<sup>39.2</sup>

Despite the general rule that documents prepared in the regular course of business are not protected, "dual purpose" documents may be entitled to work product protection. "Dual purpose" documents in the context of the work product doctrine are documents that are created for both a litigation purpose and a non-litigation purpose. Dual purpose documents have been found to be protected when the litigation purpose so "permeates" any non-litigation purpose that the two purposes cannot be discretely separated.<sup>39.3</sup>

## [c] Investigative Reports

### [i] Insurance Adjusters' Reports

Whether an investigative report, such as an accident or insurance adjuster's report, was prepared in anticipation of litigation or in the regular course of business is a frequently disputed subject. With respect to insurance adjusters' reports, if the report was prepared in the usual course of adjusting a claim made by the insured, it is usually considered to have been prepared in the regular course of the insurer's business.<sup>40</sup> The rationale is that when an insured presents a first party claim, the insurance

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#### <sup>21.2</sup> Secret taping vitiates work product privilege.

3d Circuit See [Ward v. Maritz, Inc., 156 F.R.D. 592, 594–597 \(D.N.J. 1994\)](#) (surreptitious recording of nonparties vitiates work product privilege).

4th Circuit See [Sea-Roy Corp. v. Sunbelt Equip. & Rentals, Inc., 172 F.R.D. 179, 184–185 \(M.D.N.C. 1997\)](#) (plaintiff's surreptitiously recorded conversations with numerous persons lost work product protection because plaintiff failed to inform people their conversations were being recorded).

5th Circuit [Smith v. WNA Carthage, L.L.C., 200 F.R.D. 576, 578 \(E.D. Tex. 2001\)](#) (virtually all cases dealing with issue have held that clandestine recordings are not shielded under work product doctrine); see [Chapman & Cole, Ltd v. Iteq Container Int'l B.V., 865 F.2d 676, 686 \(5th Cir. 1989\)](#) (clandestine taping of telephone conversation implicitly waives work product protection because it violates ABA's Model Rules of Professional Conduct).

6th Circuit See [Wilson v. Lamb, 125 F.R.D. 142, 143 \(E.D. Ky. 1989\)](#) (plaintiff's taping of conversation without person's consent vitiates work product privilege, and plaintiff was ordered to produce tape).

7th Circuit [Anderson v. Hale, 202 F.R.D. 548, 558 \(N.D. Ill. 2001\)](#) (although tape-recorded conversations may constitute work product, work-product protection was vitiates because defendants' counsel engaged in unethical conduct by surreptitiously taping conversations with witnesses).

11th Circuit See [Parrott v. Wilson, 707 F.2d 1262, 1271–1272 \(11th Cir. 1983\)](#) (declining to determine whether tape recordings were in fact work product, court held that whatever work product privilege might have existed was vitiates by counsel's clandestine recording of conversations).

<sup>21.3</sup> **Rule 26(b)(3) requires disclosure of recording.** [Sea-Roy Corp. v. Sunbelt Equip. & Rentals, Inc., 172 F.R.D. 179, 184–185 \(M.D.N.C. 1997\)](#) (plaintiff's surreptitiously recorded conversations lost work product protection).

company owes the insured a duty to adjust the claim in good faith, and there is no initial contemplation of litigation.<sup>41</sup>

Claims adjusters' reports made in connection with accident claims by third parties have generated a good deal of disagreement in the courts. The earliest decisions under Rule 26(b)(3), referred to as the *Thomas Organ*<sup>42</sup> line of cases, took the view that with respect to third party claims, a claims adjuster's report was conclusively presumed to have been made in the regular course of the insurer's business, and not in anticipation of litigation, unless the report had been requested by or prepared for an attorney.<sup>43</sup> Subsequent cases have properly rejected the *Thomas Organ* holding as contrary to the express language of the work product rule.<sup>44</sup>

The cases disagreeing with *Thomas Organ* have adopted two different approaches. Some courts have reached a completely opposite conclusion from *Thomas Organ*, and have held that any documents prepared by an insurer in response to a third party accident claim are prepared in anticipation of litigation.<sup>45</sup> Other courts, reasoning that Rule 26(b)(3) was not intended to automatically insulate insurance claim files from discovery, have adopted a case-by-case approach regarding third party claims that, while not requiring the participation of an attorney for work product protection, still requires the insurer to meet the burden of proof requirements of the Rule.<sup>46</sup> For discussion of the burden of proof under the work product rule, see [5], *below*.

In the case-by-case approach, the involvement of an attorney, while not dispositive of the "anticipation of litigation" issue, is a highly relevant factor. The involvement of an attorney makes it more likely than not that the focus has shifted toward litigation, making materials more likely to have been prepared in anticipation of litigation.<sup>46.1</sup> Similarly, under the case-by-case approach, the nature of the claim may be a dispositive factor in determining whether documents were prepared in anticipation of litigation. For example, one court found that, in cases of arson, insurers may be perceived as acting upon a "substantial and imminent" or "fairly foreseeable" threat of litigation when it becomes evident that the losses were caused by arson and the insured was involved in the arson.<sup>46.2</sup>

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<sup>21.4</sup> **Fact that client made recordings may be irrelevant.** See [Sea-Roy Corp. v. Sunbelt Equip. & Rentals, Inc., 172 F.R.D. 179, 183 \(M.D.N.C. 1997\)](#) (sheer number of recordings (85), three-year period over which they were made, and fact that counsel made transcripts of recordings indicated counsel was aware of situation and permitted it to continue).

4th Circuit See [Sea-Roy Corp. v. Sunbelt Equip. & Rentals, Inc., 172 F.R.D. 179, 183 \(M.D.N.C. 1997\)](#) (sheer number of recordings (85), three-year period over which they were made, and fact that counsel made transcripts of recordings indicated counsel was aware of situation and permitted it to continue).

5th Circuit [Smith v. WNA Carthage, L.L.C., 200 F.R.D. 576, 578 \(E.D. Tex. 2001\)](#) (citing **Moore's**, court noted that clandestine recordings, whether made by client or counsel, are not entitled to work product protection).

<sup>21.5</sup> **Secret recordings made by client prior to hiring counsel.** [Otto v. Box U.S.A. Group, Inc., 177 F.R.D. 698, 701 \(N.D. Ga. 1997\)](#) (secretly taped interviews are considered unethical and damaging to adversarial system, regardless of whether attorney or client operates tape recorder).

<sup>22</sup> [Fed. R. Civ. P. 26\(b\)\(3\)\(1\)](#).

<sup>23</sup> **More than remote possibility.** See, e.g., [Fox v. California Sierra Fin. Servs., 120 F.R.D. 520, 524 \(N.D. Cal. 1988\)](#) (even though no suit needs to be actually filed there must be more than remote possibility of litigation).

<sup>24</sup> **Specific claims.**

1st Circuit [United States v. MIT, 957 F. Supp. 301, 305 \(D. Mass. 1997\)](#), *aff'd in part on same grounds*, [129 F.3d 681 \(1997\)](#) (taking "strict interpretation" approach, court noted that document must be prepared "in anticipation of the litigation.").

4th Circuit See, e.g., [Burlington Indus. v. Exxon Corp., 65 F.R.D. 26, 42-43 \(D. Md. 1974\)](#) (work product doctrine applies when litigation is merely a contingency).

The case-by-case approach to third party claim situations appears to be the soundest compromise between Rule 26's overall purpose of encouraging free and open discovery, and subsection (b)(3)'s specific purpose of protecting a party's litigation strategy and thought processes. If the probability of a lawsuit is immediately apparent to the claims adjuster upon initially surveying the incident, it is likely that the court will find that the investigative report was prepared in anticipation of litigation.<sup>47</sup>

The inapplicability of the work product rule does not mean that privileges, such as the self-critical analysis privilege (see [§ 26.48\[2\]](#)), will not attach to the investigative report.

### **[ii] Non-Insurance Investigative Reports**

With respect to non-insurance investigative reports, courts generally focus on whether the report would have been prepared even if litigation had never ensued.<sup>48</sup> If the party routinely causes reports to be prepared under similar circumstances without regard to whether subsequent litigation occurs, work product protection does not apply.<sup>49</sup>

Police incident reports, for example, will rarely qualify for work product protection because they are required to be prepared regardless of whether the incident becomes the basis of a lawsuit.<sup>50</sup> Internal investigative reports, such as those prepared by manufacturers following injuries sustained by their products, are more problematic, because it is often difficult to tell whether the report was motivated by the threat of litigation. In these cases, courts tend to focus on whether the report was prepared in response to a specific, concrete claim, or whether it was prepared with an eye only to claims that might possibly arise in the future.<sup>51</sup> Even in cases in which a specific claim is involved, if there are other, equally strong reasons for preparing the report, such as product improvement, safety of future product users, or avoidance of adverse publicity, courts will generally require production of the report.<sup>52</sup>

A party may not insulate itself from discovery of investigative documents by hiring an attorney to conduct or supervise an investigation that otherwise would not be accorded work product protection.<sup>52.1</sup>

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7th Circuit See [Baxter Int'l, Inc. v. Versicherung](#), 224 F. Supp. 3d 648, 655 (N.D. Ill. 2016), quoting [Sandra T.E. v. S. Berwyn Sch. Dist.](#) 100, 600 F.3d 612, 622 (7th Cir. 2010) (work product doctrine applies when some articulable claim likely to lead to litigation arose and served as the primary motivating purpose behind creation of the document).

<sup>25</sup> **Concrete facts.** See, e.g., [Linde Thomson Langworthy Kohn & Van Dyke v. Resolution Trust Co.](#), 5 F.3d 1508, 1515 (D.C. Cir. 1993) (litigant must demonstrate documents created with specific claim in mind); [Coastal States Gas Corp. v. Department of Energy](#), 617 F.2d 854, 864 (D.C. Cir. 1980) (privilege limited to documents prepared in contemplation of litigation).

2d Circuit See [Reich v. Great Lakes Collection Bureau, Inc.](#), 172 F.R.D. 58, 61 (W.D.N.Y. 1997) (litigation must be real possibility at time of preparation, or, in other words, document must be prepared with eye to some specific litigation).

3d Circuit [Maertin v. Armstrong World Indus., Inc.](#), 172 F.R.D. 143, 148 (D.N.J. 1997) (there must be "identifiable specific claim or impending litigation when materials are prepared").

D.C. Circuit See, e.g., [Linde Thomson Langworthy Kohn & Van Dyke v. Resolution Trust Co.](#), 5 F.3d 1508, 1515 (D.C. Cir. 1993) (litigant must demonstrate documents created with specific claim in mind); [Coastal States Gas Corp. v. Department of Energy](#), 617 F.2d 854, 864 (D.C. Cir. 1980) (privilege limited to documents prepared in contemplation of litigation).

<sup>25.1</sup> **Primary motivating purpose is litigation.** [Hugley v. The Art Inst. of Chicago](#), 981 F. Supp. 1123, 1128–1129 (N.D. Ill. 1997) (documents prepared by investigators for Department of Human Rights in connection with administrative claim of race discrimination were not protected by work-product privilege in subsequent civil rights action because they were prepared primarily for purpose of collecting facts to determine whether discrimination charge could be supported).

<sup>25.1.1</sup> **Factors for determining primary motivation.** [Navigant Consulting, Inc. v. Wilkinson](#), 220 F.R.D. 467, 477 (N.D. Tex. 2004) (document is entitled to work product protection only if "the primary motivating purpose behind the creation of the document was to aid in possible future litigation").

The inapplicability of the work product rule does not mean that privileges, such as the self-critical analysis privilege (see [§ 26.48\[2\]](#)), will not attach to the investigative report.

#### **[d] Government Agency Investigations Constitute Litigation**

A document may be considered to have been prepared in anticipation of litigation, even if the “litigation” that caused its preparation was an investigation by a government agency, and not a traditional civil suit.<sup>53</sup> Courts have recognized that litigation is an expected result of agency investigations.<sup>54</sup> Indeed, litigation is virtually the only purpose behind investigations by some agencies, such as the National Labor Relations Board.<sup>55</sup>

#### **[4] Document Must Be Prepared by or for Party or Party’s Representative**

The work product doctrine, as codified in Rule 26(b)(3), provides protection only for documents or things prepared by or for another party or for that other party’s representative. The Supreme Court recognized that this element of Rule 26 reflects the intensely practical nature of the work product doctrine, including the fact that attorneys often must rely upon investigators and experts in preparing for trial.<sup>56</sup> As a result, courts have held that studies ordered by an attorney in preparation for trial are protected by the work product doctrine,<sup>57</sup> as are reports prepared by agents of the party or the party’s attorney.<sup>58</sup> On the other hand, documents prepared in anticipation of litigation in another case against the same defendant, or documents obtained from a “litigation clearinghouse,” are not protected because they are not prepared by or for the particular party asserting the work product privilege.<sup>58.1</sup>

An expert witness is not a “party’s representative” for purposes of work product protection. Thus, Rule 26(b)(3)(A)’s “by or for another party or its representative” language does not protect trial preparation materials prepared by or provided to a testifying expert.<sup>58.2</sup>

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<sup>25.2</sup> “**Because of**” approach. [United States v. Adlman, 134 F.3d 1194, 1198 \(2d Cir. 1998\)](#) (adopting “because of” approach for first time).

2d Circuit [United States v. Adlman, 134 F.3d 1194, 1198 \(2d Cir. 1998\)](#) (adopting “because of” approach for first time).

6th Circuit [United States v. Roxworthy, 457 F.3d 590, 593 \(6th Cir. 2006\)](#) (Sixth Circuit formally adopted “because of” standard for determining whether documents were prepared in anticipation of litigation, noting that it had previously articulated and applied it in unpublished decisions).

7th Circuit [Caremark, Inc. v. Affiliated Computer Servs., 195 F.R.D. 610, 614 \(N.D. Ill. 2000\)](#) (district court in Seventh Circuit applied “because of” approach in determining whether documents produced by and for corporate party were entitled to work product protection).

9th Circuit [United States v. Richey, 632 F.3d 559, 567 \(9th Cir. 2011\)](#) (court applied “because of” test to determine whether work product protection applied to dual purpose documents).

D.C. Circuit See [United States v. Deloitte LLP, 610 F.3d 129, 137 \(D.C. Cir. 2010\)](#) (D.C. Circuit applies “because of” test, asking “whether, in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation”).

<sup>25.3</sup> “**Because**” of approach may provide protection for business documents. See [In re Professionals Direct Ins. Co., 578 F.3d 432, 439 \(6th Cir. 2009\)](#) (if document is prepared in anticipation of litigation, fact that it also serves ordinary business purpose does not deprive it of protection, but party claiming protection has burden to show that anticipated litigation was “driving force behind the preparation”).

<sup>26</sup> **Even if litigation never occurs.** See [Bituminous Cas. Corp. v. Tonka Corp., 140 F.R.D. 381, 389–390 \(D. Minn. 1992\)](#) (documents prepared in response to state environmental protection agency’s inquiry were prepared in anticipation of litigation,

If the document is prepared for a nonparty to the litigation, work product protection does not apply, even if the nonparty is a party to closely related litigation.<sup>59</sup> It is possible, however, that such a document might be protected under the common-interest or joint-defense doctrine of the attorney-client privilege, in appropriate circumstances (see [Weinstein's Federal Evidence, Ch. 503, Lawyer-Client Privilege](#) (*Sup. Ct. Standard 503*) (Matthew Bender 2d ed.)).

Although Rule 26(b)(3) only refers to parties to the litigation, its protection has been extended to the situation in which a nonparty to the litigation seeks attorney work product.<sup>60</sup>

Litigation consultants retained to aid in witness preparation may qualify as non-attorneys who are protected by the work product doctrine under the theory that they are agents of the attorney.<sup>60.1</sup> On the other hand, a party may not arrange to shield information from discovery by hiring a person who might otherwise be a witness in the case as a litigation consultant.<sup>61</sup>

## [5] Burden of Proof Under Work Product Doctrine

### [a] Party Asserting Doctrine Has Burden of Proof

The party asserting work product protection has the burden of establishing that the doctrine applies.<sup>62</sup> To meet that burden, the party seeking work product protection must establish that the material is a document or tangible thing prepared in anticipation of litigation for that party.<sup>63</sup> For discussion of documents prepared in anticipation of litigation or for trial, see [3], *above*.

A mere allegation that the work product rule applies is insufficient to invoke its protection.<sup>63.1</sup> Likewise, a party may not rely upon a blanket assertion of the rule to object to multiple discovery requests. Instead, the party asserting the rule must establish that each objectionable request calls for production of work product. If a party believes that an entire line of questioning will be foreclosed by the work product rule, that party

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even if litigation with agency was avoided, and were protected by work product doctrine in subsequent declaratory action by insurer).

<sup>27</sup> **Non-occurrence a factor.** See [United States v. Adlman, 68 F.3d 1495, 1501 \(2d Cir. 1995\)](#) (fact that corporate reorganization had not yet occurred did not mean that documents were not prepared in anticipation of litigation).

<sup>28</sup> **Protected in subsequent litigation.** See [Duplan Corp. v. Moulinage et Retorderie de Chavanoz, 487 F.2d 480, 483–484 \(4th Cir. 1973\)](#) (in multidistrict patent antitrust proceeding court found that on termination of the litigation attorneys did not lose qualified protection of the work product rule).

<sup>29</sup> **Fourth Circuit followed.** See, e.g., [Bruce v. Christian, 113 F.R.D. 554, 561 \(S.D.N.Y. 1986\)](#) (memoranda prepared for housing authority termination of tenancy proceeding were protected by work product doctrine in subsequent class action).

2d Circuit See, e.g., [Bruce v. Christian, 113 F.R.D. 554, 561 \(S.D.N.Y. 1986\)](#) (memoranda prepared for housing authority termination of tenancy proceeding were protected by work product doctrine in subsequent class action).

5th Circuit See, e.g., [In re International Sys. & Controls Corp., 91 F.R.D. 552, 557 \(S.D. Tex. 1981\)](#), *vacated on other grounds, 693 F.2d 1235 (5th Cir. 1982)* (materials prepared for SEC investigation were protected by work product doctrine in subsequent shareholders' suit).

6th Circuit See, e.g., [United States v. Leggett & Platt, Inc., 542 F.2d 655, 659–660 \(6th Cir. 1976\)](#) (qualified nature of work product doctrine ameliorates harsh effects of extending protection to documents prepared for previous litigation).

7th Circuit See, e.g., [First Wis. Mortgage Trust v. First Wis. Corp., 86 F.R.D. 160, 165 \(E.D. Wis. 1980\)](#) (witness interview notes prepared by trust's general counsel for prior litigation were not discoverable in subsequent litigation even though trust was represented by different counsel (citing **Moore's**)).

8th Circuit See, e.g., [In re Murphy, 560 F.2d 326, 334 \(8th Cir. 1977\)](#) (documents prepared in connection with previous FTC action were protected by work product doctrine in subsequent action by government to cancel defendants' patents).

should seek a pre-discovery protective order from the district court (*see* Part D, *Protective Orders*), rather than relying on a blanket objection.<sup>64</sup>

**[b] Party Seeking Discovery Must Show Substantial Need and Undue Hardship**

Once the party invoking work product protection doctrine establishes that the doctrine applies (*see* [a], *above*), the party seeking discovery may obtain the materials only on showing (1) substantial need of the materials in preparation of the party's case, and (2) that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means.<sup>65</sup> Even then, the court still must protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.<sup>66</sup>

Accordingly, the substantial need/undue hardship test applies only to "ordinary" or "fact" work product, i.e., documents prepared in anticipation of litigation or for trial, which do not contain the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.<sup>67</sup>

In determining whether the requesting party has met the substantial need/undue burden test, attention is directed at alternative means of acquiring the information that are less intrusive to the attorney's work, and whether the information can be furnished in other ways.<sup>68</sup> For discussion of substantial need and undue burden, *see* [c] and [d], *below*, respectively.

"Opinion work product," i.e., documents containing the attorney's mental impressions, conclusions, opinions, or legal theories, are either absolutely protected, or require a much higher showing before production will be ordered. For discussion of opinion work product, *see* [e], *below*.

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10th Circuit [Frontier Ref., Inc. v. Gorman-Rupp Co., Inc., 136 F.3d 695, 703 \(10th Cir. 1998\)](#) (declining to decide whether subsequent litigation must be closely related to action for which protected material was prepared).

11th Circuit [Chem-Nuclear Sys., Inc. v. Arivec Chems., Inc., 978 F. Supp. 1105, 1107 \(N.D. Ga. 1997\)](#) (relying on Supreme Court case of *FTC v. Grolier, Inc.*).

<sup>30</sup> **Close relationship required.** *See, e.g., Midland Inv. Co. v. Van Alstyne, Noel & Co., 59 F.R.D. 134, 138 (S.D.N.Y. 1973)* (documents prepared for prior SEC investigation were protected by work product doctrine in subsequent civil action based on same alleged violations (citing **Moore's**)).

1st Circuit *See, e.g., Commonwealth of Puerto Rico v. S.S. Zoe Colocotroni, 61 F.R.D. 653, 658-659 (D.P.R. 1974)* (correspondence relevant to whether service of process was sufficient in subsequent action was not protected by work product doctrine (citing **Moore's**)).

2d Circuit *See, e.g., Midland Inv. Co. v. Van Alstyne, Noel & Co., 59 F.R.D. 134, 138 (S.D.N.Y. 1973)* (documents prepared for prior SEC investigation were protected by work product doctrine in subsequent civil action based on same alleged violations (citing **Moore's**)).

3d Circuit *See, e.g., Hercules, Inc. v. Exxon Corp., 434 F. Supp. 136, 152 (D. Del. 1977)* (documents prepared for prior patent litigation were protected by work product doctrine in subsequent litigation involving same patent).

<sup>31</sup> **FTC case.** [FTC v. Grolier, Inc., 462 U.S. 19, 103 S. Ct. 2209, 76 L. Ed. 2d 387 \(1983\)](#) (discussed in text).

<sup>32</sup> [5 U.S.C. § 552.](#)

<sup>33</sup> **FOIA does not require relationship.** [FTC v. Grolier, Inc., 462 U.S. 19, 28, 103 S. Ct. 2209, 76 L. Ed. 2d 387 \(1983\)](#) (Federal Trade Commission documents from civil penalty action protected in subsequent FOIA action).

<sup>34</sup> **Holding extends beyond FOIA.** [FTC v. Grolier, Inc., 462 U.S. 19, 25, 103 S. Ct. 2209, 76 L. Ed. 2d 387 \(1983\)](#) (referring to [Fed. R. Civ. P. 26\(b\)\(3\)](#)).



**[c] Substantial Need**

Substantial need for material otherwise protected by the work product doctrine is demonstrated by establishing that the facts contained in the requested documents are essential elements of the requesting party's prima facie case.<sup>69</sup> A moving party need not necessarily show that the requested documents are critical to, or dispositive of, the issues to be litigated. Rather, the substantial need inquiry requires the court to examine whether nondisclosure will impair the truth-seeking function of discovery.<sup>69.1</sup> Common examples of essential materials include test results that cannot be duplicated,<sup>70</sup> and photographs taken immediately after an accident when the accident scene has since changed.<sup>71</sup> Another example of materials for which a "substantial need" often exists are contemporaneous statements taken from, or made by, parties or witnesses. Such statements are unique in that they provide an immediate impression of the facts. A lapse of time itself may make it impossible to obtain a substantial equivalent of the material.<sup>71.1</sup> Courts have found that surveillance tapes are the type of material for which a plaintiff almost always has "substantial need" because it is impossible to procure the substantial equivalent of such evidence.<sup>71.2</sup> Other courts, however, have held that whether the surveillance tape will be used at trial is a significant factor in determining substantial need.<sup>71.3</sup>

On the other hand, a party's desire to find corroborating evidence is insufficient to establish substantial need.<sup>71.4</sup>

**[d] Undue Hardship**

Undue hardship may be established when, for example, an otherwise available witness can no longer recall the statements reflected in the documents,<sup>72</sup> or the party seeking discovery would have to go to unusual expense to obtain the information.<sup>73</sup> A mere allegation that unusual expense would be involved is insufficient. Rather, the party seeking discovery must set forth specific facts verifying the expense.<sup>74</sup>

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<sup>34.1</sup> **Arbitration or grievance proceeding.** [Jumper v. Yellow Corp., 176 F.R.D. 282, 286 \(N.D. Ill. 1997\)](#) (following majority view that work product protection extends beyond close of litigation to second litigation).

<sup>35</sup> [Fed. R. Civ. P. 26\(b\)\(3\)\(A\)](#).

<sup>36</sup> **Regular course of business.** See [Martin v. Bally's Park Place Hotel & Casino, 983 F.2d 1252, 1260 \(3d Cir. 1993\)](#) (consultant's report prepared after OSHA contacted employer about unhealthy emissions protected because prepared in anticipation of litigation).

1st Circuit [United States v. Textron Inc. and Subsidiaries, 577 F.3d 21, 30 \(1st Cir. 2009\)](#) (even if prepared by lawyers and reflecting legal thinking, materials assembled in ordinary course of business, or pursuant to public requirements unrelated to litigation, are not entitled to work product protection); see [Pacamor Bearings, Inc. v. Minebea Co., 918 F. Supp. 491, 513 \(D.N.H. 1996\)](#) (disputed documents were not prepared in anticipation of litigation).

2d Circuit [Tayler v. Travelers Ins. Co., 183 F.R.D. 67, 69–70 \(N.D.N.Y. 1998\)](#) (generally, there is no work product immunity for documents prepared in ordinary course of business).

3d Circuit See [Martin v. Bally's Park Place Hotel & Casino, 983 F.2d 1252, 1260 \(3d Cir. 1993\)](#) (consultant's report prepared after OSHA contacted employer about unhealthy emissions protected because prepared in anticipation of litigation); [Maartin v. Armstrong World Indus., Inc., 172 F.R.D. 143, 148 \(D.N.J. 1997\)](#) (work product doctrine clearly precludes protection of documents created in ordinary course of business, or pursuant to public requirements unrelated to litigation).

<sup>37</sup> **Party's purpose crucial.** [United States v. Ernstoff, 183 F.R.D. 148, 156 \(D.N.J. 1998\)](#) (work product rule depends primarily on reason or purpose for document's production).

**[e] “Opinion Work Product”**

Even if the party seeking disclosure of information otherwise protected by the work product doctrine has satisfied the substantial need/undue hardship test (see [b]–[d], *above*), the court still must protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.<sup>75</sup>

Some courts have concluded that no showing of extreme hardship or need can overcome the Rule’s admonishment that the court must protect against disclosure of counsel’s mental impressions, conclusions, opinions, or legal theories. These courts, in effect, have held that such “opinion work product” is absolutely protected.<sup>76</sup> The majority of federal courts, however, have followed the better rule that “opinion work product” is subject to disclosure on a showing of extraordinary circumstances.<sup>77</sup>

In *Upjohn Co. v. United States*,<sup>78</sup> the Supreme Court declined the opportunity to establish a set rule for discovery of opinion work product. The *Upjohn* Court did remark that “forcing an attorney to disclose notes and memoranda of witnesses’ oral statements is particularly disfavored because it tends to reveal an attorney’s mental processes.”<sup>79</sup> The Court, however, refused to specify exactly what type of showing is needed to overcome the presumption against disclosing opinion work product. Instead, the Court contented itself with the statement that “such work product cannot be disclosed simply on a showing of substantial need and inability to obtain the equivalent without undue hardship.”<sup>80</sup>

Despite the *Upjohn* Court’s refusal to adopt a set rule, subsequent decisions have accepted the view that although a heightened showing is necessary for discovery of opinion work product, the protection is not absolute.<sup>81</sup> For example, when a litigant puts his or her attorney’s opinions into direct issue by designating the attorney as an expert witness, the near absolute protection given to opinion work product must give way.<sup>82</sup>

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3d Circuit [United States v. Ernstoff, 183 F.R.D. 148, 156 \(D.N.J. 1998\)](#) (work product rule depends *primarily* on *reason or purpose* for document’s production).

7th Circuit See [North Shore Gas Co. v. Elgin, Joliet & Eastern Ry. Co., 164 F.R.D. 59, 61 \(N.D. Ill. 1995\)](#) (test is whether, in light of nature of document and specific factual situation, document can fairly be said to have been prepared for or obtained because of prospect of litigation).

<sup>38</sup> **Ordinary business purpose.** [United States v. Ernstoff, 183 F.R.D. 148, 156 \(D.N.J. 1998\)](#) (even if litigation was reasonably anticipated, routine or ordinary investigative reports are not work product).

3d Circuit [United States v. Ernstoff, 183 F.R.D. 148, 156 \(D.N.J. 1998\)](#) (even if litigation was reasonably anticipated, routine or ordinary investigative reports are not work product).

7th Circuit See [Allendale Mut. Ins. Co. v. Bull Data Sys., 145 F.R.D. 84, 87 \(N.D. Ill. 1992\)](#) (documents prepared in course of routine insurance claim investigation and evaluation were not protected by work product doctrine).

<sup>39</sup> **Work product stamp.** See [Ledgin v. Blue Cross and Blue Shield of Kansas City, 166 F.R.D. 496, 498–499 \(D. Kan. 1996\)](#) (memorandum prepared two years before trial was not in anticipation of litigation).

<sup>39.1</sup> **Attorney’s billing entries are work product.** [Nesse v. Pittman, 202 F.R.D. 344, 356 \(D.D.C. 2001\)](#) (billing entries are protected even when they do not so dramatically reveal attorney’s mental processes).

<sup>39.2</sup> **Required public statements and documents.** [United States v. Textron Inc. and Subsidiaries, 577 F.3d 21, 31 \(1st Cir. 2009\)](#) (tax accrual work papers prepared to support financial filings and gain auditor approval for SEC requirements and tax

## [6] Waiver of Work Product Protection

### [a] Work Product Protection Can Be Waived

Work product protection can be waived.<sup>83</sup> For a discussion of waiver of privileges, see [§ 26.47\[5\]](#) and [3 Weinstein's Federal Evidence, Ch. 511, Waiver of Privilege by Voluntary Disclosure \(Sup. Ct. Standard 511\)](#) (Matthew Bender 2d ed.).

The different policies behind the work product doctrine and the attorney-client privilege lead to different rules of waiver. Unlike the attorney-client privilege, which is designed to protect the client's confidences (see [§ 26.49](#)), the work product doctrine is designed to protect the adversary process (see [§ 26.70\[1\]](#)).<sup>84</sup> Therefore, not every disclosure of work product waives the doctrine.<sup>85</sup> Rather, work product protection is not waived by disclosure to a third party unless that disclosure materially increases the likelihood of disclosure to an adversary.<sup>85.01</sup>

Because an attorney may independently invoke the work product privilege, a waiver by the client does not waive the privilege on behalf of the attorney.<sup>85.1</sup>

For discussion of the distinctions between the work product rule and the attorney-client privilege, see [8], *below*.

### [b] Failure to Assert Doctrine

Failure to assert the work product rule may waive work product immunity for the documents produced.<sup>86</sup> However, if information subject to a claim of protection as trial-preparation material is actually produced in

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accounting purposes were not entitled to work product protection); [In re Raytheon Secs. Litig., 218 F.R.D. 354, 359 \(D. Mass. 2003\)](#) (such documents are not protected even if they may also be useful in the event of litigation).

#### <sup>39.3</sup> Dual purpose documents.

9th Circuit [In re Grand Jury Subpoena, 357 F.3d 900, 910 \(9th Cir. 2003\)](#).

11th Circuit See [United States ex rel. Bibby v. Wells Fargo Bank, N.A., 165 F. Supp. 3d 1319, 1325 \(N.D. Ga. 2015\)](#) (“a document created because of the prospect of litigation does not lose its protection just because it also serves a secondary, non-litigation purpose”).

<sup>40</sup> **Claim by insured.** See [Weitzman v. Blazing Pedals, Inc., 151 F.R.D. 125, 126 \(D. Colo. 1993\)](#) (reports made in adjusting first party claims by insured are usually made in regular course of insurer's business).

2d Circuit See [Westhemeco Ltd. v. New Hampshire Ins. Co., 82 F.R.D. 702, 708 \(S.D.N.Y. 1979\)](#) (insurer's report of investigation of whether claim is covered by insured's policy is made in regular course of insurer's business).

3d Circuit See [Garvey v. National Grange Mut. Ins. Co., 167 F.R.D. 391, 394 n.2 \(E.D. Pa. 1996\)](#) (court may, based on circumstances of case, select date as of which defendant could reasonably assume litigation was anticipated, and notations made in claims file before this date are discoverable and after this date are not discoverable).

4th Circuit See [Connecticut Indem. Co. v. Carrier Haulers, Inc., 197 F.R.D. 564, 571 \(W.D.N.C. 2000\)](#) (documents in claim file were not protected by work product privilege, according to magistrate judge, because they were all prepared prior to time insurer resolved to litigate claim).

10th Circuit See [Weitzman v. Blazing Pedals, Inc., 151 F.R.D. 125, 126 \(D. Colo. 1993\)](#) (reports made in adjusting first party claims by insured are usually made in regular course of insurer's business).

discovery, the protection is not necessarily lost or waived. Under Rule 26(b)(5)(B), as amended in 2006, the party claiming work product protection may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and may not use or disclose the information until the claim is resolved (see [§ 26.91](#) (discussion of procedure for asserting claims of privilege after production)). If the claim of trial-preparation material is contested, the party that received the information may present the matter to the court for resolution.<sup>86.1</sup> Rule 26(b)(5)(B) does not offer a controlling principle. Rather, when a party asserts a work product claim as to material that has already been produced, the court will apply the usual principles developed for determining whether waiver resulted from an inadvertent disclosure. Rule 26(b)(5)(B) merely provides a procedure for presenting and addressing these issues.<sup>86.2</sup>

In addition, [Federal Rule of Evidence Rule 502](#), enacted on September 19, 2008, provides that, when made in a federal proceeding or to a federal office or agency, a disclosure does not operate as a waiver of work product protection in a federal or state proceeding if: (1) the disclosure was inadvertent; (2) the holder of the protection took reasonable steps to prevent disclosure; and (3) the holder promptly took reasonable steps to rectify the error.<sup>86.3</sup> “Reasonable steps to rectify the error” may include following the steps established in [Federal Rule of Civil Procedure 26\(b\)\(5\)\(B\)](#) for claiming privilege or protection as to information already produced.<sup>86.4</sup> This provision of Rule 502 is intended to resolve a conflict in the federal courts over whether an inadvertent disclosure of a privileged or protected communication constitutes a waiver. Rule 502 codifies the majority approach: Inadvertent disclosure of protected communications or information does not constitute a waiver if the holder took reasonable steps to prevent disclosure and also promptly took reasonable steps to rectify the error.<sup>86.5</sup> For further discussion of limitations on waiver under Evidence Rule 502, see [§ 26.49\[5\]\[h\]](#), and [\[f\]](#), below.

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<sup>41</sup> **Rationale.**

4th Circuit See [State Farm Fire & Cas. Co. v. Admiral Ins. Co.](#), 225 F. Supp. 3d 474, 483 (D.S.C. 2016) (because insurance company has duty in ordinary course of business to investigate and evaluate claims made by its insureds, claims files containing such documents usually cannot be entitled to work product protection).

10th Circuit See, e.g., [Weitzman v. Blazing Pedals, Inc.](#), 151 F.R.D. 125, 126 (D. Colo. 1993) (according to magistrate judge, reports made in adjusting first party claims by insured are usually made in regular course of insurer’s business).

<sup>42</sup> **Thomas Organ case.** [Thomas Organ Co. v. Jadranska Slobodna Plovidba](#), 54 F.R.D. 367, 372 (N.D. Ill. 1972) (see accompanying text).

<sup>43</sup> **Accident reports not protected.** See, e.g., [Atlanta Coca-Cola Bottling Co. v. Transamerica Ins. Co.](#), 61 F.R.D. 115, 118 (N.D. Ga. 1972) (giving work product protection to claims adjuster’s files would effectively insulate all insurance claims investigation files from discovery).

<sup>44</sup> **Contrary to work product rule.** See, e.g., [Spaulding v. Denton](#), 68 F.R.D. 342, 345 (D. Del. 1975) (requirement of lawyer’s involvement raises bump that 1970 Amendments to Rule 26(b)(3) had smoothed over).

<sup>45</sup> **All accident reports protected.**

For discussion of the procedure for asserting claims of privilege or protection, see [§ 26.90](#). For further analysis of the impact of the 2006 amendments on retrieving privileged information, see Scheindlin, *E-Discovery: The Newly Amended Federal Rules of Civil Procedure*, Part IV., *Rule 26(b)(5)(B)—A Procedure for Retrieving Privileged Information* (Matthew Bender 2006).

### [c] Implied Waiver

A common issue is whether work product protection is waived by disclosing the document to a third party. If the disclosure to the third party is deliberate, the test for determining whether the work product rule has been waived is whether, at the time of disclosure, there was a substantial danger that the documents would be disclosed to an adversary.<sup>87</sup> However, if the disclosure to the third party is inadvertent, the court considers (1) whether the party seeking discovery of the documents was misled by the disclosure, or relied on the disclosure to its detriment, (2) the reasonableness of the precautions the party claiming the privilege took to prevent accidental disclosure, (3) the amount of time it took that party to notice its error, and (4) the overriding interest of fairness and justice. Some courts also consider the scope of the discovery and, in particular, the material inadvertently disclosed in relation to the amount of material sought through discovery.<sup>88</sup> It should be noted that, even if a waiver may formally have been effected, American Bar Association Formal Ethics Opinion 92-368, entitled “Inadvertent Disclosure of Confidential Materials,” dated November 10, 1992, requires any attorney who receives materials that on their face appear to be subject to the attorney-client privilege or otherwise confidential, under circumstances where it is clear they were not intended for the receiving lawyer, to refrain from examining the materials, notify the sending lawyer and abide by the instructions of the lawyer who sent them.<sup>89</sup>

The Federal Rules of Evidence provide some protection from waiver through inadvertent disclosure when made in a federal proceeding or to a federal office or agency. Pursuant to Rule 502, enacted on September 19, 2008, a disclosure does not operate as a waiver if (1) the disclosure is inadvertent; (2) the holder of the privilege took reasonable steps to prevent disclosure; and (3) the holder promptly took reasonable steps to

8th Circuit See [Almaguer v. Chicago, Rock Island & Pac. R.R., 55 F.R.D. 147, 149 \(D. Neb. 1972\)](#) (“anticipation of the filing of a claim against a railroad, when a railroad employee has been injured or claims to have been injured on the job, is undeniable, and the expectation of litigation in such circumstances is a reasonable assumption”).

9th Circuit See [Fontaine v. Sunflower Beef Carrier, Inc., 87 F.R.D. 89, 92 \(E.D. Mo. 1980\)](#) (all documents prepared following accident are prepared in anticipation of litigation).

#### <sup>46</sup> Case-by-case approach.

1st Circuit [S.D. Warren Co. v. Eastern Elec. Corp., 201 F.R.D. 280, 283 \(D. Me. 2001\)](#) (citing **Moore’s** in case of first impression in this district, court rejected both the *Thomas Organ* line of cases and minority view that materials in adjuster’s files are “always prepared in anticipation of litigation,” and instead adopted case-by-case approach).

2d Circuit [Tayler v. Travelers Ins. Co., 183 F.R.D. 67, 71 \(N.D.N.Y. 1998\)](#) (facts of each case must be carefully reviewed because “at a certain point an insurance company’s activity shifts from the ordinary course of business to anticipation of litigation”).

3d Circuit See [Basinger v. Glacier Carriers, Inc., 107 F.R.D. 771, 773–774 \(M.D. Pa. 1985\)](#) (litigation probability was obvious when insurance investigator prepared report on multi-vehicle accident involving death because of potential applicability of dram shop act (citing **Moore’s**)).

4th Circuit [Chambers v. Allstate Ins. Co., 206 F.R.D. 579, 588 \(S.D. W. Va. 2002\)](#) (magistrate judge applied case-by-case approach to determine when insurer reasonably anticipated litigation); see [Suggs v. Whitaker, 152 F.R.D. 501, 506–507 \(M.D.N.C. 1993\)](#) (claims adjuster’s report on multi-vehicle accident with severe injuries was prepared in anticipation of litigation).

7th Circuit See [Baxter Int’l, Inc. v. Versicherung, 224 F. Supp. 3d 648, 655 \(N.D. Ill. 2016\)](#) (although courts have recognized that denial of coverage often may constitute pivotal point at which insurer begins to anticipate litigation, taking into account particular factual situation of case, courts have also concluded that there is no bright-line rule requiring formal denial of coverage).

rectify the error.<sup>89.1</sup> For discussion of Rule 502 as it applies to work product protection in discovery, see [f], below.

A party also impliedly waives work product protection if it places the substance of the documents for which the protection is claimed at issue.<sup>90</sup> Similarly, if a party uses the substance of the documents in testimony, any work product protection is waived.<sup>91</sup>

A waiver of work product protection encompasses only the items actually disclosed. Thus, disclosure of some documents does not imply that work product protection has been destroyed for other documents of the same character.<sup>92</sup>

Because the work product privilege is intended to protect the adversary process, some cases draw a distinction<sup>92.1</sup> between disclosures made to non-adversaries and disclosures made to adversaries. While disclosures to non-adversaries do not necessarily waive the work product privilege, a disclosure to only one adversary waives the privilege as against all other adversaries. Furthermore, a party may not avoid waiver by asserting the retention of the privilege, while at the same time disclosing the material to an adversary. Reasonable expectations of confidentiality and reliance on confidentiality agreements with an adversary do not prevent waiver of the privilege.<sup>92.2</sup> For these purposes, when disclosure of work product material is to the government, if the disclosing party is the target of an investigation by the government, the disclosure is to an “adversary,” and the privilege is waived.<sup>92.3</sup>

If a party effectively waives the work product protection, the waiver continues to operate in subsequent proceedings or litigation.<sup>93</sup>

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<sup>46.1</sup> **Involvement of attorney as determining factor.** [\*Wikel v. Wal-Mart Stores, Inc.\*, 197 F.R.D. 493, 496 \(N.D. Okla. 2000\)](#) (magistrate judge found that focus of insurance adjuster’s claim file shifted from routine investigation to anticipation of litigation when claimant told adjuster he would retain attorney if insurer did not pay medical bills).

<sup>46.2</sup> **Arson as determining factor.** [\*Chambers v. Allstate Ins. Co.\*, 206 F.R.D. 579, 588 \(S.D. W. Va. 2002\)](#) (because insurer determined “almost immediately” that losses were caused by arson, all documents prepared after fire were protected by work product privilege).

<sup>47</sup> **Probability of suit apparent.** See, e.g., [\*Raso v. CMC Equip. Rental, Inc.\*, 154 F.R.D. 126, 128 \(E.D. Pa. 1994\)](#) (insurance investigator’s report on crane accident that caused plaintiff’s catastrophic and permanent injuries was prepared in anticipation of litigation, because insured was in control of crane and its employee was operating it at time of accident).

<sup>48</sup> **Report regardless of litigation.** See [\*Cochran v. St. Paul Fire & Marine Ins. Co.\*, 909 F. Supp. 641, 645 \(W.D. Ark. 1995\)](#) (hospital medication incident report was not prepared in anticipation of litigation when such reports were routinely prepared for all medication incidents).

<sup>49</sup> **Reports routinely made.** See [\*First Pac. Networks, Inc. v. Atlantic Mut. Ins. Co.\*, 163 F.R.D. 574, 582 \(N.D. Cal. 1995\)](#) (reports prepared pursuant to statutory and contractual obligations to provide information to insurance carrier were not prepared in anticipation of litigation).

<sup>50</sup> **Police reports rarely qualify.** See, e.g., [\*Miller v. Paneucci\*, 141 F.R.D. 292, 303 \(C.D. Cal. 1992\)](#) (incident reports were prepared for all citizen complaints).

4th Circuit See, e.g., [\*Collins v. Mullins\*, 170 F.R.D. 132, 134–135 \(W.D. Va. 1996\)](#) (witness statements gathered during internal investigation of claim that arrestee was attacked by deputy sheriff were not protected by work product privilege in arrestee’s § 1983 action against deputy because statements were gathered in normal course of investigative duties of sheriff’s office).

9th Circuit See, e.g., [\*Miller v. Paneucci\*, 141 F.R.D. 292, 303 \(C.D. Cal. 1992\)](#) (incident reports were prepared for all citizen complaints).

<sup>51</sup> **Specific claim anticipated.** See, e.g., [\*Blough v. Food Lion, Inc.\*, 142 F.R.D. 622, 624 \(E.D. Va. 1992\)](#), *vacated on other grounds*, [\*4 F.3d 984 \(4th Cir. 1993\)\*](#) (accident report prepared by premises owner on date of accident was not prepared in anticipation of litigation when owner routinely prepared such reports following all accidents, and owner faced no actual claim when report was prepared).

For general discussion of waiver of privileges, see [§ 26.47\[5\]](#).

#### **[d] Waiver When Documents Are Provided to Expert Witness**

Former versions of Rule 26 created uncertainty as to whether the work product privilege is waived when an attorney provides work product materials to an expert witness. The uncertainty was based on an apparent conflict in the language of Rule 26. A former version of Rule 26(a)(2)(B) required that an expert report contain a complete statement of all of the “data or other information” considered by the expert in forming the opinions, without express limitation. In addition, Rule 26(b)(3), which protects opinion work product from discovery, is subject to the provisions of Rule 26(b)(4). Rule 26(b)(4) confers the right to depose the expert, giving rise to the argument that work product protection is “subject to” an adversary’s right to discovery via deposition. The rules, therefore, created a tension between protection of work product and discovery of information considered by an expert.<sup>94</sup>

In 2010, Rule 26(a)(2)(B) was amended to replace the term “data or other information” with the term “facts or data.” This amendment was intended to disapprove of cases that relied on the 1993 formulation in requiring disclosure of all attorney-expert communications and draft reports. In addition, Rule 26(b)(4) was amended at the same time to provide work-product protection for draft reports and communications between a party’s attorney and retained expert witnesses.<sup>94.1</sup> The amendments to Rule 26(b)(4) were designed to protect work product and ensure that lawyers may interact with retained experts without fear of exposing those communications to discovery.<sup>94.2</sup>

For further discussion of work product protection for communications between attorneys and retained experts, see [§ 26.80\[2A\]](#).

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4th Circuit See, e.g., [Blough v. Food Lion, Inc., 142 F.R.D. 622, 624 \(E.D. Va. 1992\)](#), vacated on other grounds, **4 F.3d 984 (4th Cir. 1993)** (accident report prepared by premises owner on date of accident was not prepared in anticipation of litigation when owner routinely prepared such reports following all accidents, and owner faced no actual claim when report was prepared).

9th Circuit See, e.g., [Leviathan, Inc. v. M/S Alaska Maru, 86 F.R.D. 8, 9 \(W.D. Wash. 1979\)](#) (report by vessel’s master to owner concerning alleged collision with another vessel made several months before any notice of claim was filed was not prepared in anticipation of litigation).

<sup>52</sup> **Multiple reasons.** See, e.g., [Soeder v. General Dynamics Corp., 90 F.R.D. 253, 255 \(D. Nev. 1980\)](#) (aircraft manufacturer had numerous reasons for preparing crash report, only one of which was anticipation of litigation).

<sup>52.1</sup> **Use of attorney to supervise investigation.** [Allied Irish Banks v. Bank of America, N.A., 240 F.R.D. 96, 109 \(S.D.N.Y. 2007\)](#) (court rejected blanket protection for entire investigation supervised by attorney, but noted that protection might be available for particular documents authored by attorney and specifically directed to litigation defenses or strategy).

<sup>53</sup> **Government investigation.** See [Pacamor Bearings, Inc. v. Minebea Co., 918 F. Supp. 491, 513 \(D.N.H. 1996\)](#) (disputed documents were not prepared with eye toward government investigation).

<sup>54</sup> **Litigation expected from investigations.** See, e.g., [Martin v. Monfort, Inc., 150 F.R.D. 172, 173 \(D. Colo. 1993\)](#) (investigation by federal agency provides reasonable grounds to anticipate litigation).

5th Circuit See, e.g., [In re LTV Sec. Litig., 89 F.R.D. 595, 612 \(N.D. Tex. 1981\)](#) (reports prepared during investigation by SEC, but prior to filing suit, protected).

10th Circuit See, e.g., [Martin v. Monfort, Inc., 150 F.R.D. 172, 173 \(D. Colo. 1993\)](#) (investigation by federal agency provides reasonable grounds to anticipate litigation).

<sup>55</sup> **Litigation only purpose of investigation.** See [Kent Corp. v. NLRB, 530 F.2d 612, 623 \(5th Cir. 1976\)](#) (when unfair labor practices are concerned, Regional Office’s basic function is to litigate).

**[e] Selective Waiver**

There is limited support for the theory that voluntary disclosure in the context of a government investigation, when a confidentiality agreement is in place, does not amount to waiver of a privilege or protection. This theory, which first arose in the context of the attorney-client privilege, has become known as the “selective waiver” doctrine.<sup>95</sup> Parties have argued for application of the doctrine to work product as well.<sup>96</sup>

Although the Second Circuit has rejected the doctrine of selective waiver based on the factual situation presented in some cases, a district court in that circuit has concluded that the doctrine is not totally foreclosed.<sup>97</sup> Nevertheless, there is a strong presumption against a finding of selective waiver, and it should not be permitted absent special circumstances. Although the court did not elaborate on the “special circumstances,” it did note that a case-by-case approach is required. The court also opined that, in most cases, the doctrine of selective waiver does not promote the societal interests behind the attorney-client privilege and work product protection, which involve fostering communications between attorneys and their clients. When a party discloses protected materials to a government agency investigating allegations against it, the motivation is usually to forestall prosecution or to obtain lenient treatment.

Furthermore, courts have concluded that, rather than promoting exchange between attorney and client, selective waiver could have the opposite effect of inhibiting such communication. Faced with the possibility or expectation of increased pressure to provide investigatory material to government agencies, attorneys performing internal investigations of wrongdoing might be reluctant to memorialize facts that indicated liability. Similarly, company officers and employees would have less incentive to be candid with corporate counsel, knowing that what they say could be passed on to government agencies under the “protection” of selective waiver.<sup>98</sup> The underlying concern is that, in the context of government investigations, the government agency and the person or entity being investigated are, in fact, “adversaries,” and the attorney-client and work product privileges are not fostered by disclosure of information to an adversary.<sup>98.1</sup>

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<sup>56</sup> **Attorneys rely upon others.** See [United States v. Nobles, 422 U.S. 225, 238–239, 95 S. Ct. 2160, 45 L. Ed. 2d 141 \(1975\)](#) (work product doctrine protects material prepared by attorney or attorney’s agent).

<sup>57</sup> **Studies ordered by attorney.** See [Martin v. Monfort, Inc., 150 F.R.D. 172, 173 \(D. Colo. 1993\)](#) (studies performed at direction of attorney protected).

<sup>58</sup> **Reports prepared by agents.** See, e.g., [McEwen v. Digitran Sys., Inc., 155 F.R.D. 678, 683 \(D. Utah 1994\)](#) (materials prepared by accountant for lawsuit under attorney’s direction are protected).

1st Circuit See, e.g., [Sprague v. Director, Office of Workers’ Compensation Programs, 688 F.2d 862, 869–870 \(1st Cir. 1982\)](#) (opinion letter prepared by expert for counsel as part of counsel’s preparation for imminent lawsuit was protected).

7th Circuit See [Canel v. Lincoln Nat’l Bank, 179 F.R.D. 224, 227 \(N.D. Ill. 1998\)](#) (memorandum prepared by bank officer analyzing legal, factual, and financial issues raised by minority shareholder suit was entitled to work product protection).

10th Circuit See, e.g., [McEwen v. Digitran Sys., Inc., 155 F.R.D. 678, 683 \(D. Utah 1994\)](#) (materials prepared by accountant for lawsuit under attorney’s direction are protected).

<sup>58.1</sup> **Clearinghouse documents are not protected.**

2d Circuit [Hendrick v. Avis Rent-A-Car Sys., 916 F. Supp. 256, 259 \(W.D.N.Y. 1996\)](#) (in case involving Geo Prizm, documents obtained by plaintiff’s counsel from other cases involving GM vehicles were not protected because they were prepared in connection with other litigation and not by plaintiff’s counsel).



## [f] Evidence Rule 502 Limits Scope of Waiver and Protects Against Waiver Through Inadvertent Disclosure

### [i] Purpose of Rule 502

In an attempt to reduce the cost of litigation and expedite discovery, particularly discovery of electronically stored information, [Federal Rule of Evidence 502](#) was enacted on September 19, 2008 to protect against waiver of attorney-client privilege and work product protection through inadvertent disclosures (see [§ 26.49\[5\]\[h\]\[iii\]](#), and [\[ii\]](#), below).<sup>98.2</sup> In addition to protection against inadvertent waiver, the new rule limits the scope of subject matter waiver so as to waive privilege for other related information only if the disclosed and undisclosed information “ought in fairness” to be considered together (see [§ 26.49\[5\]\[h\]\[iii\]](#), and [\[ii\]](#), below).<sup>98.3</sup> Rule 502 was not intended to alter federal or state law on whether a communication or information is protected or privileged as an initial matter, but instead establishes some exceptions to the principles of waiver established by the courts.<sup>98.4</sup> For more complete discussion of Rule 502, see [§ 26.49\[5\]\[h\]](#).

### [ii] Rule 502’s Limitation on Waiver

Rule 502 provides that when disclosure is made in a federal proceeding or to a federal office or agency and waives work product protection, the waiver extends to an undisclosed communication or information in a federal or state proceeding only if: (1) the waiver is intentional; (2) the disclosed and undisclosed communications or information concern the same subject matter; and (3) they ought in fairness to be considered together.<sup>98.5</sup> This means that if a party intentionally produces a privileged or protected document, any resulting waiver of the privilege extends to other related information only if the

4th Circuit [Miller v. Ford Motor Co.](#), 184 F.R.D. 581, 583 (S.D. W.Va. 1999) (documents obtained by plaintiff’s counsel from American Trial Lawyers Association concerning propensity of certain Ford-manufactured vehicles’ transmissions to be in “illusory park” rather than “park” did not constitute work product because they were not prepared by or for plaintiff or her representative).

10th Circuit [Bartley v. Isuzu Motors, Ltd.](#), 158 F.R.D. 165, 167 (D. Colo. 1994) (documents obtained from litigation clearinghouse operated by ATLA concerning Isuzu Trooper and its alleged design defects were not work product); [Bohannon v. Honda Motor Co.](#), 127 F.R.D. 536, 538–539 (D. Kan. 1989) (documents from all-terrain vehicle litigation group were not work product).

<sup>58.2</sup> **Expert witness is not party’s representative for purposes of work product protection.**

9th Circuit [Republic of Ecuador v. MacKay](#), 742 F.3d 860, 871 (9th Cir. 2014) (“Rule 26(b)(3) does not provide presumptive protection for all testifying expert materials as trial preparation materials.”).

10th Circuit [Carrion v. For Issuance of a Subpoena Under 28 U.S.C. § 1782\(a\) \(In re Republic of Ecuador\)](#), 735 F.3d 1179, 1183–1187 (10th Cir. 2013) (protections of Rule 26(b)(4)(B) for draft reports and Rule 26(b)(4)(C) for communications between party’s attorney and expert “are the exclusive protections afforded to expert trial preparation materials”).

11th Circuit [Republic of Ecuador v. Hinchee](#), 741 F.3d 1185, 1189–1193 (11th Cir. 2013) (Rule 26(B)(3)(A) does not apply to testifying experts).

<sup>59</sup> **Closely related litigation.** See [In re California Public Util. Comm’n](#), 892 F.2d 778, 781 (9th Cir. 1989) (nonparty public utilities commission could not assert work product protection for documents it had prepared in connection with closely related administrative action); [Doubleday v. Ruh](#), 149 F.R.D. 601, 605–606 (E.D. Cal. 1993) (in civil rights suit based on prior criminal prosecution, no work product protection for criminal files of deputy district attorneys, because deputy district attorneys were not parties to civil rights action).

<sup>60</sup> **Nonparty seeking work product.** See [Genevit Creations v. Underwriters at Lloyd’s](#), 166 F.R.D. 281, 283 (E.D.N.Y. 1996) (since no showing of substantial need, plaintiff denied discovery of settlement agreement from separate action).

disclosed and undisclosed information “ought in fairness” to be considered together. Consequently, an inadvertent disclosure of protected information generally cannot result in a subject matter waiver.<sup>98.6</sup> Rule 502(a) was specifically intended to reject cases holding that inadvertent disclosure of documents during discovery could automatically constitute a subject matter waiver (see [§ 26.49\[5\]\[e\]](#)).<sup>98.7</sup>

The core of Rule 502 is the protection it provides against inadvertent waiver of the attorney-client privilege and work product protection. In that regard, the rule provides that, when made in a federal proceeding or to a federal office or agency, a disclosure does not operate as a waiver in a federal or state proceeding if: (1) the disclosure was inadvertent; (2) the holder of the privilege or protection took reasonable steps to prevent disclosure; and (3) the holder promptly took reasonable steps to rectify the error.<sup>98.8</sup> “Reasonable steps to rectify the error” may include following the steps established in [Federal Rule of Civil Procedure 26\(b\)\(5\)\(B\)](#) for claiming privilege or protection as to information already produced (see [§ 26.47\[1\]\[c\]](#)). Rule 26(b)(5)(B) allows a party who has produced information subject to a claim of privilege or of protection as trial preparation material to notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information. The party who received the information also must take reasonable steps to retrieve the information if that party had already disclosed it before being notified. In addition, the party receiving the information may present the information to the court under seal for a determination of the claim, but may not use or disclose the information while awaiting a resolution of the claim.<sup>98.9</sup>

The producing party has the burden of proving that the disclosure was truly inadvertent.<sup>98.9.01</sup>

Rule 502 does not define “inadvertent.” Under prior case law, reaching the conclusion that a document had been “inadvertently produced” required analysis of the circumstances surrounding the production, including the number of documents produced in discovery and the care with which the pre-production document review was performed. If the production was found to be inadvertent, the court then used a balancing approach to determine whether the inadvertent disclosure waived the privilege. In that step, many of the same factors, such as scope of discovery and reasonableness of precautions taken, were

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<sup>60.1</sup> **Litigation consultants.** [In re Cendant Corp. Sec. Litig., 343 F.3d 658, 665 \(3d Cir. 2003\)](#) (litigation consultant’s advice based on information disclosed during private communications between client, his or her attorney, and litigation consultant may be considered “opinion” work product, which requires a showing of exceptional circumstances in order for it to be discoverable).

<sup>61</sup> **Witness as consultant.** See [State of New York v. Solvent Chem. Co., Inc., 166 F.R.D. 284, 291–292 \(W.D.N.Y. 1996\)](#) (documents prepared or reviewed by former employee, as well as notes of conversations, were not protected from discovery when employee’s cooperation was purchased with consulting agreement).

<sup>62</sup> **Burden on party asserting protection.** [Fed. R. Civ. P. 26\(b\)\(3\)](#).

1st Circuit [F.D.I.C. v. Arrillaga-Torrens, 212 F. Supp. 3d 312, 370 \(D.P.R. 2016\)](#) (quoting **Moore’s**, court required party asserting work product privilege to submit allegedly privileged affidavits for in camera inspection, along with privilege log to facilitate review).

2d Circuit [Cornelius v. Consolidated Rail Corp., 169 F.R.D. 250, 253 \(N.D.N.Y. 1996\)](#) (initial burden rests with party asserting protection).

4th Circuit [Ward v. CSX Transp., Inc., 161 F.R.D. 38, 40 \(E.D.N.C. 1995\)](#) (initial burden rests with party asserting protection of doctrine).

5th Circuit [St. James Stevedoring Co., Inc. v. Femco Mach. Co., 173 F.R.D. 431, 432–433 \(E.D. La. 1997\)](#) (finding that marine survey reports were prepared in regular course of business rather than in anticipation of litigation).

6th Circuit [Biegas v. Quickway Carriers, Inc., 573 F.3d 365, 381 \(6th Cir. 2009\)](#) (because defendant failed to meet its burden of establishing that statement was prepared in anticipation of litigation, burden never shifted to plaintiff to demonstrate substantial need and undue hardship).

reviewed again.<sup>98.9.1</sup> A district court in the Northern District of Illinois has concluded that the analysis under Rule 502 is intended to be simpler. In the first step, the court determines whether a disclosure was inadvertent essentially by asking whether the party intended a privileged or work-product protected document to be produced, or whether the production was a mistake. This first step does not analyze factors such as scope of discovery and reasonableness of precautions taken. These factors are considered only once when analyzing subparts (b)(2) and (b)(3) of Rule 502, which separately and directly address the reasonableness of the privilege holder's steps to prevent disclosure and to rectify the error.<sup>98.9.2</sup> The district court acknowledged, however, that another court in the Northern District of Illinois did use the prior case law's approach of considering the same factors both to determine whether the disclosure was "inadvertent" and again when considering subparts (b)(2) and (b)(3).<sup>98.9.3</sup> Other courts also apply prior case law in determining whether a disclosure was "inadvertent" for purposes of Rule 502.<sup>98.9.4</sup>

Evidence Rule 502 does not attempt to specify factors for determining the reasonableness of precautions taken to prevent inadvertent disclosures. However, the Advisory Committee observed that factors recognized by the courts include any precautions taken to prevent such disclosures, the time taken to rectify the error, the scope of discovery, the extent of disclosure, and the overriding issue of fairness (see [c], above). Other considerations bearing on the reasonableness of a producing party's efforts include the number of documents to be reviewed and the time constraints for production. The committee noted that none of these factors is dispositive, and the guidelines may vary from case to case.<sup>98.10</sup> In any case, the holder of the privilege must establish that it took reasonable steps to prevent disclosure of the privileged documents by specifically describing what steps were taken.<sup>98.10.01</sup>

In determining whether the privilege holder "promptly" took steps to rectify the error, courts look to the time between the party's learning of the disclosure and that party's taking action to remedy it, rather than the time that elapsed since the document was produced.<sup>98.10.1</sup> The producing party must promptly follow up on any obvious indications that a protected communication or information has been produced inadvertently.<sup>98.10.2</sup>

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10th Circuit See [Resolution Trust Corp. v. Dabney, 73 F.3d 262, 266 \(10th Cir. 1995\)](#) (party asserting protection must prove it is applicable).

**<sup>63</sup> Establishing application of work product doctrine.**

2d Circuit [Cornelius v. Consolidated Rail Corp., 169 F.R.D. 250, 253 \(N.D.N.Y. 1996\)](#) (initial burden of establishing these three elements rests with party asserting protection).

3d Circuit [Novartis Pharmaceuticals Corp. v. Abbott Lab., 203 F.R.D. 159, 163 \(D. Del. 2001\)](#) (citing **Moore's**, district court noted that party asserting work product protection must establish that material is a document or tangible thing prepared in anticipation of litigation for that party).

10th Circuit [Bartley v. Isuzu Motors, Ltd., 158 F.R.D. 165, 167 \(D. Colo. 1994\)](#).

**<sup>63.1</sup> Mere allegation of work product.** [Novartis Pharmaceuticals Corp. v. Abbott Lab., 203 F.R.D. 159, 163 \(D. Del. 2001\)](#) (citing **Moore's**).

**<sup>64</sup> Protective order.** [Resolution Trust Corp. v. Dabney, 73 F.3d 262, 266 \(10th Cir. 1995\)](#) (award of sanctions against attorney for unreasonable, invalid assertion of work product).

**<sup>65</sup> Substantial need and undue hardship.** [Fed. R. Civ. P. 26\(b\)\(3\)\(A\)](#).

2d Circuit [Hendrick v. Avis Rent A Car Sys., 916 F. Supp. 256, 261 \(W.D.N.Y. 1996\)](#) (discovery of defendant's crash or sled testing denied in automobile products liability action because plaintiff's counsel did not demonstrate impracticality or expense of conducting his own testing); [Cornelius v. Consolidated Rail Corp., 169 F.R.D. 250, 253 \(N.D.N.Y. 1996\)](#) (plaintiff established substantial need for information sought to prove defendant's knowledge of conditions that led to plaintiff's injuries and

If a disclosure is made in a federal proceeding or to a federal office or agency, the federal rule on waiver governs subsequent state court determinations on the scope of waiver and whether an inadvertent disclosure constitutes a waiver.<sup>98.11</sup> When a disclosure is made in a state proceeding and is not subject to a state-court order concerning waiver, the disclosure does not constitute a waiver of the attorney-client privilege in a federal proceeding if: (1) the disclosure would not be a waiver if it had been made in a federal proceeding; or (2) if the disclosure would not be a waiver under the law of the state where the disclosure occurred (see [§ 26.49\[5\]\[h\]\[iv\]](#)).<sup>98.12</sup> These provisions are intended to assure protection and predictability on courts' treatment of waiver at both the federal and state levels. The Advisory Committee reasoned that if a federal court's determinations as to waiver are not enforceable in a state court, then the burdensome costs of privilege review and retention are unlikely to be reduced.<sup>98.13</sup>

### **[iii] Application of Rule 502**

Rule 502 applies to state proceedings and to federal court-annexed and federal court-mandated arbitration proceedings, in the circumstances stated in the rule. Furthermore, despite [Federal Rule of Evidence 501](#), Rule 502 applies even if state law supplies the rule of decision.<sup>98.14</sup>

A federal court may enter a confidentiality order in a litigation pending before the court providing that disclosure of privileged or protected material does not constitute waiver in other state or federal proceedings (see [§ 26.49\[5\]\[h\]\[v\]](#)).<sup>98.15</sup> An agreement on the effect of disclosure of a communication or information covered by work product protection is binding only on the parties to the agreement, unless the agreement is incorporated into a court order (see [§ 26.49\[5\]\[h\]\[v\]](#)).<sup>98.16</sup>

Rule 502 became effective on the date of its enactment, September 19, 2008. The rule applies to all proceedings commenced after that date and, "insofar as is just and practicable," in all proceedings pending on that date.<sup>98.17</sup>

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foreseeability, and undue hardship because it would be virtually impossible to collect information on his own when thousands of similar claims were involved).

11th Circuit [Burrow v. Forjas Taurus S.A., 334 F. Supp. 3d 1222, 1229 \(S.D. Fla. 2018\)](#) ("Application of this exception requires a fact-based inquiry into the needs of the party seeking discovery as well as into the hardship that might be avoided by allowing discovery.").

D.C. Circuit See [Director, Office of Thrift Supervision v. Vinson & Elkins, LLP, 124 F.3d 1304, 1307 \(D.C. Cir. 1997\)](#) (applying burden to administrative agency seeking production of notes taken by attorney of officer being investigated in connection with failure of savings and loan).

<sup>66</sup> [Fed. R. Civ. P. 26\(b\)\(3\)\(B\)](#).

<sup>67</sup> "Ordinary" or "fact" work product. See [Pacamor Bearings, Inc. v. Minebea Co., 918 F. Supp. 491, 512 \(D.N.H. 1996\)](#) (substantial need/hardship test for "ordinary" rather than "opinion" work product).

1st Circuit See [Pacamor Bearings, Inc. v. Minebea Co., 918 F. Supp. 491, 512 \(D.N.H. 1996\)](#) (substantial need/hardship test for "ordinary" rather than "opinion" work product).

2d Circuit See [Maloney v. Sisters of Charity Hosp., 165 F.R.D. 26, 30 \(W.D.N.Y. 1995\)](#) (statistical information compiled and prepared at attorney's direction to aid in defending potential employment discrimination suits was "fact" work product).

4th Circuit See [In re Grand Jury Proceedings, 33 F.3d 342, 348 \(4th Cir. 1994\)](#) (applying substantial need/hardship test to fact work product of attorney).

### [7] Federal Standard Governs Application of Work Product Doctrine

The work product doctrine is governed by a uniform federal standard, even in diversity cases.<sup>99</sup>

The applicability of other privileges, however, must be decided in light of [Rule 501 of the Federal Rules of Evidence](#), which provides that in cases in which a claim or defense is governed by state law, any privilege objections pertaining to the state claim or defense are also governed by state law.<sup>100</sup> For discussion of this topic, see [§ 26.47\[4\]](#).

### [8] Work Product Doctrine and Attorney-Client Privilege Distinguished

The work product doctrine is both distinct from and broader than the attorney-client privilege.<sup>101</sup>

The purpose of the attorney-client privilege is to promote free and open communication between attorneys and clients by protecting client confidences (see [§ 26.49](#)). On the other hand, the purpose of the work product rule is to protect an attorney's mental processes so that the attorney can analyze and prepare for the client's case without interference from an opponent (see [1], *above*).<sup>102</sup>

As a result of this different focus, the attorney-client privilege may be asserted only by the client (see [§ 26.49](#)), while work product protection may be claimed either by the client or the attorney.<sup>103</sup>

A waiver of the attorney-client privilege does not necessarily constitute a waiver of work product protection.<sup>104</sup> Similarly, the crime-fraud exception to the attorney-client privilege (see [§ 26.49\[6\]](#)) does not apply to the attorney's right to assert the work product rule, provided the attorney was not a knowing participant in the client's criminal conduct or fraud.<sup>105</sup> Conversely, work product protection can be overcome by a showing that

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<sup>68</sup> **Alternative means.** See [Toledo Edison Co. v. G A Techs., Inc., Torrey Pines Tech. Div., 847 F.2d 335, 340 \(6th Cir. 1988\)](#) (burden on requesting party to show substantial need/hardship).

<sup>69</sup> **Essential elements of case.** See [Hendrick v. Avis Rent A Car Sys., 916 F. Supp. 256, 261 \(W.D.N.Y. 1996\)](#) (plaintiff failed to allege inability to conduct its own crash or sled testing).

1st Circuit See [Poulin v. Greer, 18 F.3d 979, 986 \(1st Cir. 1994\)](#) (plaintiffs could have staged their own accident recreation and obtained photographs substantially similar to those requested from defendant's counsel).

2d Circuit See [Hendrick v. Avis Rent A Car Sys., 916 F. Supp. 256, 261 \(W.D.N.Y. 1996\)](#) (plaintiff failed to allege inability to conduct its own crash or sled testing); [Varuzza by Zarillo v. Bulk Materials, Inc., 169 F.R.D. 254, 257 \(N.D.N.Y. 1996\)](#) (defendant established substantial need for statement given by plaintiff to insurance investigator shortly after accident because plaintiff failed to recall numerous details concerning accident at his deposition).

3d Circuit See [Donohoe v. American Isuzu Motors, Inc., 157 F.R.D. 238, 246 \(M.D. Pa. 1994\)](#) (in product liability action, allegation that attendance at opposing party's crash test was necessary to effectively cross-examine testing party's expert witnesses was insufficient to establish substantial need, especially when party seeking discovery failed to demonstrate that it could not conduct its own tests).

5th Circuit See [In re Int'l Sys. & Controls Corp. Sec. Litig., 693 F.2d 1235, 1240 \(5th Cir. 1982\)](#) (financial statements were essential elements of plaintiff's securities fraud case, but district court should inquire whether facts contained in those statements could be discovered by alternative means).

9th Circuit [Fletcher v. Union Pac. R.R., 194 F.R.D. 666, 671 \(S.D. Cal. 2000\)](#) (citing **Moore's** for standard for establishing "substantial need," court ruled that plaintiff had not established substantial need for surveillance tapes taken by defendant).

<sup>69.1</sup> **Substantial need does not require relation to essential element of case.** [F.T.C. v. Boehringer Ingelheim Pharmaceuticals, Inc., 778 F.3d 142, 156 \(D.C. Cir. 2015\)](#) (court concluded that "substantial need" does not require finding that work product sought be related to "essential element" of party's case).

the client consulted with the attorney in furtherance of a crime or fraud. In determining whether the crime-fraud exception applies, courts make a two-step inquiry: (1) there must be a prima facie showing of a violation sufficiently serious to defeat the work product privilege; and (2) the court must find a relationship between the work product at issue and the prima facie violation. The courts have expanded the exception beyond just crime or fraud. The exception has been found applicable when there is other type of conduct that is fundamentally inconsistent with the basic premises of the adversary system.<sup>106</sup>

The Eleventh Circuit holds that the crime-fraud exception may apply to overcome work-product protection when the attorney or law firm engages in a crime or fraud but the client did not.<sup>107</sup>

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<sup>70</sup> **Unique test results.** See, e.g., [Hendrick v. Avis Rent A Car Sys., 916 F. Supp. 256, 261 \(W.D.N.Y. 1996\)](#) (plaintiff failed to allege inability to conduct own crash or sled testing).

2d Circuit See, e.g., [Hendrick v. Avis Rent A Car Sys., 916 F. Supp. 256, 261 \(W.D.N.Y. 1996\)](#) (plaintiff failed to allege inability to conduct own crash or sled testing).

3d Circuit See, e.g., [Donohoe v. American Isuzu Motors, Inc., 157 F.R.D. 238, 246 \(M.D. Pa. 1994\)](#) (in products liability action, allegation that attendance at opposing party's crash test was necessary to effectively cross-examine testing party's expert witnesses was insufficient to establish substantial need, especially when party seeking discovery failed to demonstrate that it could not conduct its own tests).

7th Circuit See, e.g., [Loctite Corp. v. Fel-Pro, Inc., 667 F.2d 577, 582 \(7th Cir. 1981\)](#) (in chemical patent infringement action, test results of defendant's product showing plaintiff's elements within defendant's product were crucial to plaintiff's claim).

<sup>71</sup> **Photographs of changed scene.** See [Reedy v. Lull Eng'g Co., 137 F.R.D. 405, 407–408 \(M.D. Fla. 1991\)](#) (no equivalent evidence of accident scene was available).

5th Circuit See [Zoller v. Conoco, Inc., 137 F.R.D. 9, 10 \(W.D. La. 1991\)](#) (photographs were discoverable because accident scene had changed dramatically since accident).

11th Circuit See [Reedy v. Lull Eng'g Co., 137 F.R.D. 405, 407–408 \(M.D. Fla. 1991\)](#) (no equivalent evidence of accident scene was available).

<sup>71.1</sup> **Contemporaneous statements.** [Savoy v. Richard A. Carrier Trucking, Inc., 176 F.R.D. 10, 14 \(D. Mass. 1997\)](#) (defendants' offer to produce trucker-witness for deposition did not constitute substantial equivalent of information that might be contained in statement taken at time of accident, particularly since trucker had lost his driver's log).

1st Circuit [Savoy v. Richard A. Carrier Trucking, Inc., 176 F.R.D. 10, 14 \(D. Mass. 1997\)](#) (defendants' offer to produce trucker-witness for deposition did not constitute substantial equivalent of information that might be contained in statement taken at time of accident, particularly since trucker had lost his driver's log).

2d Circuit See [Rexford v. Olczak, 176 F.R.D. 90, 93 \(W.D.N.Y. 1997\)](#) (defendants in employment discrimination action established substantial need for plaintiff's diary, which contained contemporaneous accounts of meetings, conversations, and other events central to her discrimination claim and which she claimed was prepared in anticipation of litigation because, due to lapse of time and hostility of witness, information obtained through deposition and interrogatories would not be substantially equivalent to contemporaneous account in plaintiff's diary).

<sup>71.2</sup> **Substantial need for surveillance tapes.** [Gutshall v. New Prime, Inc., 196 F.R.D. 43, 46 \(W.D. Va. 2000\)](#) (plaintiff almost always has substantial need for surveillance evidence in preparing his or her case for trial because it is impossible to procure substantial equivalent of such evidence as videotape fixes information available at particular place under particular circumstances, and therefore cannot be duplicated).

3d Circuit [Evan v. Estell, 203 F.R.D. 172, 173 \(M.D. Pa. 2001\)](#) (most courts have found surveillance tapes to be discoverable because surveillance video itself was taken at particular time and place that can never be replicated).

4th Circuit [Gutshall v. New Prime, Inc., 196 F.R.D. 43, 46 \(W.D. Va. 2000\)](#) (plaintiff almost always has substantial need for surveillance evidence in preparing his or her case for trial because it is impossible to procure substantial equivalent of such evidence as videotape fixes information available at particular place under particular circumstances, and therefore cannot be duplicated).

<sup>71.3</sup> **Use of surveillance tape at trial is significant factor.**

8th Circuit [Bradley v. Wal-Mart Stores, Inc., 196 F.R.D. 557, 558 \(E.D. Mo. 2000\)](#) (noting that whether tape would be used at trial is significant factor in determining "substantial need," district court ruled that plaintiff had not established substantial need for surveillance tapes after defendant stipulated it would not use videotape at trial).

9th Circuit [Fletcher v. Union Pac. R.R., 194 F.R.D. 666, 671 \(S.D. Cal. 2000\)](#) (plaintiff did not establish substantial need for surveillance tapes because defendant asserted that it would not be using tapes for any purpose at trial).

<sup>71.4</sup> **Corroborative evidence.** [Director, Office of Thrift Supervision v. Vinson & Elkins, LLP, 124 F.3d 1304, 1308 \(D.C. Cir. 1997\)](#) (it is rare case where corroborative evidence can be thought "necessary").

<sup>72</sup> **Witness cannot recall statements.** See [In re Int'l Sys. & Controls Corp. Sec. Litig., 693 F.2d 1235, 1240 \(5th Cir. 1982\)](#) (faulty memory of witness must be substantiated to show undue hardship).

2d Circuit See [Xerox v. I.B.M. Corp., 64 F.R.D. 367, 382 \(S.D.N.Y. 1974\)](#) (plaintiff required to depose witnesses to show they could not recall information sought before obtaining attorney work product).

5th Circuit See [In re Int'l Sys. & Controls Corp. Sec. Litig., 693 F.2d 1235, 1240 \(5th Cir. 1982\)](#) (faulty memory of witness must be substantiated to show undue hardship).

<sup>73</sup> **Unusual expense.**

5th Circuit See [In re Int'l Sys. & Controls Corp. Sec. Litig., 693 F.2d 1235, 1240 \(5th Cir. 1982\)](#) (\$1.5 million to interview witnesses in several countries would qualify as undue hardship, but district court should inquire into lower cost alternatives).

8th Circuit See [United States ex rel. O'Keefe v. McDonnell Douglas Corp., 918 F. Supp. 1338, 1346 \(E.D. Mo. 1996\)](#) (written disclosure that plaintiff served on government pursuant to False Claims Act could be discovered because of undue burden of forcing defendant to obtain this material through discovery).

11th Circuit See [Castle v. Sangamo Weston, Inc., 744 F.2d 1464, 1467 \(11th Cir. 1984\)](#) (expense is factor in determining hardship); [Burrow v. Forjas Taurus S.A., 334 F. Supp. 3d 1222, 1231–1232 \(S.D. Fla. 2018\)](#) (court denied work-product protection for engineering reports and other technical documents prepared by defendants to test safety of their firearms, finding that it would be “wasteful” and “unnecessarily expensive” for plaintiffs to attempt to replicate defendant’s complex investigation).

<sup>74</sup> **Specific facts.** See [Castle v. Sangamo Weston, Inc., 744 F.2d 1464, 1467 \(11th Cir. 1984\)](#) (party seeking discovery failed to present expense argument in regard to individual witnesses who may have been willing to provide copies of their statements rather than appear for depositions).

<sup>75</sup> [Fed. R. Civ. P. 26\(b\)\(3\)\(B\)](#).

<sup>76</sup> **Absolute protection.** See [In re Grand Jury Investigation, 412 F. Supp. 943, 949 \(E.D. Pa. 1976\)](#) (because witness conversation notes reflect so much of lawyer’s thinking and have so little probative value as to what witness said, they are absolutely protected from discovery).

3d Circuit See [In re Grand Jury Investigation, 412 F. Supp. 943, 949 \(E.D. Pa. 1976\)](#) (because witness conversation notes reflect so much of lawyer’s thinking and have so little probative value as to what witness said, they are absolutely protected from discovery).

8th Circuit See [In re Grand Jury Proceedings, 473 F.2d 840, 848 \(8th Cir. 1973\)](#) (counsel’s personal recollections, notes, and memoranda regarding conversations with witnesses are shielded from discovery).

<sup>77</sup> **Extraordinary circumstances.**

2d Circuit See [Loftis v. Amica Mut. Ins. Co., 175 F.R.D. 5, 11–12 \(D. Conn. 1997\)](#) (disclosure of opinion work product is particularly disfavored and requires far stronger showing of necessity and unavailability).

3d Circuit See [Sporck v. Peil, 759 F.2d 312, 316 \(3d Cir. 1985\)](#) (attorney’s selection from among thousands of documents was entitled to “near absolute protection”); [Hartman v. Banks, 164 F.R.D. 167, 170 \(E.D. Pa. 1995\)](#) (opinion work product was discoverable when plaintiff sued co-defendant insurance company for intentional infliction of emotional distress based on insurance company’s conduct in handling original complaint against defendant).

8th Circuit See [In re Chrysler Motors Corp. Overnight Evaluation Program Litig., 860 F.2d 844, 846 \(8th Cir. 1988\)](#) (computer tape of statistics prepared for odometer fraud case was not opinion work product).

11th Circuit See [United States ex rel. Bibby v. Wells Fargo Bank, N.A., 165 F. Supp. 3d 1319, 1326 \(N.D. Ga. 2015\)](#) (mental impressions, conclusions, opinions, or legal theories of a party’s attorney “are almost always protected, absent (*maybe*) a showing of extreme and critical need or similar circumstance”).



D.C. Circuit See [In re Sealed Case, 856 F.2d 268, 273 \(D.C. Cir. 1988\)](#) (discovery of transcripts of oral statements of witnesses in insider trading securities case required far stronger showing than ordinary work product); [United States v. All Assets Held at Bank Julius Baer & Co., 270 F. Supp. 3d 220, 223 \(D.D.C. 2017\)](#) (“Opinion work product, which reveals the mental impressions, opinions, and legal theories of opposing counsel, is ‘virtually undiscoverable’ absent some extraordinary showing of necessity”).

<sup>78</sup> **Upjohn case.** [Upjohn Co. v. United States, 449 U.S. 383, 401, 101 S. Ct. 677, 66 L. Ed. 2d 584 \(1981\)](#) (see accompanying text).

<sup>79</sup> **Disclosure particularly disfavored.** [Upjohn Co. v. United States, 449 U.S. 383, 400, 101 S. Ct. 677, 66 L. Ed. 2d 584 \(1981\)](#) (see accompanying text).

<sup>80</sup> **Showing of need and inability insufficient.** [Upjohn Co. v. United States, 449 U.S. 383, 401, 101 S. Ct. 677, 66 L. Ed. 2d 584 \(1981\)](#) (see accompanying text).

<sup>81</sup> **Protection not absolute.** See [Pacamor Bearings, Inc. v. Minebea Co., 918 F. Supp. 491, 512 \(D.N.H. 1996\)](#) (disputed documents were not opinion work product).

1st Circuit See [Pacamor Bearings, Inc. v. Minebea Co., 918 F. Supp. 491, 512 \(D.N.H. 1996\)](#) (disputed documents were not opinion work product).

2d Circuit See [P. & B. Marina, Ltd. Partnership v. Logrande, 136 F.R.D. 50, 57 \(E.D.N.Y. 1991\)](#), *aff'd without op.*, **983 F.2d 1047 (2d Cir. 1992)** (under certain circumstances, even opinion work product may be disclosed).

D.C. Circuit See [Director, Office of Thrift Supervision v. Vinson & Elkins, LLP, 124 F.3d 1304, 1308 \(D.C. Cir. 1997\)](#) (under certain circumstances, purely factual material embedded in attorney notes may not deserve “super-protection” afforded to lawyer’s mental impressions).

<sup>82</sup> **Attorney as expert.** [Hager v. Bluefield Regional Med. Ctr., Inc., 170 F.R.D. 70, 78 \(D.D.C. 1997\)](#) (“when the activities of counsel are inquired into because they are at issue in the action before the court, there is cause for production of documents dealing with such activities,” even if they are opinion work product (citing **Moore’s**)).

<sup>83</sup> **Protection can be waived.** See [United States v. Nobles, 422 U.S. 225, 239–240, 95 S. Ct. 2160, 45 L. Ed. 2d 141 \(1975\)](#) (defense’s decision to present investigator as witness waived work product protection for investigator’s report); see [Harding v. Dana Transp., Inc., 914 F. Supp. 1084, 1098 \(D.N.J. 1996\)](#) (defense to employment discrimination claim partly based on employer’s investigation consisting of attorney’s interviews impliedly waived work product protection for investigation).

<sup>84</sup> **Protects adversary process.** See [Shields v. Sturm, Ruger & Co., 864 F.2d 379, 382 \(5th Cir. 1989\)](#) (work product protection safeguards fruits of attorney’s trial preparations).

3d Circuit [Cooper Hosp./Univ. Medical Ctr. v. Sullivan, 183 F.R.D. 119, 128 \(D.N.J. 1998\)](#) (purpose of doctrine is to promote adversary system).

5th Circuit See [Shields v. Sturm Ruger & Co., 864 F.2d 379, 382 \(5th Cir. 1989\)](#) (work product protection safeguards fruits of attorney’s trial preparations).

<sup>85</sup> **Not every disclosure deemed waiver.** See [In re Grand Jury Proceedings, 43 F.3d 966, 970 \(5th Cir. 1994\)](#) (mere voluntary disclosure to third person is insufficient in itself to waive work product protection); [Shields v. Sturm, Ruger & Co., 864 F.2d 379, 382 \(5th Cir. 1989\)](#) (if disclosure was compelled over objection in earlier action, work product protection may be claimed in subsequent action).

3d Circuit See [Cooper Hosp./Univ. Medical Ctr. v. Sullivan, 183 F.R.D. 119, 128 \(D.N.J. 1998\)](#) (court distinguished between disclosures to non-adversaries, which do not necessarily waive privilege, and disclosures to adversaries, which do waive privilege).

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5th Circuit See [In re Grand Jury Proceedings, 43 F.3d 966, 970 \(5th Cir. 1994\)](#) (mere voluntary disclosure to third person is insufficient in itself to waive work product protection); [Shields v. Sturm, Ruger & Co., 864 F.2d 379, 382 \(5th Cir. 1989\)](#) (if disclosure was compelled over objection in earlier action, work product protection may be claimed in subsequent action).

<sup>85.01</sup> **Disclosure must increase likelihood of discovery by adversary.**

1st Circuit [Blattman v. Scaramellino, 891 F.3d 1, 5 \(1st Cir. 2018\)](#) (disclosure of work product to third party does not necessarily waive protection; only disclosing material in a way inconsistent with keeping it from adversary waives work product protection).

2d Circuit [Thai-Lao Lignite \(Thail.\) Co. v. Gov't of the Lao People's Democratic Republic, 945 F. Supp. 2d 431, 437 \(S.D.N.Y. 2013\)](#) (petitioners failed to show that disclosure to attorney for respondent's joint venture partner made disclosure to adversary more likely; therefore, work product protection was not waived).

<sup>85.1</sup> **Client's waiver not imputed to attorney.** [Hobley v. Burge, 433 F.3d 946, 949 \(7th Cir. 2006\)](#) (although client waived its own privilege claim, client's former attorney could still assert work product privilege).

<sup>86</sup> **Failure to assert waives rule.** See, e.g., [Carte Blanche \(Singapore\) PTE, Ltd. v. Diners Club Int'l, Inc., 130 F.R.D. 28, 32 \(S.D.N.Y. 1990\)](#) (failure to specify work product as particular privilege claimed waived work product protection for documents).

<sup>86.1</sup> See [Fed. R. Civ. P. 26\(b\)\(5\)\(B\)](#).

<sup>86.2</sup> See [Fed. R. Civ. P. 26\(b\)\(5\)](#) advisory committee's note (2006) ([reproduced verbatim at § 26App.11\[2\]](#)).

<sup>86.3</sup> [Fed. R. Evid. 502\(b\)](#).

<sup>86.4</sup> [Fed. R. Evid. 502\(b\)](#); see [Fed. R. Civ. P. 26\(b\)\(5\)\(B\)](#).

<sup>86.5</sup> See [Fed. R. Evid. 502\(b\)](#) advisory committee's note (2008).

<sup>87</sup> **Substantial danger test.** See [Samuels v. Mitchell, 155 F.R.D. 195, 200–201 \(N.D. Cal. 1994\)](#) (defendants did not waive work product protection by disclosing documents to their own accounting firm).

2d Circuit [Curto v. Medical World Communications, Inc., 783 F. Supp. 2d 373, 380 \(E.D.N.Y. 2011\)](#) (test for waiver is whether disclosure has substantially increased opportunity for potential adversary to obtain information).

4th Circuit See [Hohenwater v. Roberts Pharm. Corp., 152 F.R.D. 513, 516 \(D.S.C. 1994\)](#) (release of memorandum to employee of subsidiary corporation did not waive work product protection).

7th Circuit [Behnia v. Shapiro, 176 F.R.D. 277, 279–280 \(N.D. Ill. 1997\)](#) (counsel waived any work product protection for three-page memorandum when counsel sent copy of memo to non-client fact witness to prepare that witness for deposition, in attempt to refresh witness's recollection and to coordinate his answers with those of other witnesses).

9th Circuit See [Samuels v. Mitchell, 155 F.R.D. 195, 200–201 \(N.D. Cal. 1994\)](#) (defendants did not waive work product protection by disclosing documents to their own accounting firm).

D.C. Circuit See [In re Sealed Case, 676 F.2d 793, 809 \(D.C. Cir. 1982\)](#) (voluntary disclosure by client to third parties does not automatically waive work product protection).

<sup>88</sup> **Inadvertent disclosure.** See [City of Worcester v. HCA Mgmt. Co., 839 F. Supp. 86, 89 \(D. Mass. 1993\)](#) (work product protection was not waived for documents inadvertently produced by accountant for health management company in Medicare payments dispute); [Fleet Nat'l Bank v. Tonneson & Co., 150 F.R.D. 10, 15–16 \(D. Mass. 1993\)](#) (inadvertent production of one volume of three volume report prepared by accountants retained by counsel to assist with preparation of accountant malpractice case did not waive work product protection).

1st Circuit See [City of Worcester v. HCA Mgmt. Co.](#), 839 F. Supp. 86, 89 (D. Mass. 1993) (work product protection was not waived for documents inadvertently produced by accountant for health management company in Medicare payments dispute); [Fleet Nat'l Bank v. Tonneson & Co.](#), 150 F.R.D. 10, 15–16 (D. Mass. 1993) (inadvertent production of one volume of three volume report prepared by accountants retained by counsel to assist with preparation of accountant malpractice case did not waive work product protection).

7th Circuit [Sanner v. Board of Trade of City of Chicago](#), 181 F.R.D. 374, 379 (N.D. Ill. 1998) (in determining whether inadvertent disclosure of work product waived privilege, district court applied following factors: (1) reasonableness of precautions taken to prevent disclosure, (2) time taken to rectify error, (3) scope of discovery, (4) extent of disclosure, and (5) overriding issue of fairness).

10th Circuit [Employer's Reinsurance Corp. v. Clarendon Nat'l Ins. Co.](#), 213 F.R.D. 422, 428 (D. Kan. 2003) (court applied five-factor test: (1) reasonableness of precautions taken to prevent inadvertent disclosure; (2) time taken to rectify error; (3) scope of discovery; (4) extent of disclosure; and (5) overriding issue of fairness).

<sup>89</sup> ABA Formal Op. 92-368, p. 1.

<sup>89.1</sup> [Fed. R. Evid. 502\(b\)](#).

<sup>90</sup> **Substance of documents at issue.**

2d Circuit See [Worthington v. Endee](#), 177 F.R.D. 113, 116–117 (N.D.N.Y. 1998) (“at issue” waiver also arises when protected communication relates to party’s affirmative defense).

3d Circuit See, e.g., [Harding v. Dana Transp., Inc.](#), 914 F. Supp. 1084, 1098–1099 (D.N.J. 1996) (employer that defended sexual harassment suit by focusing on reasonableness of its investigation into allegations impliedly waived work product protection for transcripts and reports of interviews prepared by attorney, which formed basis of defense).

10th Circuit [Seneca Ins. Co., Inc. v. Western Claims, Inc.](#), 774 F.3d 1272, 1278 (10th Cir. 2014) (like attorney-client privilege, litigant cannot use work product doctrine as both sword and shield by selectively using privileged documents to prove an issue and then invoking privilege to prevent opponent from challenging that assertion).

<sup>91</sup> **Use in testimony.** See [Remington Arms Co. v. Liberty Mut. Ins. Co.](#), 142 F.R.D. 408, 419–420 (D. Del. 1992) (plaintiff in insurance coverage dispute could not introduce as evidence any material for which work product protection was claimed, or rely on that material to establish any element of claim (citing **Moore’s**)).

3d Circuit See [Remington Arms Co. v. Liberty Mut. Ins. Co.](#), 142 F.R.D. 408, 419–420 (D. Del. 1992) (plaintiff in insurance coverage dispute could not introduce as evidence any material for which work product protection was claimed, or rely on that material to establish any element of claim (citing **Moore’s**)).

9th Circuit See [Dion v. Nationwide Mut. Ins. Co.](#), 185 F.R.D. 288, 293 (D. Mont. 1998) (insurance company in bad faith action waived right to assert work product privilege with respect to claims file prepared in anticipation of bad faith action when it named as its expert witness insurance company’s attorney of record during period insured’s claim for underinsured motorist benefits was being litigated).

<sup>92</sup> **Other documents of same character.** [Pittman v. Frazer](#), 129 F.3d 983, 988 (8th Cir. 1997) (use of investigator’s photographs as trial exhibits did not waive work product protection for entire investigator’s file).

7th Circuit [Canel v. Lincoln Nat'l Bank](#), 179 F.R.D. 224, 226 (N.D. Ill. 1998) (although, under certain circumstances, production of some privileged documents waives privilege as to all documents of same subject matter, “subject matter” waiver does not apply to opinion work product).

8th Circuit [Pittman v. Frazer](#), 129 F.3d 983, 988 (8th Cir. 1997) (use of investigator’s photographs as trial exhibits did not waive work product protection for entire investigator’s file).

<sup>92.1</sup> [Reserved].

<sup>92.2</sup> **Disclosure to one adversary waives privilege as to all others.** [Westinghouse Elec. Corp. v. Republic of the Philippines, 951 F.2d 1414, 1429–1430 \(3d Cir. 1991\)](#) (privilege is waived if disclosure enables adversary to gain access to information).

<sup>92.3</sup> **Disclosure to government.**

3d Circuit [Cooper Hosp./Univ. Medical Ctr. v. Sullivan, 183 F.R.D. 119, 132–133 \(D.N.J. 1998\)](#) (report provided to federal and state governments, who were conducting investigations into embezzlement scheme at hospital, were not protected by work product privilege in action by hospital against its accounting firm for negligent failure to discover fraudulent scheme).

5th Circuit See [Dresser-Rand Co. v. Schutte & Koerting Acquisition Co., 242 F. Supp. 3d 576, 577–579 \(S.D. Tex. 2017\)](#) (employer's voluntary disclosure of documents to government in effort to instigate criminal prosecution against former employees waived any work product protection for those documents in civil action for misappropriation of trade secrets against former employees and competitor that hired them).

6th Circuit [In re Columbia/HCA Healthcare Corp., 192 F.R.D. 575, 580 \(M.D. Tenn. 2000\)](#) (rejecting concept of "selective waiver" of work product doctrine, court held that party's disclosure of work product to government in course of investigation was disclosure to adversary, and waived any work product protection for documents disclosed).

<sup>93</sup> **Waiver operates in subsequent proceedings.** See [Bowne of N.Y. City, Inc. v. AmBase Corp., 150 F.R.D. 465, 478–481 \(S.D.N.Y. 1993\)](#) (voluntary disclosure of contents of documents at deposition waived work product protection for contents of documents in all subsequent proceedings).

2d Circuit See [Bowne of N.Y. City, Inc. v. AmBase Corp., 150 F.R.D. 465, 478–481 \(S.D.N.Y. 1993\)](#) (voluntary disclosure of contents of documents at deposition waived work product protection for contents of documents in all subsequent proceedings).

3d Circuit See [Westinghouse Elec. Corp. v. Republic of Philippines, 951 F.2d 1414, 1429 \(3d Cir. 1991\)](#) (production of documents to SEC during investigation waived work product protection for documents in subsequent securities fraud action).

9th Circuit See [Loustalet v. Refco, Inc., 154 F.R.D. 243, 248 \(C.D. Cal. 1993\)](#) (disclosure of documents by attorney to former clients for purposes of obtaining lenient punishment in disciplinary matter waived work product protection for documents in subsequent actions against different parties involving same matters disclosed to former clients); [In re Worlds of Wonder Sec. Litig., 147 F.R.D. 208, 211–212 \(N.D. Cal. 1992\)](#) (production of documents pursuant to SEC informal investigation waived work product protection for documents despite reservation of rights and submission of documents confidentially).

D.C. Circuit See [In re Sealed Case, 676 F.2d 793, 811 \(D.C. Cir. 1982\)](#) (submission of reports as part of voluntary participation in SEC's voluntary disclosure program waived work product protection for those reports in subsequent grand jury investigation).

<sup>94</sup> **Tension created by Rule 26.** See [Lamonds v. General Motors Corp., 180 F.R.D. 302, 304 \(W.D. Va. 1998\)](#) (noting tension created by rule itself).

<sup>94.1</sup> [Fed. R. Civ. P. 26\(a\)\(2\)\(B\)](#) advisory committee's note (2010) ([reproduced verbatim at § 26App.13\[2\]](#)).

<sup>94.2</sup> [Fed. R. Civ. P. 26\(b\)\(4\)\(C\)](#) advisory committee's note (2010) ([reproduced verbatim at § 26App.13\[2\]](#)).

<sup>95</sup> **Selective waiver doctrine.** See [In re Initial Public Offering Sec. Litig., 249 F.R.D. 457, 460 \(S.D.N.Y. 2008\)](#) (doctrine of selective waiver was created in 1977 by Eighth Circuit in context of attorney-client privilege); see also [§ 26.49\[5\]\[g\]](#) (discussion of selective waiver in context of attorney-client privilege).

2d Circuit See [In re Initial Public Offering Sec. Litig., 249 F.R.D. 457, 460 \(S.D.N.Y. 2008\)](#) (doctrine of selective waiver was created in 1977 by Eighth Circuit in context of attorney-client privilege).

8th Circuit See [Diversified Indus., Inc. v. Meredith, 572 F.2d 596, 611 \(8th Cir. 1977\)](#) (selective waiver theory would encourage cooperation with government investigations).

<sup>96</sup> **Application to work product.** See, e.g., [In re Steinhardt Partners, 9 F.3d 230, 235 \(2d Cir. 1993\)](#) (defendants "waived any work product protection by voluntarily submitting the memorandum to the SEC").

<sup>97</sup> **Selective waiver not foreclosed.** See [In re Initial Public Offering Sec. Litig., 249 F.R.D. 457, 464 \(S.D.N.Y. 2008\)](#) (quoting dicta from *In re Steinhardt*: “establishing a rigid rule would fail to anticipate situations in which the disclosing party and the government may share a common interest in developing legal theories and analyzing information, or situations in which the SEC and the disclosing party have entered into an explicit agreement that the SEC will maintain the confidentiality of the disclosed material”).

<sup>98</sup> **Selective waiver disfavored.** [In re Initial Public Offering Sec. Litig., 249 F.R.D. 457, 465 \(S.D.N.Y. 2008\)](#) (“in the long term, the erosion of the attorney-client and attorney work product privileges through such disclosure will reduce incentives for companies to discover and correct their wrongdoings, thus reducing the value of the information available to the government, and ultimately reducing the bargaining ability of individual defendants, as well as the ability of attorneys to prepare for litigation”).

2d Circuit See [In re Initial Public Offering Sec. Litig., 249 F.R.D. 457, 465 \(S.D.N.Y. 2008\)](#) (“in the long term, the erosion of the attorney-client and attorney work product privileges through such disclosure will reduce incentives for companies to discover and correct their wrongdoings, thus reducing the value of the information available to the government, and ultimately reducing the bargaining ability of individual defendants, as well as the ability of attorneys to prepare for litigation”).

3d Circuit See also [Westinghouse Electric Corp. v. Republic of the Philippines, 951 F.2d 1414, 1429 \(3d Cir. 1991\)](#) (when party discloses protected materials to government agency investigating allegations against it, it uses those materials to forestall prosecution or obtain lenient treatment, objectives that are “foreign to the objectives underlying the work-product doctrine”).

10th Circuit See also [In re Qwest Communs. Int'l, 450 F.3d 1179, 1195 \(10th Cir. 2006\)](#) (“[r]ather than promoting exchange between attorney and client, selective waiver could have the opposite effect of inhibiting such communication”).

D.C. Circuit See also [In re Subpoenas Duces Tecum, 738 F.2d 1367, 1372 \(D.C. Cir. 1984\)](#) (“We are convinced that the health of the adversary system—which spawned the need for protection of an attorney’s work product from discovery by an opponent—would not be well served by allowing appellants the advantages of selective disclosure to particular adversaries, a different disclosure often spurred by considerations of self-interest”).

<sup>98.1</sup> **Disclosures to “adversaries” not permitted.** See [In re Initial Public Offering Sec. Litig., 249 F.R.D. 457, 464 \(S.D.N.Y. 2008\)](#) (parties wishing to take advantage of the privilege that protects attorney work product must zealously maintain the confidentiality of that work product from adversaries).

<sup>98.2</sup> See Congressional Record House No. 7817 (Sept. 8, 2008).

<sup>98.3</sup> See [Fed. R. Evid. 502\(a\)](#).

<sup>98.4</sup> [Fed. R. Evid. 502](#) advisory committee’s note (2008).

<sup>98.5</sup> [Fed. R. Evid. 502\(a\)](#).

<sup>98.6</sup> See [Fed. R. Evid. 502](#) advisory committee’s note (2008).

<sup>98.7</sup> See [Fed. R. Evid. 502](#) advisory committee’s note (2008); see, e.g., [In re Sealed Case, 877 F.2d 976, 981 \(D.C. Cir. 1989\)](#) (company’s inadvertent disclosure of one document extended waiver “to all other communications relating to the same subject matter”).

<sup>98.8</sup> [Fed. R. Evid. 502\(b\)](#).

<sup>98.9</sup> [Fed. R. Civ. P. 26\(b\)\(5\)\(B\)](#).

<sup>98.9.01</sup> **Burden of proof.** [Board of Trustees, Sheet Metal Workers’ Nat’l Pension Fund v. Palladium Equity Partners, LLC, 722 F. Supp. 2d 845, 850 \(E.D. Mich. 2010\)](#) (neither Sixth Circuit nor any other court of appeals has addressed list of factors for determining whether disclosure was inadvertent).

98.9.1 **Determining “inadvertent” disclosure under prior case law.** See [Coburn Group, LLC v. Whitecap Advisors LLC, 640 F. Supp. 2d 1032, 1037–1038 \(N.D. Ill. 2009\)](#) (citing [Judson Atkinson Candies, Inc. v. Latini-Hohberger Dhimantec, 529 F.3d 371, 388–389 \(7th Cir. 2008\)](#)).

98.9.2 **Analyzing “inadvertent” disclosure under Rule 502.** [Coburn Group, LLC v. Whitecap Advisors LLC, 640 F. Supp. 2d 1032, 1038 \(N.D. Ill. 2009\)](#) (fact that separate subparts consider scope of discovery and reasonableness of precautions “strongly suggests” that drafters did not intend court to consider for subpart (b)(1) facts such as number of documents produced only to repeat consideration of those same facts for subparts (b)(2) and (b)(3)).

98.9.3 **Prior case law approach used with Rule 502.** See [Heriot v. Byrne, 257 F.R.D. 645, 658–659 \(N.D. Ill. 2009\)](#) (in determining whether disclosure was “inadvertent,” court considered such factors as total number of documents reviewed, review procedures, and actions taken after discovering that documents had been produced).

98.9.4 **Prior case law applied.** See [Lloyds of London Syndicate 2003 v. Fireman’s Fund Ins. Co., 320 F.R.D. 557, 563 \(D. Kan. 2017\)](#) (“Even after the enactment of Rule 502 in 2008, our court has continued to apply the five-factor test to determine whether a party has waived work product protection”: (1) reasonableness of precautions taken to prevent inadvertent disclosure; (2) time party took to rectify error; (3) scope of discovery; (4) extent of disclosure; and (5) overriding issue of fairness).

98.10 See [Fed. R. Evid. 502\(b\)](#) advisory committee’s note (2008).

98.10.01 **Efforts to prevent disclosure.** See [Amobi v. District of Columbia Dep’t of Corrections, 262 F.R.D. 45, 54–55 \(D.D.C. 2009\)](#) (defendants failed to meet burden of proving privilege was not waived because it did not even describe what specific efforts were taken to prevent disclosure, “let alone any explanation of why these efforts were, all thing considered, reasonable in the context of the demands made upon the defendants”).

98.10.1 **“Promptly” took steps to rectify error.** [Coburn Group, LLC v. Whitecap Advisors LLC, 640 F. Supp. 2d 1032, 1041 \(N.D. Ill. 2009\)](#) (although four months passed between production of document and defendant’s request for return of document, court found that defendant acted “promptly” because it did not learn of inadvertent disclosure until document was presented at deposition four months after production).

98.10.2 **Prompt follow-up by producing party.** [Board of Trustees, Sheet Metal Workers’ Nat’l Pension Fund v. Palladium Equity Partners, LLC, 722 F. Supp. 2d 845, 850 \(E.D. Mich. 2010\)](#) (“For example, when a privileged document is used at a deposition, and the privilege holder fails to object immediately, courts have found the privilege to be waived”).

98.11 See [Fed. R. Evid. 502\(a\)](#), [\(b\)](#).

98.12 [Fed. R. Evid. 502\(c\)](#).

98.13 See [Fed. R. Evid. 502](#) advisory committee’s note (2008).

98.14 [Fed. R. Evid. 502\(f\)](#); see [Fed. R. Evid. 501](#) (“in a civil case, state law governs privilege regarding a claim or defense for which state law supplies the rule of decision”).

98.15 See [Fed. R. Evid. 502\(d\)](#).

98.16 See [Fed. R. Evid. 502\(e\)](#).

98.17 See [Fed. R. Evid. 502](#), [Pub. L. No. 110-322](#), § 1(c), [122 Stat. 3537](#).

99 **Federal standard governs.**

2d Circuit [Varuzza by Zarrillo v. Bulk Materials, Inc., 169 F.R.D. 254, 257 \(N.D.N.Y. 1996\)](#) (application of work product doctrine is governed by federal rather than state law).

3d Circuit See, e.g., [United Coal Cos. v. Powell Constr. Co., 839 F.2d 958, 966 \(3d Cir. 1988\)](#) (federal standard governed application of work product doctrine in diversity action resulting from construction accident).

4th Circuit See [Continental Cas. Co. v. Under Armour, Inc., 537 F. Supp. 2d 761, 769 \(D. Md. 2008\)](#) (because work product doctrine is qualified immunity from discovery, rather than privilege, federal law applies even when jurisdiction is based on diversity).

5th Circuit **Conoco, Inc. v. Boh Brothers Construction Co., 191 F.R.D. 107, 118 n.6 (W.D. La. 1998)** (citing **Moore's** and noting that federal standard governs even in diversity cases).

7th Circuit See, e.g., [Dawson v. New York Life Ins. Co., 901 F. Supp. 1362, 1367 \(N.D. Ill. 1995\)](#) (uniform federal standard).

11th Circuit [Great Am. Ins. Co. v. Veteran's Support Org., 166 F. Supp. 3d 1303, 1309 \(S.D. Fla. 2015\)](#) (even in a diversity case, federal law governs work product determinations).

<sup>100</sup> [Fed. R. Evid. 501](#); see [Weinstein's Federal Evidence, Ch. 501, Privilege in General](#) (Matthew Bender 2d ed.).

<sup>101</sup> **Different than attorney-client privilege.** See [United States v. Nobles, 422 U.S. 225, 238 n.11, 95 S. Ct. 2160, 45 L. Ed. 2d 141 \(1975\)](#) (work product is distinct from attorney-client privilege).

3d Circuit See [In re Chevron Corp., 633 F.3d 153, 164 \(3d Cir. 2011\)](#) (though they both operate to protect information from discovery, work-product doctrine and attorney-client privilege serve different purposes).

7th Circuit [North Shore Gas Co. v. Elgin, Joliet & Eastern Ry. Co., 164 F.R.D. 59, 61 \(N.D. Ill. 1995\)](#) (neither attorney-client privilege nor work product doctrine prevented disclosure of documents containing communications among employees that did not reflect communications between party and its attorneys and were not prepared in anticipation of litigation).

<sup>102</sup> **Purposes of work product and attorney-client privilege distinguished.**

1st Circuit See, e.g., [In re San Juan Dupont Plaza Hotel Fire Litig., 859 F.2d 1007, 1017 \(1st Cir. 1988\)](#) (in complex litigation, document lists were discoverable).

3d Circuit See [In re Chevron Corp., 633 F.3d 153, 164 \(3d Cir. 2011\)](#) (purpose of attorney-client privilege is to encourage clients to make full disclosure to their attorneys, but work product doctrine promotes adversary system by protecting confidentiality of papers prepared by or on behalf of attorneys in anticipation of litigation).

<sup>103</sup> **Either may claim work product.** See, e.g., [In re Sealed Case, 29 F.3d 715, 718 \(D.C. Cir. 1994\)](#) (both lawyer and client may assert privilege).

7th Circuit [Hobley v. Burge, 433 F.3d 946, 949 \(7th Cir. 2006\)](#) (attorney may independently invoke work product privilege if invoking privilege does not harm client's interests).

D.C. Circuit See, e.g., [In re Sealed Case, 29 F.3d 715, 718 \(D.C. Cir. 1994\)](#) (both lawyer and client may assert privilege); [Banneker Ventures, LLC v. Graham, 253 F. Supp. 3d 64, 70 \(D.D.C. 2017\)](#) ("Work-product immunity is held by the lawyer, not the client, although either may assert the doctrine during discovery.").

<sup>104</sup> **Waiver of one not waiver of other.** See [Duplan Corp. v. Moulinage et Retorderie de Chavanoz, 487 F.2d 480, 483 \(4th Cir. 1973\)](#) (work product did not lose qualified immunity); [Continental Cas. Co. v. Under Armour, Inc., 537 F. Supp. 2d 761, 769 \(D. Md. 2008\)](#) (work product doctrine is not a privilege, but rather qualified immunity from discovery).

<sup>105</sup> **Crime-fraud exception.** See [In re Grand Jury Proceedings, 33 F.3d 342, 349 \(4th Cir. 1994\)](#) (crime-fraud exception did not apply to attorney subpoenaed in investigation).

<sup>106</sup> **Crime-fraud exception applied to work product.**

2d Circuit [Meyer v. Kalanick, 212 F. Supp. 3d 437, 443–444 \(S.D.N.Y. 2016\)](#) ("there is a 'crime-fraud' exception to the work-product doctrine, as there is to the attorney-client privilege"); [Chevron Corp. v. Salazar, 275 F.R.D. 437, 451 \(S.D.N.Y. 2011\)](#) (crime fraud exception "also abrogates the work product doctrine").

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11th Circuit [\*Drummond Co. v. Conrad & Scherer, LLP\*, 885 F.3d 1324, 1335 \(11th Cir. 2018\)](#) (when crime-fraud exception applies, even attorney's opinion work product is discoverable).

D.C. Circuit [\*Jinks-Ulmstead v. England\*, 232 F.R.D. 142, 145 \(D.D.C. 2005\)](#) (exception has been extended to employment of counsel by public officials to assist in litigation designed to facilitate unconstitutional racial discrimination, and to situations in which attorney participated in coverup of sexual harassment activities, in reprisal action, or obstructed discovery process).

<sup>107</sup> **Crime-fraud exception based on attorney's misconduct alone.** [\*Drummond Co. v. Conrad & Scherer, LLP\*, 885 F.3d 1324, 1337 \(11th Cir. 2018\)](#) (in case of first impression, court held that illegal or fraudulent conduct by attorney alone may suffice to overcome work product protection).



## [Fine v. Facet Aerospace Products Co.](#)

United States District Court for the Southern District of New York

November 27, 1990 ; November 28, 1990, Filed

No. 88 Civ. 3698 (LBS)

### Reporter

133 F.R.D. 439 \*; 1990 U.S. Dist. LEXIS 16026 \*\*

Anthony C. FINE, Plaintiff, v. FACET AEROSPACE PRODUCTS COMPANY, Teledyne Industries, Inc., Teledyne, Inc., and The Cessna Aircraft Company, Defendants. The CESSNA AIRCRAFT COMPANY, Third-Party Plaintiff, v. RELIANT AIRCRAFT SERVICE, INC., and Schneider Air Service, Inc., Third-Party Defendant

### Core Terms

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discovery, documents, Aircraft, redacted, fuel, models, fuel system, attorney-client, work product, designs, communications, alternatives, manufacturer, engineering, privileged, portions, legal advice, disclosure, contends, grounds, crash, tanks

### Case Summary

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#### Procedural Posture

In a products liability and negligence suit, plaintiff, a flight instructor, demanded that certain documents be disclosed in their entirety. Defendant, a plane manufacturer, objected to producing the documents on grounds of relevance and work product immunity. It also claimed attorney-client privilege.

#### Overview

The flight instructor sustained complete blindness as a result of a plane crash. He brought suit against the manufacturer of the plane on theories of negligence and strict products liability. Currently before the court was a dispute concerning documents the flight instructor demanded be disclosed. The first document was an internal report created by the manufacturer addressing the history of the problem of water in the fuel systems of its aircraft, testing that was done, and

possible solutions. The second document was a variant of the first. The manufacturer produced in discovery redacted copies of the documents. However, it withheld portions of each on grounds of relevance, attorney-client privilege, and work product. The court upheld the manufacturer's objections to producing the documents on grounds of relevance and work product immunity. Its claims of attorney-client privilege were rejected, and it was ordered to produce unredacted copies of the documents withheld on that basis. The information in the report revealed no legal advice, no confidential information conveyed to the attorney by the client, and nothing of the thought processes of counsel.

#### Outcome

The court upheld the manufacturer's objections to producing documents on grounds of relevance and work product immunity. Its claims of attorney-client privilege were rejected, and it was ordered to produce unredacted copies of the documents withheld on that basis.

### LexisNexis® Headnotes

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Torts > Products Liability > General Overview

Civil Procedure > Discovery &  
Disclosure > Discovery > Relevance of  
Discoverable Information

Transportation Law > Private Vehicles > Off Road  
Vehicles

Civil Procedure > Discovery & Disclosure > General

## Overview

[HN1](#) [↓] In product liability actions it is frequently difficult to judge which of a manufacturer's products are sufficiently similar to the allegedly defective product to be subject to discovery. Generally, different models of a product will be relevant if they share with the accident-causing model those characteristics pertinent to the legal issues raised in the litigation. For example, where a plaintiff alleged that three-wheel all-terrain vehicles are inherently unstable, he was entitled to discovery with respect to each of the manufacturer's models. On the other hand, where there has been no suggestion that other models share pertinent characteristics with the products at issue, discovery relating to those models will be disallowed.

Torts > Products Liability > Types of Defects > Design Defects

Torts > Products Liability > Theories of Liability > Strict Liability

### [HN2](#) [↓] Design Defects

In a strict products liability action based upon design defect, whether the product as marketed was reasonably safe for its intended use is determined by whether a reasonable person with knowledge of the potential for injury of the product and of the available alternatives, balancing the product's risks against its utility and costs against the risks, utility, and cost of the alternatives. Thus, it is the plaintiff's burden to prove that there were feasible design alternatives which would have rendered the product safer.

Civil Procedure > ... > Federal & State Interrelationships > Choice of Law > General Overview

Torts > Procedural Matters > Conflict of Law > Place of Injury

Torts > Procedural Matters > Conflict of Law > General Overview

[HN3](#) [↓] In a diversity case a federal court applies the choice-of-law rules of the forum state. In tort cases, New York courts choose law of site of the wrong, absent extraordinary circumstances.

Civil Procedure > Discovery & Disclosure > Discovery > Relevance of Discoverable Information

Civil Procedure > Discovery & Disclosure > General Overview

### [HN4](#) [↓] Relevance of Discoverable Information

The party seeking discovery need not prove its case on the merits in order to obtain disclosure. It must, however, make some threshold showing of relevance before the opposing party is obligated to open to discovery a variety of designs not directly at issue in the litigation.

Legal Ethics > Client Relations > Duties to Client > Duty of Confidentiality

Evidence > Privileges > Attorney-Client Privilege > Elements

Evidence > Privileges > Attorney-Client Privilege > Scope

Civil Procedure > Preliminary Considerations > Federal & State Interrelationships > General Overview

Civil Procedure > Preliminary Considerations > Federal & State Interrelationships > Erie Doctrine

Civil Procedure > ... > Discovery > Privileged Communications > General Overview

Evidence > Privileges > General Overview

Evidence > Privileges > Attorney-Client Privilege > General Overview

### [HN5](#) [↓] Duty of Confidentiality

In a diversity case where state law determines the rule of decision, the privilege of a witness is determined by state law. [Fed. R. Evid. 501](#). New York courts apply the privilege law of the place where the evidence will be introduced at trial or the location of the discovery proceeding. New York law defines as privileged evidence of a confidential communication made

between the attorney or his employee and the client in the course of professional employment. [N.Y. Civ. Prac. L. & R. § 4503](#). However, the New York courts recognize that the attorney-client privilege obstructs the truth-finding process and must be narrowly construed. Further, the burden of proving each element of the privilege rests on the party asserting it.

Civil Procedure > ... > Discovery > Privileged Communications > General Overview

Evidence > Privileges > Attorney-Client Privilege > Scope

Evidence > Privileges > Attorney-Client Privilege > General Overview

[HN6](#) [↓] The purpose of the attorney-client privilege is to foster uninhibited dialogue between lawyers and clients in their professional engagements, thereby ultimately promoting the administration of justice. Two consequences flow from this. First, the privilege protects both client communications to their attorneys and communications from the attorney to the client which include legal advice or reflect information provided by the client in confidence. Second, while the privilege covers communications made in connection with the rendering of legal advice, it does not extend to the provision of business and management advice. While one goal of such an analysis is, of course, to reduce costs associated with litigation, a myriad of business interests motivate a manufacturer to enhance the safety of its product.

Legal Ethics > Client Relations > Duties to Client > Duty of Confidentiality

Civil Procedure > ... > Discovery > Privileged Communications > General Overview

### [HN7](#) [↓] **Duty of Confidentiality**

The communication from counsel to his client of a summary of past or pending litigation is not in and of itself privileged.

Civil Procedure > Attorneys > General Overview

Civil Procedure > ... > Discovery > Methods of

Discovery > Inspection & Production Requests

Civil Procedure > Discovery & Disclosure > General Overview

Civil Procedure > ... > Discovery > Methods of Discovery > General Overview

Civil Procedure > ... > Discovery > Privileged Communications > General Overview

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview

[HN8](#) [↓] Because the work product doctrine is a device providing qualified immunity from discovery rather than a traditional substantive privilege, [Fed. R. Evid. 501](#), does not require that state law be applied. Rather, a work product claim is governed by [Fed. R. Civ. P. 26\(b\)\(3\)](#), which allows discovery of documents prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative only when the party seeking discovery can show that it has substantial need for the materials and that the information sought is otherwise unavailable. The literal language of [Fed. R. Civ. P. 26\(b\)\(3\)](#) protects material prepared for any litigation or trial as long as they were prepared by or for a party to the subsequent litigation. The work product of a paralegal is subject to [Fed. R. Civ. P. 26\(b\)\(3\)](#), whether the paralegal is viewed as an extension of the attorney or as another representative of the party itself.

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Robert J. Brown, Esq., Chalos, English & Brown, P.C., New York, New York.

**Judges:** James C. Francis IV, United States Magistrate.

**Opinion by:** FRANCIS

## Opinion

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### [\*440] MEMORANDUM AND ORDER

This personal injury action arises out of the crash of a single engine airplane. On October 31, 1987, plaintiff Anthony Fine, a flight instructor, and a student pilot, Robert Abady, took off from Sky Acres Airport in Dutchess County, New York aboard a 1966 Cessna Model 150F aircraft. According to the plaintiff, the plane rose to an altitude of about 250 feet, stalled, and plunged to earth. Mr. Fine sustained complete blindness as a result of the crash.

The plaintiff contends that the crash was caused by the presence of water in the aircraft's fuel system. Accordingly, Mr. Fine has sued the manufacturer, Cessna Aircraft Company ("Cessna"), on theories of negligence and strict products liability. [\*441] The [\*\*2] plaintiff invokes the diversity jurisdiction of the Court. Cessna, in turn, alleges that the crash resulted from improper maintenance of the aircraft, and it has filed a third-party action against two companies that serviced the plane, Reliant Aircraft Service, Inc. and Schneider Air Service, Inc.

#### *The Discovery Dispute*

Currently pending before the Court is a dispute concerning two documents which the plaintiff demands be disclosed by Cessna. The first document, entitled "Aircraft Fuel Water Tolerance," is an internal report created by Cessna addressing the history of the problem of water in the fuel systems of its aircraft, testing that was done, and possible solutions. The second document is a variant of the first.

Cessna produced in discovery redacted copies of these documents. However, it withheld portions of each on grounds of relevance, attorney-client privilege, and work product. First, it contends that only those sections of the reports dealing with metal fuel tanks or protruding vented fuel caps are relevant, since the Cessna 150 involved in the crash had these characteristics. Cessna therefore deleted from the documents those portions dealing with rubber bladder fuel [\*\*3] tanks, wet wing fuel systems, and flush-type fuel filler caps.

Second, Cessna redacted certain sections of the documents on grounds of attorney-client privilege. It argues that these portions reflect privileged

communications by T.W. Wakefield, Subsidiary General Counsel and Assistant Secretary of Cessna. Affidavit of T.W. Wakefield dated October 18, 1990 at para. 1. According to Mr. Wakefield, in 1985 he was asked by Cessna's engineering department for legal advice regarding the company's legal exposure for claims arising out of fuel contamination. *Id.* at para. 6. In response, he provided an historical review of such claims, including lawsuits then pending. *Id.* at para. 7. This information was then incorporated in "Aircraft Fuel Water Tolerance" by its author, Stanley O'Brien, a Cessna engineering supervisor. *Id.* at para. 2. The sections in question have been kept confidential by Cessna. *Id.* at para. 8.

Finally, Cessna removed handwritten notations from one page produced to the plaintiff. These notes were made by a paralegal in preparation for litigation in another case, and Cessna contends that they are immune from discovery as work product.

The plaintiff disputes [\*\*4] each of the arguments advanced by Cessna and asks that the documents be produced in their entirety. With the agreement of counsel, I have reviewed unredacted copies *in camera* and can now rule on the appropriateness of disclosure.

#### *Discussion*

##### A. Relevance

[HN1](#)<sup>[↑]</sup> In product liability actions it is frequently difficult to judge which of a manufacturer's products are sufficiently similar to the allegedly defective product to be subject to discovery. Generally, different models of a product will be relevant if they share with the accident-causing model those characteristics pertinent to the legal issues raised in the litigation. For example, where a plaintiff alleged that three-wheel all-terrain vehicles are inherently unstable, he was entitled to discovery with respect to each of the manufacturer's models. See [Culligan v. Yamaha Motor Corp.](#), 110 F.R.D. 122, 124, 126 (S.D.N.Y. 1986). Similarly, an injured party who contended that the redesigned motor mounts that had failed in his vehicle had not eliminated the defects of earlier models was granted discovery concerning the predecessor versions. See [Swain v. General Motors Corp.](#), 81 F.R.D. 698, 699-700 (W.D. Pa. 1979). Finally, [\*\*5] a plaintiff arguing that the left front spring main leaf on his vehicle failed could obtain discovery regarding all types of vehicles with that component, not merely the identical model. See [Uitts v. General Motors](#)

[Corp.](#), 58 F.R.D. 450, 452 (E.D. Pa. 1972) ("Uitts I"). See also [Josephs v. Harris Corp.](#), 677 F.2d 985, 991 (3d Cir. 1982) (similar models of printing presses); [Dollar v. Long Mfg., N.C., Inc.](#), 561 F.2d 613, 617 (5th Cir. 1977) (similar models of backhoes), cert. denied, 435 U.S. 996, 98 S. Ct. 1648, 56 L. Ed. 2d 85 (1978); [\*442] [Bowman v. General Motors Corp.](#), 64 F.R.D. 62, 70-71 (E.D. Pa. 1974) (subsequent vehicle model with similar fuel system); [Hammill v. Hyster Co.](#), 42 F.R.D. 173, 174 (E.D. Wis. 1967) (various models of cranes).

On the other hand, where there has been no suggestion that other models share pertinent characteristics with the products at issue, discovery relating to those models will be disallowed. In [Prashker v. Beech Aircraft Corp.](#), 258 F.2d 602 (3d Cir.), cert. denied, 358 U.S. 910, 79 S. Ct. 236, 3 L. Ed. 2d 230 (1958), for example, the court permitted discovery of three model years preceding the model at issue, but denied discovery as to a still earlier model, finding that it was [\*6] too dissimilar. *Id.* 258 F.2d at 608. Likewise, a plaintiff was denied information about a vehicle recall when the Court found that the models recalled did not have the same component at issue in the litigation. See [Uitts v. General Motors Corp.](#), 62 F.R.D. 560, 562-63 (E.D. Pa. 1974) ("Uitts II"). Indeed, the Second Circuit endorsed the denial of recall information involving the same component where the defect that allegedly caused the accident differed from the defect that triggered the recall. See [Butkowski v. General Motors Corp.](#), 497 F.2d 1158, 1159 (2d Cir. 1974). Finally, a request for discovery of models with the same type of component as in the accident vehicle was denied on grounds that the word "type" was too vague, and the court limited discovery to models with the identical components. See [Frey v. Chrysler Corp.](#), 41 F.R.D. 174, 176 (W.D. Pa. 1966).

Thus, in order to determine the proper scope of discovery here, it is first necessary to define the plaintiff's legal claims.<sup>1</sup> In part, Mr. Fine argues that the

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<sup>1</sup> [HN3](#) [↑] In a diversity case such as this, a federal court applies the choice-of-law rules of the forum state. See [Klaxon Co. v. Stentor Electric Manufacturing Co.](#), 313 U.S. 487, 85 L. Ed. 1477, 61 S. Ct. 1020, 49 U.S.P.Q. (BNA) 515 (1941). Here, the parties have apparently assumed that the substantive law of New York applies. This assumption is well-founded in view of the facts that the plaintiff is a New York domiciliary, the accident occurred here, and there has been no suggestion that "extraordinary circumstances" dictate application of any other state's law. See [O'Rourke v. Eastern Air Lines, Inc.](#), 730 F.2d 842, 846-51 (2d Cir. 1984) (in tort cases, New York courts choose law of site of the wrong,

fuel system of the Cessna 150F was defectively designed.

[HN2](#) [↑] In a strict products liability action based upon design defect, whether the product as marketed [\*\*7] was reasonably safe for its intended use is determined by whether a reasonable person with knowledge of the potential for injury of the product and of the available alternatives, balancing the product's risks against its utility and costs against the risks, utility, and cost of the alternatives, would have concluded that it should not have been marketed in the condition that it was.

[Cover v. Cohen](#), 61 N.Y.2d 261, 266-67, 473 N.Y.S.2d 378, 380, 461 N.E.2d 864 (1984). Thus, it is the plaintiff's burden here to prove that there were feasible design alternatives which would have rendered the aircraft safer. See [Murphy v. Nissan Motor Corp. in U.S.A.](#), 650 F. Supp. 922, 925 n. 3 (E.D.N.Y. 1987); [Voss v. Black & Decker Mfg. Co.](#), 59 N.Y.2d 102, 109, 463 N.Y.S.2d 398, 402, 450 N.E.2d 204 (1983). Accordingly, the plaintiff argues that bladder tanks, wet wing fuel systems, and flush-type fuel filler caps are alternative designs and so are subject to discovery.

[\*\*8] Indeed, there is support for the proposition that a plaintiff who raises a design defect claim is entitled to broader discovery than, for example, if the claim were solely one of negligent manufacture. For example, in [Murphy v. Nissan Motor Corp. in U.S.A.](#), the plaintiff contended that her injuries were caused by an unreasonably dangerous automobile design in which the reclining seats rendered the seatbelts ineffective. 650 F. Supp. at 925. When she sought discovery relating to her assertion that airbags were a feasible design alternative, the defendant responded by contending that such a claim was preempted by federal regulation. *Id.* at 924. The court rejected the preemption arguments and referred the motion to compel discovery to a magistrate, thus at least implicitly recognizing that discovery of alternative [\*443] designs may be wide-ranging. *Id.* at 929.

This case differs from [Murphy](#), however, in the extent to which the designs for which discovery is sought have been shown to be "alternatives" to the allegedly defective design. There is little doubt that airbags are substitutes for or complements to seat belts: both are passive restraint devices that can be installed [\*\*9]

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absent extraordinary circumstances).

interchangeably or in tandem in passenger automobiles. By contrast, there has been no showing here that bladder tanks or wet-wing fuel systems are potential substitutes for metal fuel tanks. Although they are obviously generically related, they may have characteristics that make them adapted exclusively to different types of aircraft. For example, components serving a particular function on a helicopter may not be an alternative design for components serving the same function on fixed-wing planes.

Furthermore, even if these fuel systems and fuel filler caps are properly considered "alternatives" for those utilized on the model at issue, the plaintiff has not specifically alleged that they would have been safer. While it may be common knowledge that airbags provide greater protection than seatbelts alone, there is no such general understanding of the relation between various types of aircraft fuel systems. Nor do the documents reviewed *in camera* reveal on their face that the alternative designs would present fewer hazards related to fuel contamination.

In order for the requested discovery to be relevant, then, it must be demonstrated that the designs are truly alternatives and that [\*\*10] they are potentially safer. Of course, [HN4](#) the party seeking discovery need not prove its case on the merits in order to obtain disclosure. It must, however, make some threshold showing of relevance before the opposing party is obligated to open to discovery a variety of designs not directly at issue in the litigation. Here, such a showing could have been made, for example, through the affidavit of an expert in aviation engineering. Since it was not, the plaintiff's application for an order compelling discovery of information about these designs is denied, and Cessna may withhold the material redacted on that basis.<sup>2</sup>

## B. Attorney-Client Privilege

Cessna also redacted from the documents produced those portions [\*\*11] relating to the company's exposure to litigation due to fuel contamination. Cessna contends that this information is protected from disclosure by the attorney-client privilege.

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<sup>2</sup>These redactions appear on documents no. 6410 (second redaction), 6411A, 6418, 6419, 6420, 6421, 6428, 6429, 6430, 6431, 6432, 6433, 6434, 6437, 6438, 6439, 6440, 6441, 6442, 6447, 6448, 6449, 6450, 6451, 6452, 6454, 6455, 6510 (second redaction), 6511, 6514, 6515, 6516, 6517, 6518, 6519, 6520, and 6520A-G.

[HN5](#) In a diversity case where state law determines the rule of decision, the privilege of a witness is determined by state law. *Fed. R. Evid. 501*. See *Bower v. Weisman*, 669 F. Supp. 602, 603 (S.D.N.Y. 1987); *Drimmer v. Appleton*, 628 F. Supp. 1249, 1250 (S.D.N.Y. 1986). New York courts apply the privilege law of the place where the evidence will be introduced at trial or the location of the discovery proceeding. *Id.* 628 F. Supp. at 1250. Hence, New York privilege rules apply in this case.

New York law defines as privileged "evidence of a confidential communication made between the attorney or his employee and the client in the course of professional employment." *N.Y. Civ. Prac. L. & R. § 4503*. However, the New York courts recognize that the attorney-client privilege obstructs the truth-finding process and must be narrowly construed. See *Rossi v. Blue Cross and Blue Shield of Greater New York*, 73 N.Y.2d 588, 593, 542 N.Y.S.2d 508, 510, 540 N.E.2d 703 (1989) ("*Rossi*"); *Priest v. Hennessy*, 51 N.Y.2d 62, 68, 431 N.Y.S.2d 511, 514, [\*\*12] 409 N.E.2d 983 (1980). Further, the burden of proving each element of the privilege rests on the party asserting it. *Id.* 51 N.Y.2d at 69, 431 N.Y.S.2d at 514.

[HN6](#) The purpose of the attorney-client privilege is to foster "uninhibited dialogue between lawyers and clients in their professional [\*444] engagements, thereby ultimately promoting the administration of justice." *Rossi*, 73 N.Y.2d at 592, 542 N.Y.S.2d at 510. See also *Priest v. Hennessy*, 51 N.Y.2d at 67-68, 431 N.Y.S.2d at 513-14; *In re Bekins Storage Co.*, 118 Misc. 2d 173, 177-78, 460 N.Y.S.2d 684, 690 (Sup. Ct. N.Y. Co.), *aff'd*, 94 A.D.2d 643, 463 N.Y.S.2d 349 (1st Dep't 1983), *mod. on other grounds*, 62 N.Y.2d 324, 476 N.Y.S.2d 806, 465 N.E.2d 345 (1984). Two consequences flow from this. First, the privilege protects both client communications to their attorneys and communications from the attorney to the client which include legal advice or reflect information provided by the client in confidence. See *Rossi*, 73 N.Y.2d at 592, 542 N.Y.S.2d at 510. Second, while the privilege covers communications made in connection with the rendering of legal advice, it does not extend to the provision of business and management advice. See *Id.*; *In re Bekins* [\*\*13] *Storage Co.*, 118 Misc. 2d at 178, 460 N.Y.S.2d at 690.

In this case, Cessna has failed to sustain its burden of demonstrating that the redacted portions of the report entitled "Aircraft Fuel Water Tolerance" are privileged. The report was drafted by Cessna's engineering

department for purposes of risk management. While one goal of such an analysis is, of course, to reduce costs associated with litigation, a myriad of business interests motivate a manufacturer to enhance the safety of its product. Cf. Simon v. G.D. Searle & Co., 816 F.2d 397, 402-04 (8th Cir.) (summary risk management information produced; individual reserve figures privileged), cert. denied, 484 U.S. 917, 108 S. Ct. 268, 98 L. Ed. 2d 225 (1987). T.W. Wakefield, who provided purportedly privileged information included in the report, serves not only as in-house counsel, but also as Assistant Secretary of Cessna, thus increasing the probability that the communications were made for general business purposes. His averment that he provided legal advice in connection with the report is entirely conclusory, and Cessna has not provided any documentation of the actual communications that Mr. Wakefield made to the engineering department. Perhaps most [\*14] important, the information itself consists primarily of the simple categorization of claims against Cessna. No legal acumen was required to identify how many times Cessna has been sued or what other plaintiffs have demanded or obtained as relief. Certainly, the information in the report reveals no legal advice, no confidential information conveyed to the attorney by the client, and nothing of the thought processes of counsel.

In short, HN7 [↑] the communication from counsel to his client of a summary of past or pending litigation is not in and of itself privileged. See In re Bekins Storage Co., 118 Misc. 2d at 179-80, 460 N.Y.S.2d at 690-91 (attorney's notes disclosed where no client confidences implicated). In this case, the disclosure of information used as the basis for a general risk management report would in no way impede free dialogue between Cessna and its attorneys for purposes of obtaining legal, as opposed to business, advice. Accordingly, the attorney-client privilege was not properly asserted, and the documents shall be disclosed.<sup>3</sup>

#### [\*\*15] C. Work Product

Finally, Cessna redacted handwritten notes from document no. 6404. These notes were made by a paralegal in the course of discovery in another case, and Cessna argues that they are therefore protected from disclosure under the work product doctrine.

<sup>3</sup>These consist of the redacted portions of documents no. 6405, 6407, 6408, 6409, 6410 (first redaction), 6411, 6509, and 6510 (first redaction).

HN8 [↑] Because the work product doctrine is a device providing qualified immunity from discovery rather than a traditional substantive privilege, Rule 501 of the Federal Rules of Evidence does not require that state law be applied. See Railroad Salvage of Connecticut, Inc. v. Japan Freight Consolidators, (U.S.A.), Inc., 97 F.R.D. 37, 39-40 (E.D.N.Y. 1983); Merrin Jewelry Co. v. St. Paul Fire and Marine [\*445] Ins. Co., 49 F.R.D. 54, 56 (S.D.N.Y. 1970). Rather, Cessna's work product claim is governed by Rule 26(b)(3) of the Federal Rules of Civil Procedure, which allows discovery of documents "prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative" only when the party seeking discovery can show that it has substantial need for the materials and that the information sought is otherwise unavailable.

Here, the notes at issue fall squarely within the definition [\*16] of work product. First, they are indisputably tangible things. Second, they were prepared in connection with litigation, since they relate to the production of documents during discovery. The fact that it was discovery in another case is immaterial. "The literal language of [Rule 26(b)(3)] protects material prepared for any litigation or trial as long as they were prepared by or for a party to the subsequent litigation." F.T.C. v. Grolier Inc., 462 U.S. 19, 25, 76 L. Ed. 2d 387, 103 S. Ct. 2209 (1983) (emphasis in original), citing 8 C. Wright & A. Miller, Federal Practice and Procedure § 2024 at 201 (1970). See also Midland Investment Co. v. Van Alstyne, Noel & Co., 59 F.R.D. 134, 138 (S.D.N.Y. 1973); but see United States v. International Business Machines Corp., 66 F.R.D. 154, 178 (S.D.N.Y. 1974). Finally, the work product of a paralegal is subject to Rule 26(b)(3), whether the paralegal is viewed as an extension of the attorney or as another representative of the party itself. See United Coal Companies v. Powell Construction Co., 839 F.2d 958, 966 (3d Cir. 1988); Sterling Drug Inc. v. Harris, 488 F. Supp. 1019, 1026-27 (S.D.N.Y. 1980). Accordingly, the notes on document no. 6404 were [\*17] properly redacted.

#### Conclusion

For the reasons set forth above, Cessna's objections to producing documents on grounds of relevance and work product immunity are upheld. Its claims of attorney-client privilege are rejected, and it shall produce unredacted copies of the documents withheld on that basis.

SO ORDERED.

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End of Document



## [United States v. Nobles](#)

Supreme Court of the United States

Argued April 23, 1975 ; June 23, 1975

No. 74-634

### Reporter

422 U.S. 225 \*; 95 S. Ct. 2160 \*\*; 45 L. Ed. 2d 141 \*\*\*; 1975 U.S. LEXIS 80 \*\*\*\*; 20 Fed. R. Serv. 2d (Callaghan) 547

UNITED STATES v. NOBLES

**Prior History:** [\*\*\*\*1] CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

**Disposition:** The court reversed the decision of the court of appeals.

### Core Terms

investigator, disclosure, witnesses, discovery, work-product, preparation, impeachment, pretrial discovery, evidentiary, witness statement, materials, investigator's report, cases, evidentiary matter, cross-examination, attorney's, testifies, prior statement, work product, interviews, privileged, pretrial, parties, courts, the Rule, presentation, propose an amendment, adversarial system, relevant portion, circumstances

### Case Summary

#### Procedural Posture

Certiorari was granted to review a decision from the United States Court of Appeals for the Ninth Circuit holding that a federal trial court may not compel the defense in a criminal trial to reveal the relevant portions of a defense investigator's report for the prosecution's use in cross-examining him.

#### Overview

At trial, defense counsel called an investigator to testify about interviews with eyewitnesses in order to discredit their identification testimony. The trial court excluded the testimony when defense counsel refused to submit the investigator's report to government counsel. The circuit

court of appeals held that [U.S. Const. amend. V](#) prohibited the disclosure condition imposed by the district court, and that [Fed. R. Crim. P. 16](#) precluded prosecutorial discovery at trial. The court granted certiorari and reversed. The court held that disclosure of the relevant portions of the defense investigator's report did not violate [U.S. Const. amend. V](#) because the content of the report was statements of third parties and not defendant's personal communications. Thus, requiring their production would not compel defendant to be a witness against himself. The court also held that [Fed. R. Crim. P. 16](#) did not constrain a district court's power to condition impeachment testimony of the witness on the production of relevant portions of his report, and that the work-product doctrine did not exempt the report from disclosure because its protection was waived by calling the investigator as a witness.

#### Outcome

The court reversed the decision of the court of appeals.

### LexisNexis® Headnotes

Transportation Law > Private Vehicles > Traffic Regulation > One Way Streets

Constitutional Law > ... > Fundamental Rights > Procedural Due Process > Self-Incrimination Privilege

Evidence > Privileges > Self-Incrimination Privilege > Scope

Evidence > Privileges > Self-Incrimination

Privilege > General Overview

system is even more vital.

### [HN1](#) **One Way Streets**

The privilege against compulsory self-incrimination of [U.S. Const. amend. V](#) is an intimate and personal one, which protects a private inner sanctum of individual feeling and thought and proscribes state intrusion to extract self-condemnation. The privilege is a personal privilege: it adheres basically to the person, not to information that may incriminate him.

Criminal Law & Procedure > Trials > Jencks Act > Appellate Review & Judicial Discretion

Criminal Law & Procedure > ... > Standards of Review > Harmless & Invited Error > General Overview

Evidence > Relevance > Preservation of Relevant Evidence > Exclusion & Preservation by Prosecutors

Criminal Law & Procedure > Trials > Jencks Act > General Overview

Criminal Law & Procedure > Trials > Judicial Discretion

### [HN2](#) **Appellate Review & Judicial Discretion**

[Fed. R. Crim. P. 16](#) only restricts the defendant's right of pretrial discovery in a manner that reconciles that provision with the limitation of the Jencks Act, [18 U.S.C.S. § 3500](#), on the trial court's discretion over evidentiary matters. It does not convert [Fed. R. Crim. P. 16](#) into a general limitation on the trial court's broad discretion as to evidentiary questions at trial.

Evidence > Privileges > Attorney-Client Privilege

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview

### [HN3](#) **Attorney-Client Privilege**

Although the work-product doctrine most frequently is asserted as a bar to discovery in civil litigation, its role in assuring the proper functioning of the criminal justice

Evidence > Privileges > Attorney-Client Privilege

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > Waiver of Protections

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview

### [HN4](#) **Attorney-Client Privilege**

The privilege derived from the work-product doctrine is not absolute. Like other qualified privileges, it may be waived.

## Lawyers' Edition Display

### Summary

The defendant was convicted in the United States District Court for the Central District of California on charges arising from an armed robbery of a federally insured bank. At the trial defense counsel sought to impeach the credibility of the two key prosecution witnesses by testimony of a defense investigator regarding statements previously obtained from the witnesses. When the defendant called the investigator as a defense witness, but failed to comply with the District Court's ruling that a copy of the relevant portions of the investigator's report should be produced for the prosecution's use in cross-examining him, the District Court refused to allow the investigator to testify about his interviews with the witnesses. The Court of Appeals for the Ninth Circuit reversed ([501 F2d 146](#)).

On certiorari, the United States Supreme Court reversed the judgment of the Court of Appeals. In an opinion by Powell, J., expressing the views of all the participating members of the court, it was held that (1) the [Fifth Amendment](#) provision against self-incrimination did not prohibit the disclosure condition imposed by the District Court; (2) [Federal Criminal Procedure Rule 16](#), while framed exclusively in terms of pretrial discovery, did not preclude prosecutorial discovery at the trial; and (3) the District Court properly exercised its discretion, and its preclusion sanction was a proper method of assuring compliance with its disclosure order. Expressing the

views of six members of the court, the court's opinion also held that defendant, by electing to present the investigator as a witness, waived the work products privilege with respect to matters covered in the investigator's testimony.

White, J., joined by Rehnquist, J., concurred in the judgment and in the court's holdings (1)--(3), *supra*. However, the concurring opinion expressed the view that the work products rule has no application to the request at trial for evidentiary and impeachment material made in the instant case.

Douglas, J., did not participate.

## Headnotes

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INSPECTION §13 > WITNESSES §76 > criminal trial -- defense investigator's report -- use for cross-examining him -- self-incrimination -- > Headnote:

[LEdHN\[1A\]](#) [1A] [LEdHN\[1B\]](#) [1B] [LEdHN\[1C\]](#) [1C] [LEdHN\[1D\]](#) [1D]

In a criminal trial a United States District Court has the power to issue a disclosure order requiring a defendant to produce relevant portions of a defense investigator's report for the prosecution's use in cross-examining the investigator, after defense counsel had sought to impeach the credibility of key prosecution witnesses by testimony of the investigator regarding statements previously obtained from the witnesses by the investigator, and, upon counsel's refusal to produce the report, not to allow the investigator to testify about his interviews with the prosecution witnesses, since (1) the [Fifth Amendment's](#) privilege against self-incrimination does not prohibit the disclosure condition imposed; (2) [Federal Criminal Procedure Rule 16](#), while framed exclusively in terms of pretrial discovery, does not preclude prosecutorial discovery at trial; and (3) the defendant, by electing to present the investigator as a witness, waived the work product privilege with respect to matters covered in his testimony; in issuing the disclosure order and conditioning the admissibility of the investigator's testimony on compliance therewith, the District Court properly exercised its discretion where (a) the court authorized no general "fishing expedition" into the defense files or indeed even into the investigator's report, and its considered ruling was quite limited in scope, opening to prosecution scrutiny only the portion of the report that related to the testimony the

investigator would offer to discredit the prosecution witnesses' identification testimony; (b) the court afforded the defendant the maximum opportunity to assist in avoiding unwarranted disclosure or to exercise an informed choice to call for the investigator's testimony and thereby open his report to examination; and (c) the court's preclusion sanction was a proper method of assuring compliance with its order.

ERROR §1153 > production of defense investigator's report - issue not raised below -- > Headnote:

[LEdHN\[2A\]](#) [2A] [LEdHN\[2B\]](#) [2B]

An order of the United States District Court requiring in a criminal case the defense to produce the relevant portions of a defense investigator's report for the prosecution's use in cross-examining the investigator cannot be challenged by the defendant in the United States Supreme Court on the ground that the investigator's testimony would not constitute an impeachment of the statements of one of the prosecution's key witnesses within the contemplation of the District Court's order and would not have given rise to a duty of disclosure, where defense counsel failed to develop the issue at the trial.

LAW §1 > aim of criminal justice -- adversary system -- > Headnote:

[LEdHN\[3\]](#) [3]

The dual aim of the American criminal justice system is that guilt shall not escape or innocence suffer; to this end, the United States Supreme Court has placed its confidence in the adversary system, entrusting to it the primary responsibility for developing relevant facts on which a determination of guilt or innocence can be made.

LAW §1 > JURY §1 > adversary system -- role of judiciary -- > Headnote:

[LEdHN\[4\]](#) [4]

While the adversary system adopted by the American criminal justice system depends primarily on the parties

for the presentation and exploration of relevant facts, the judiciary is not limited to the role of a referee or supervisor; its compulsory processes stand available to require the presentation of evidence in court or before a grand jury.

INSPECTION §13.5 > criminal case -- production of prosecutor's statements of its witnesses -- > Headnote:  
[LEdHN\[5\]](#) [5]

The Federal Judiciary has inherent power to require the prosecution to produce the previously recorded statements of its witnesses so that the defense may get the full benefit of cross-examination and the truth-finding process may be enhanced.

WITNESSES §72 > self-incrimination privilege -- scope -- > Headnote:  
[LEdHN\[6A\]](#) [6A] [LEdHN\[6B\]](#) [6B]

The *Fifth Amendment* privilege against compulsory self-incrimination is an intimate and personal one, which protects a private inner sanctum of individual feeling and thought and proscribes state intrusion to exact self-condemnation; this privilege adheres basically to the person, not to information that may incriminate him; testimony demanded of a witness may be very private, but unless it is incriminating and protected by the Amendment or unless protected by one of the evidentiary privileges, it must be disclosed; moreover, the constitutional guaranty protects only against forced individual disclosure of a testimonial or communicative character.

INSPECTION §13 > WITNESSES §76 > criminal case -- defense investigator's report -- self-incrimination privilege -- > Headnote:  
[LEdHN\[7\]](#) [7]

An order of a United States District Court requiring disclosure of the relevant portions of a defense investigator's report does not impinge on the fundamental values protected by the *Fifth Amendment* self-incrimination privilege where (1) the court's order

was limited to statements allegedly made by third parties who were available as witnesses to both the prosecution and the defense; (2) the defendant did not prepare the report, and there was no suggestion that the portions subject to the disclosure order reflected any information that he conveyed to the investigator; (3) the fact that the statements of third parties were elicited by a defense investigator on the defendant's behalf does not convert them into defendant's personal communications; and (4) therefore requiring their production from the investigator would not in any sense compel the defendant to be a witness against himself or extort communications from him.

WITNESSES §81 > self-incrimination privilege -- third parties' testimony or statements -- > Headnote:  
[LEdHN\[8\]](#) [8]

The *Fifth Amendment* privilege against compulsory self-incrimination, being personal to the defendant, does not extend to the testimony or statements of third parties called as witnesses at trial.

INSPECTION §13 > Federal Criminal Rule -- limitation to pretrial discovery only -- Jencks Act -- > Headnote:  
[LEdHN\[9\]](#) [9]

Federal Criminal Procedural *Rule 16*, which deals with discovery and inspection rights of a defendant and the corresponding rights of the government, controls pretrial discovery only, and not trial practice; the incorporation of the Jencks Act (15 USCS 3500) limitation on the pretrial right of discovery provided by *Rule 16* does not express a contrary intent; it only restricts the defendant's right of pretrial discovery in a manner that reconciles that provision with the Jencks Act limitation on the trial court's discretion over evidentiary matters, and does not convert *Rule 16* into a general limitation on the trial court's broad discretion as to evidentiary questions at trial.

INSPECTION §13 > work products doctrine -- applicability to criminal litigation -- > Headnote:  
[LEdHN\[10A\]](#) [10A] [LEdHN\[10B\]](#) [10B]

The work product doctrine applies to criminal as well as civil litigation; while the doctrine most frequently asserted is a bar to discovery in civil litigation, its role in assuring the proper functioning of the criminal justice system is even more vital, since the interests of society and the accused in obtaining a fair and accurate resolution of the question of guilt or innocence demand that adequate safeguards assure the thorough preparation and presentation of each side of the case.

INSPECTION §13 > work products doctrine -- public policy -- attorney-client privilege -- > Headnote:

[LEdHN\[11A\]](#) [11A] [LEdHN\[11B\]](#) [11B]

The work product doctrine reflects the strong public policy underlying the orderly prosecution and defense of legal claims; the doctrine is distinct from and broader than the attorney-client privilege.

INSPECTION §13 > work products doctrine -- protection of attorney's agents -- > Headnote:

[LEdHN\[12A\]](#) [12A] [LEdHN\[12B\]](#) [12B]

The work product doctrine protects material prepared by agents for the attorney or on his behalf as well as those prepared by the attorney himself; this view is reflected in the disclosure provisions of Federal Civil Procedure [Rule 26\(b\)\(3\)](#) and in Criminal Procedure [Rule 16](#).

INSPECTION §13 > work product privilege -- waiver -- > Headnote:

[LEdHN\[13A\]](#) [13A] [LEdHN\[13B\]](#) [13B]

The work product privilege is not absolute and, like other qualified privileges, may be waived; what constitutes a waiver with respect to work product materials depends upon the circumstances; counsel's use throughout trial of the notes, documents and other internal materials prepared to present adequately his client's case, and his reliance on them in examining witnesses, do not normally constitute a waiver; but where counsel attempts to make a testimonial use of these materials the normal rules of evidence come into play with respect to cross-examination and production of

documents.

LAW §46.3 > INSPECTION §13 > production of defense investigator's report -- right to counsel -- > Headnote:

[LEdHN\[14A\]](#) [14A] [LEdHN\[14B\]](#) [14B]

A United States District Court's order compelling a defendant to produce his investigator's report does not violate the defendant's [Sixth Amendment](#) right to effective assistance of counsel, by compromising counsel's ability to investigate and prepare the defense thoroughly, where the disclosure order resulted from the defendant's voluntary election to make testimonial use of his investigator's report.

LAW §50 > WITNESSES §4 > defendant's rights -- compulsory process -- cross-examining witnesses --

> Headnote:

[LEdHN\[15\]](#) [15]

A defendant's [Sixth Amendment](#) rights to compulsory process and cross-examination do not confer the right to present testimony free from the legitimate demands of the adversarial system; one cannot invoke the [Sixth Amendment](#) as a justification for presenting what might have been a half-truth.

ERROR §1262.5 > certiorari -- effect of failure to cross-petition -- affirmance on alternative grounds -- > Headnote:

[LEdHN\[16A\]](#) [16A] [LEdHN\[16B\]](#) [16B]

A federal criminal defendant's contentions that certain statements by the prosecution and the United States District Court's exclusion of purported expert testimony justify reversal of the adverse verdict, and that the United States Court of Appeals' reversal of the judgment of conviction should be affirmed on these grounds, will not be entertained by the Supreme Court where (1) the Court of Appeals rejected the defendant's challenge to the exclusion of the testimony of the proffered expert; (2) the defendant did not present this issue or the question involving the challenged prosecutorial statements to the Supreme Court in a cross-petition for certiorari; and (3) without questioning its jurisdiction to

consider these alternative grounds for affirmance of the decision below, the Supreme Court, does not consider these contentions worthy of consideration, since each involves an issue that is committed to the trial court's discretion and there is no strong suggestion of an abuse of that discretion or an indication that the issues are of sufficient general importance to justify the grant of certiorari.

## Syllabus

During respondent's federal criminal trial, which resulted in a conviction, defense counsel sought to impeach the credibility of key prosecution witnesses by testimony of a defense investigator regarding statements previously obtained from the witnesses by the investigator. When the investigator was called as a witness, the District Court stated that a copy of the investigator's report, inspected and edited by the court *in camera* so as to excise references to matters not relevant to such statements, would have to be submitted to the prosecution for inspection at the completion of the investigator's testimony. When defense counsel said he did not intend to produce the report, the court ruled that the investigator could not testify about his interviews with the witnesses. The Court of Appeals, considering such ruling to be reversible error, held that both the [Fifth Amendment](#) and [Fed. Rule Crim. Proc. 16](#) prohibited the disclosure condition imposed. *Held:*

1. In a proper case, the prosecution, [\*\*\*\*2] as well as the defense, can invoke the federal judiciary's inherent power to require production of previously recorded witness statements that facilitate full disclosure of all the relevant facts. Here the investigator's report might provide critical insight into the issues of credibility that the investigator's testimony would raise and hence was highly relevant to such issues. Pp. 230-232.

2. The [Fifth Amendment](#) privilege against compulsory self-incrimination, being personal to the defendant, does not extend to the testimony or statements of third parties called as witnesses at trial. In this instance the fact that the statements of third parties were elicited by a defense investigator on respondent's behalf does not convert them into respondent's personal communications, and requiring their production would in no sense compel respondent to be a witness against himself or extort communications from him. Pp. 233-234.

3. [Rule 16](#), whose language and history both indicate that it addresses only pretrial discovery, imposes no constraint on the District Court's power to condition the impeachment testimony of respondent's witness on the production of the relevant portions of his [\*\*\*\*3] report. The fact that the Rule incorporates the Jencks Act limitation shows no contrary intent and does not convert the Rule into a general limitation on the trial court's broad discretion as to evidentiary questions at trial. Pp. 234-236.

4. The qualified privilege derived from the attorney work-product doctrine is not available to prevent disclosure of the investigative report, since respondent, by electing to present the investigator as a witness, waived the privilege with respect to matters covered in his testimony. Pp. 236-240.

5. It was within the District Court's discretion to assure that the jury would hear the investigator's full testimony rather than a truncated portion favorable to respondent, and the court's ruling, contrary to respondent's contention, did not deprive him of the [Sixth Amendment](#) rights to compulsory process and cross-examination. That Amendment does not confer the right to present testimony free from the legitimate demands of the adversarial system and cannot be invoked as a justification for presenting what might have been a half-truth. Pp. 240-241.

[501 F.2d 146](#), reversed.

POWELL, J., delivered the opinion of the Court, in [\*\*\*\*4] which BURGER, C. J., and BRENNAN, Stewart, Marshall, and Blackmun, JJ., joined, and in parts II, III, and V of which WHITE and REHNQUIST, JJ., joined. WHITE, J., filed a concurring opinion, in which REHNQUIST, J., joined, *post*, p. 242. DOUGLAS, J., took no part in the consideration or decision of the case.

**Counsel:** *Paul L. Friedman* argued the cause for the United States. With him on the briefs were *Solicitor General Bork, Acting Assistant Attorney General Keeney, Deputy Solicitor General Frey, and Sidney M. Glazer, and Ivan Michael Schaeffer.*

*Nicholas R. Allis* argued the cause for respondent. With him on the brief was *John K. Van de Kamp.*\*

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\* Briefs of *amici curiae* urging affirmance were filed by *John J.*

**Judges:** Burger, Brennan, Stewart, White, Marshall, Blackmun, Powell, Rehnquist; Douglas took no part in the consideration of the case.

**Opinion by:** POWELL

## Opinion

[\*\*\*\*5] [\*227] [\*\*\*147] [\*\*2164] MR. JUSTICE POWELL delivered the opinion of the Court.

[LEdHNJ1A](#)<sup>[↑]</sup> [1A]In a criminal trial, defense counsel sought to impeach the credibility of key prosecution witnesses by testimony of a defense investigator regarding statements previously obtained from the witnesses by the investigator. The question presented here is whether in these circumstances a federal trial court may compel the defense to reveal the relevant portions of the investigator's report for the prosecution's use in cross-examining him. The United States Court of Appeals for the Ninth Circuit concluded that it cannot. [501 F. 2d 146](#). We granted certiorari, *419 U.S. 1120 (1975)*, and now reverse.

I

Respondent was tried and convicted on charges arising from an armed robbery of a federally insured bank. The only significant evidence linking him to the crime was the identification testimony of two witnesses, a bank teller and a salesman who was in the bank during the robbery. <sup>1</sup> Respondent offered an alibi but, as the Court of Appeals recognized, [501 F.2d, at 150](#), his strongest [\*\*\*\*6] defense centered around attempts to discredit these eyewitnesses. Defense efforts to impeach them gave rise to the events that led to this decision.

In [\*\*2165] the course of preparing respondent's defense, an investigator for the defense interviewed both witnesses and preserved the essence of those conversations in a written report. When the witnesses testified for the prosecution, respondent's counsel relied on the report in conducting their cross-examination.

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*Cleary* for the California Public Defenders Assn. et al., and by the Federal Public Defender of New Jersey.

<sup>1</sup> The only other evidence introduced against respondent was a statement made at the time of arrest in which he denied that he was Robert Nobles and subsequently stated that he knew that the FBI had been looking for him.

Counsel asked the bank [\*228] teller whether he recalled having told the investigator that he had seen only the back of the man he identified as respondent. The witness replied that he did not remember making such a statement. He was allowed, despite defense counsel's initial objection, to refresh his recollection by referring [\*\*\*\*7] to a portion of the investigator's report. The prosecutor also was allowed to see briefly the relevant portion of the report. <sup>2</sup> The witness thereafter testified that although the report indicated that he told the investigator he had seen only respondent's back, he in fact had seen more than that and continued to insist that respondent was the bank robber.

[LEdHNJ2A](#)<sup>[↑]</sup> [2A]The other witness acknowledged on cross-examination that he too had spoken to the defense investigator. Respondent's counsel twice inquired whether he told the investigator [\*\*\*148] that "all blacks looked alike" to him, and in each instance the witness denied having made such a statement. The prosecution again sought inspection of the relevant portion of the investigator's report, and [\*\*\*\*8] respondent's counsel again objected. The court declined to order disclosure at that time, but ruled that it would be required if the investigator testified as to the witnesses' alleged statements from the witness stand. <sup>3</sup> The [\*229] court further advised that it would examine the investigator's report *in camera* and would excise all reference to matters not relevant to the precise statements at issue.

[\*\*\*\*9] After the prosecution completed its case, respondent called the investigator as a defense witness. The court reiterated that a copy of the report, inspected and edited *in camera*, would have to be submitted to Government counsel at the completion of the

<sup>2</sup> Counsel for the Government complained that the portion of the report produced at this time was illegible. The witness' testimony indicates, however, that he had no difficulty reading it.

<sup>3</sup> The essence of the District Court's order was as follows:

"[If the investigator] is allowed to testify it would be necessary that those portions of [the] investigative report which contain the statements of the impeached witness will have to be turned over to the prosecution; nothing else in that report.

. . . .

"If he testifies in any way about impeaching statements made by either of the two witnesses, then it is the Court's view that the government is entitled to look at his report and only those portions of that report which contain the alleged impeaching statements... of the witnesses." App. 31.

investigator's impeachment testimony. When respondent's counsel stated that he did not intend to produce the report, the court ruled that the investigator would not be allowed to testify about his interviews with the witnesses.<sup>4</sup>

[\*\*\*\*10] [LEdHN\[1B\]](#) [1B] The Court of Appeals for the Ninth Circuit, while acknowledging that the trial court's ruling constituted a "very limited and seemingly judicious restriction," [501 F. 2d, at 151](#), nevertheless considered it reversible [\*230] error. Citing [United States v. Wright, 160 U.S. App. D.C. 57, 68, 489 F. 2d 1181, 1192 \(1973\)](#), the court found that the [Fifth Amendment](#) prohibited the disclosure condition imposed in this case. The court further held that [Fed. Rule Crim. Proc. 16](#), while framed exclusively in terms of pretrial discovery, precluded prosecutorial discovery at trial as well. [501 F. 2d, at 157](#); accord, [United States v. Wright, supra, at 66-67, 489 F. 2d, at 1190-1191](#). In each respect, we think the court erred.

[\*\*\*149] II

[LEdHN\[3\]](#) [3] The dual aim of our criminal justice

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<sup>4</sup> Although the portion of the report containing the bank teller's alleged statement previously was revealed and marked for identification, it was not introduced into evidence. When the discussion of the investigator's testimony subsequently arose, counsel for the Government noted that he had only a limited opportunity to glance at the statement, and he then requested disclosure of that portion of the report as well as the statement purportedly made by the salesman.

[LEdHN\[2B\]](#) [2B] As indicated above, the bank teller did not deny having made the statement recorded in the investigator's report. It is thus possible that the investigator's testimony on that point would not have constituted an impeachment of the statements of that witness within the contemplation of the court's order and would not have given rise to a duty of disclosure. Counsel did not pursue this point, however, and did not seek further clarification of the issue. Respondent does not, and in view of the failure to develop the issue at trial could not, urge this as a ground for reversal. Nor does respondent maintain that the initial disclosure of the bank teller's statement sufficed to satisfy the court's order. We therefore consider each of the two alleged statements in the report to be impeaching statements that would have been subject to disclosure if the investigator had testified about them.

system is "that guilt shall not escape or innocence suffer," [Berger v. United States, 295 U.S. 78, 88 \(1935\)](#). To this end, we have placed our confidence [\*\*\*\*11] in the adversary system, entrusting to it the primary responsibility for developing relevant facts on which a determination of guilt or innocence can be made. See [United States v. Nixon, 418 U.S. 683, 709 \(1974\)](#); [Williams v. Florida, 399 U.S. 78, 82 \(1970\)](#); [Elkins v. United States, 364 U.S. 206, 234 \(1960\)](#) (Frankfurter, J., dissenting).

[LEdHN\[4\]](#) [4] [LEdHN\[5\]](#) [5] While the adversary system depends primarily on the parties for the presentation and exploration of relevant facts, the judiciary is not limited to the role of a referee or supervisor. Its compulsory processes stand available to require the presentation of evidence in court or before a grand jury. [United States v. Nixon, supra; Kastigar v. United States, 406 U.S. 441, 443-444 \(1972\); Murphy v. Waterfront Comm'n, 378 U.S. 52, 93-94 \(1964\)](#) (WHITE, J., concurring). As we recently observed in [United States v. Nixon, supra, at 709](#): S

"We have [\*\*\*\*12] elected to employ an adversary system of criminal justice in which the parties contest all issues before a court of law. The need to develop all relevant facts in the adversary system is both [\*231] fundamental and comprehensive. The ends of criminal justice would be defeated if judgments were to be founded on a partial or speculative presentation of the facts. The very integrity of the judicial system and public confidence in the system depend on full disclosure of all the facts, within the framework of the rules of evidence. To ensure that justice is done, it is imperative to the function of courts that compulsory process be available for the production of evidence needed either by the prosecution or by the defense."

Decisions of this Court repeatedly have recognized the federal judiciary's inherent power to require the prosecution to produce the previously recorded statements of its witnesses so that the defense may get the full benefit of cross-examination and the truth-finding process may be enhanced. See, e.g., [Jencks v. United States, 353 U.S. 657 \(1957\)](#); <sup>5</sup> [Gordon v. United](#)

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<sup>5</sup> The discretion recognized by the Court in *Jencks* subsequently was circumscribed by Congress in the so-called Jencks Act, [18 U.S.C. § 3500](#). See generally [Palermo v. United States, 360 U.S. 343 \(1959\)](#).



States, 344 U.S. 414 (1953); Goldman v. United States, 316 U.S. 129 (1942); [\*\*\*\*13] Palermo v. United States, 360 U.S. 343, 361 (1959) (BRENNAN, J., concurring in result). At issue here is whether, in a proper case, the prosecution can call upon that same power for production of witness statements [\*\*2167] that facilitate "full disclosure of all the [relevant] facts." United States v. Nixon, supra, at 709.

In [\*\*\*150] this case, the defense proposed to call its investigator to impeach the identification testimony of the prosecution's eyewitnesses. It was evident from cross-examination that the investigator would testify that each witness' recollection of the appearance of the individual identified as respondent was considerably less clear at [\*232] an earlier time than it was [\*\*\*\*14] at trial. It also appeared that the investigator and one witness differed even as to what the witness told him during the interview. The investigator's contemporaneous report might provide critical insight into the issues of credibility that the investigator's testimony would raise. It could assist the jury in determining the extent to which the investigator's testimony actually discredited the prosecution's witnesses. If, for example, the report failed to mention the purported statement of one witness that "all blacks looked alike," the jury might disregard the investigator's version altogether. On the other hand, if this statement appeared in the contemporaneously recorded report, it would tend strongly to corroborate the investigator's version of the interview and to diminish substantially the reliability of that witness' identification.<sup>6</sup>

[\*\*\*\*15] It was therefore apparent to the trial judge that the investigator's report was highly relevant to the critical issue of credibility. In this context, production of the report might substantially enhance "the search for truth," Williams v. Florida, 399 U.S., at 82. We must determine whether compelling its production was precluded by some privilege available to the defense in

<sup>6</sup> Rule 612 of the new Federal Rules of Evidence entitles an adverse party to inspect a writing relied on to refresh the recollection of a witness while testifying. The Rule also authorizes disclosure of writings relied on to refresh recollection before testifying if the court deems it necessary in the interests of justice. The party obtaining the writing thereafter can use it in cross-examining the witness and can introduce into evidence those portions that relate to the witness' testimony. As the Federal Rules of Evidence were not in effect at the time of respondent's trial, we have no occasion to consider them or their applicability to the situation here presented.

the circumstances of this case.

[\*233] III

A

The Court of Appeals concluded that the Fifth Amendment renders criminal discovery "basically a one-way street." 501 F. 2d, at 154. Like many generalizations in constitutional law, this one is too broad. The relationship between the accused's Fifth Amendment rights and the prosecution's ability to discover materials at trial must be identified in a more discriminating manner.

LEdHN[6A] [↑] [6A]HN1 [↑] The Fifth Amendment privilege against compulsory self-incrimination is an "intimate and personal one," which protects "a private inner sanctum of individual feeling and thought [\*\*\*\*16] and proscribes state intrusion to extract self-condemnation." Couch v. United States, 409 U.S. 322, 327 (1973); see also Bellis v. United States, 417 U.S. 85, 90-91 (1974); United States v. White, 322 U.S. 694, 698 (1944). As we noted in Couch, supra, at 328, the "privilege is a *personal* privilege: it adheres basically to the [\*\*\*151] person, not to information that may incriminate him."<sup>7</sup>

[\*\*\*\*17] LEdHN[7] [↑] [7] In [\*\*2168] this instance disclosure of the relevant portions of the defense investigator's report would not impinge on the fundamental values protected by the Fifth Amendment. The court's order was limited to statements [\*234] allegedly made by third parties who were available as witnesses to both the prosecution and the defense. Respondent did not prepare the report, and there is no suggestion that the portions subject to the disclosure

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LEdHN[6B] [↑] [6B] "The purpose of the relevant part of the Fifth Amendment is to prevent compelled self-incrimination, not to protect private information. Testimony demanded of a witness may be very private indeed, but unless it is incriminating and protected by the Amendment or unless protected by one of the evidentiary privileges, it must be disclosed." Maness v. Meyers, 419 U.S. 449, 473-474 (1975) (WHITE, J., concurring in result). Moreover, the constitutional guarantee protects only against forced individual disclosure of a "testimonial or communicative nature," Schmerber v. California, 384 U.S. 757, 761 (1966); see also United States v. Wade, 388 U.S. 218, 222 (1967); Gilbert v. California, 388 U.S. 263 (1967).

order reflected any information that he conveyed to the investigator. The fact that these statements of third parties were elicited by a defense investigator on respondent's behalf does not convert them into respondent's personal communications. Requiring their production from the investigator therefore would not in any sense compel respondent to be a witness against himself or extort communications from him.

[LEdHNJ8](#)<sup>[↑]</sup> [8]We thus conclude that the [Fifth Amendment](#) privilege against compulsory self-incrimination, being personal to the defendant, does not extend to the testimony or statements [\*\*\*\*18] of third parties called as witnesses at trial. The Court of Appeals' reliance on this constitutional guarantee as a bar to the disclosure here ordered was misplaced.

B

[LEdHNJ9](#)<sup>[↑]</sup> [9]The Court of Appeals also held that [Fed. Rule Crim. Proc. 16](#) deprived the trial court of the power to order disclosure of the relevant portions of the investigator's report.<sup>8</sup> Acknowledging that the Rule appears to control pretrial discovery only, the court nonetheless determined [\*235] that its reference to the Jencks Act, [18 U.S.C. § 3500](#), signaled an intention that [Rule 16](#) should control trial practice as well. We do not agree.

[\*\*\*\*19] Both the language and history of [Rule 16](#) indicate that it addresses only pretrial discovery. [Rule 16\(f\)](#) requires that a motion for discovery be filed "within 10 days after arraignment or... such reasonable later time as the court may permit," and further commands that it include all relief sought by the movant. When this provision is viewed [\*\*\*152] in light of the Advisory Committee's admonition that it is designed to encourage promptness in filing and to enable the district court to avoid unnecessary delay or multiplication of motions, see Advisory Committee's Notes on [Rule 16](#), [18 U.S.C.](#)

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<sup>8</sup> [Rule 16\(c\)](#), which establishes the Government's reciprocal right of pretrial discovery, excepts "reports, memoranda, or other internal defense documents made by the defendant, or his attorneys or agents in connection with the investigation or defense of the case, or of statements made by the defendant, or by government or defense witnesses, or by prospective government or defense witnesses, to the defendant, his agents or attorneys." That Rule therefore would not authorize pretrial discovery of the investigator's report. The proposed amendments to the Federal Rules of Criminal Procedure leave this subsection substantially unchanged. See Proposed [Rule 16](#) of [Criminal Procedure](#), [62 F.R.D. 271, 305-306 \(1974\)](#).

App., p. 4494, the pretrial focus of the Rule becomes apparent. The Government's right of discovery arises only after the defendant has successfully sought discovery under subsections (a)(2) or (b) and is confined to matters "which the defendant intends to produce at the trial." [Fed. Rule Crim. Proc. 16\(c\)](#). This hardly suggests any intention that the Rule would limit the court's power to order production once trial has begun.<sup>9</sup> [\*\*2169] Finally, the Advisory Committee's Notes emphasize its pretrial character. Those notes repeatedly characterize the Rule as a provision [\*\*\*\*20] governing pretrial disclosure, never once suggesting that it was intended to constrict a district court's [\*236] control over evidentiary questions arising at trial. 18 U.S.C. App., pp. 4493-4495.

The incorporation of the Jencks Act limitation on the pretrial right of discovery provided by [Rule 16](#) does not express a contrary intent. [HN2](#)<sup>[↑]</sup> It only [\*\*\*\*21] restricts the defendant's right of pretrial discovery in a manner that reconciles that provision with the Jencks Act limitation on the trial court's discretion over evidentiary matters. It certainly does not convert [Rule 16](#) into a general limitation on the trial court's broad discretion as to evidentiary questions at trial. Cf. [Giles v. Maryland](#), [386 U.S. 66, 101 \(1967\)](#) (Fortas, J., concurring in judgment).<sup>10</sup> We conclude, therefore, that [Rule 16](#) imposes no constraint on the District Court's power to condition the impeachment testimony of respondent's witness on the production of the relevant portions of his investigative report. In extending the Rule into the trial context, the Court of Appeals erred.

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<sup>9</sup> [Rule 16\(g\)](#) imposes a duty to notify opposing counsel or the court of the additional materials previously requested or inspected that are subject to discovery or inspection under the Rule, and it contemplates that this obligation will continue during trial. The obligation under [Rule 16\(g\)](#) depends, however, on a previous request for or order of discovery. The fact that this provision may have some effect on the parties' conduct during trial does not convert the Rule into a general limitation on the court's inherent power to control evidentiary matters.

<sup>10</sup> We note also that the commentators who have considered [Rule 16](#) have not suggested that it is directed to the court's control of evidentiary questions arising at trial. See, e.g., Nakell, Criminal Discovery for the Defense and the Prosecution - the Developing Constitutional Considerations, 50 N.C.L. Rev. 437, 494-514 (1972); Rezneck, The New Federal Rules of Criminal Procedure, 54 Geo. L.J. 1276, 1279, 1282 n. 19 (1966); Note, Prosecutorial Discovery Under Proposed [Rule 16](#), 85 Harv. L. Rev. 994 (1972).

[\*\*\*\*22] IV

[LEdHN\[10A\]](#)<sup>[↑]</sup> [10A] Respondent contends further that the work-product doctrine exempts the investigator's report from disclosure at trial. While we agree that this doctrine applies to criminal litigation as well as civil, we find its protection unavailable in this case.

[LEdHN\[11A\]](#)<sup>[↑]</sup> [11A] The work-product doctrine, recognized by this Court in [Hickman v. Taylor](#), 329 U.S. 495 (1947), reflects the strong "public policy underlying the orderly prosecution [\*237] and defense of legal claims." *Id.*, at 510; [\*\*\*153] see also *id.*, at 514-515 (Jackson, J., concurring). As the Court there observed: S

"Historically, a lawyer is an officer of the court and is bound to work for the advancement of justice while faithfully protecting the rightful interests of his clients. In performing his various duties, however, it is essential that a lawyer work with a certain degree of privacy, free from unnecessary intrusion by opposing parties and their counsel. Proper preparation of a client's case demands [\*\*\*\*23] that he assemble information, sift what he considers to be the relevant from the irrelevant facts, prepare his legal theories and plan his strategy without undue and needless interference. That is the historical and the necessary way in which lawyers act within the framework of our system of jurisprudence to promote justice and to protect their clients' interests. This work is reflected, of course, in interviews, statements, memoranda, correspondence, briefs, mental impressions, personal beliefs, and countless other tangible and intangible ways - aptly though roughly termed by the Circuit Court of Appeals in this case as the 'work product of the lawyer.' Were such materials open to opposing counsel on mere demand, much of what is now put down in writing would remain unwritten. An attorney's thoughts, heretofore inviolate, would not be his own. Inefficiency, unfairness and sharp practices would inevitably develop [\*\*2170] in the giving of legal advice and in the preparation of cases for trial. The effect on the legal profession would be demoralizing. And the interests of the clients and the cause of justice would be poorly served." *Id.*, at 510-511.<sup>1</sup>

The [\*\*\*\*24] Court therefore recognized a qualified privilege for [\*238] certain materials prepared by an

attorney "acting for his client in anticipation of litigation." *Id.*, at 508.<sup>11</sup> See generally 4 J. Moore, Federal Practice p26.63 (2d ed. 1974); E. Cleary, McCormick on Evidence 204-209 (2d ed. 1972); Note, Developments in the Law -- Discovery, 74 Harv. L. Rev. 940, 1027-1046 (1961).

[LEdHN\[10B\]](#)<sup>[↑]</sup> [10B] [HN3](#)<sup>[↑]</sup> Although the work-product doctrine most frequently is asserted as a bar to discovery in civil litigation, its role in assuring the proper functioning of the criminal [\*\*\*\*25] justice system is even more vital. The interests of society and the accused in obtaining a fair and accurate resolution of the question of guilt or innocence demand that adequate safeguards assure the thorough preparation and presentation of each side of the case.<sup>12</sup>

[LEdHN\[12A\]](#)<sup>[↑]</sup> [12A] [\*\*\*\*26] At [\*\*\*154] its core, the work-product doctrine shelters the mental processes of the attorney, providing a privileged area within which he can analyze and prepare his client's case. But the doctrine is an intensely practical one, grounded in the realities of litigation in our adversary system. One of those realities is that attorneys often must rely on the assistance of investigators and other agents in the compilation of materials in preparation for trial. It is therefore necessary that the doctrine protect material prepared by agents for the attorney as [\*239] well as those prepared by the attorney himself.<sup>13</sup> Moreover, the

<sup>11</sup> [LEdHN\[11B\]](#)<sup>[↑]</sup> [11B] As the Court recognized in [Hickman v. Taylor](#), 329 U.S., at 508, the work-product doctrine is distinct from and broader than the attorney-client privilege.

<sup>12</sup> A number of state and federal decisions have recognized the role of the work-product doctrine in the criminal law, and have applied its protections to the files of the prosecution and the accused alike. See, e.g., [State v. Bowen](#), 104 Ariz. 138, 449 P. 2d 603, cert. denied, 396 U.S. 912 (1969); [State ex rel. Polley v. Superior Ct. of Santa Cruz County](#), 81 Ariz. 127, 302 P. 2d 263 (1956); [Peel v. State](#), 154 So. 2d 910 (Fla. App. 1963); [In re Grand Jury Proceedings \(Duffy v. United States\)](#), 473 F. 2d 840 (CA8 1973); [In re Terkeltoub](#), 256 F. Supp. 683 (SDNY 1966).

<sup>13</sup>

[LEdHN\[12B\]](#)<sup>[↑]</sup> [12B] The sole issue in *Hickman* related to materials prepared by an attorney, and courts thereafter disagreed over whether the doctrine applied as well to materials prepared on his behalf. See [Proposed Amendments](#)

concerns reflected in the work-product doctrine do not disappear once trial has begun. Disclosure of an attorney's efforts at trial, as surely as disclosure during pretrial discovery, could disrupt the orderly development and presentation of his case. We need not, however, undertake here to delineate the scope of the doctrine at trial, for in this instance it is clear that the defense waived such right as may have existed to invoke its protections.

[\*\*\*\*27] [LEdHN\[1C\]](#)[↑] [1C] [LEdHN\[13A\]](#)[↑] [13A] [LEdHN\[14A\]](#)[↑] [14A] [HN4](#)[↑] The privilege derived from the work-product doctrine is not absolute. Like other qualified privileges, it may be waived. Here respondent sought to adduce the testimony of the investigator and contrast his recollection of the contested statements with that of the prosecution's witnesses. Respondent, by electing to present the investigator as a witness, waived the privilege with respect to matters covered in his [\*\*2171] testimony.<sup>14</sup> Respondent [\*240] can no more advance the work-product doctrine to sustain a unilateral testimonial use of work-product materials than he could elect to testify in his own behalf and thereafter assert his [Fifth Amendment](#) privilege to resist cross-examination on matters reasonably related to those brought out in direct examination. See, e.g., [McGautha v. California](#), 402 U.S. 183, 215 (1971). [\*\*\*\*28]<sup>15</sup>

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[to the Federal Rules of Civil Procedure Relating to Discovery](#), 48 F.R.D. 487, 501 (1970); 4 J. Moore, Federal Practice p26.63 [8] (2d ed. 1974). Necessarily, it must. This view is reflected in the Federal Rules of Civil Procedure, see [Rule 26 \(b\) \(3\)](#), and in [Rule 16](#) of the Criminal Rules as well, see [Rules 16 \(b\)](#) and [\(c\)](#); cf. E. Cleary, McCormick on Evidence 208 (2d ed. 1972).

<sup>14</sup> [LEdHN\[13B\]](#)[↑] [13B] What constitutes a waiver with respect to work-product materials depends, of course, upon the circumstances. Counsel necessarily makes use throughout trial of the notes, documents, and other internal materials prepared to present adequately his client's case, and often relies on them in examining witnesses. When so used, there normally is no waiver. But where, as here, counsel attempts to make a testimonial use of these materials the normal rules of evidence come into play with respect to cross-examination and production of documents.

<sup>15</sup> [LEdHN\[14B\]](#)[↑] [14B] We cannot accept respondent's contention that the disclosure order violated his [Sixth Amendment](#) right to effective assistance of counsel. This claim is predicated on the assumption that disclosure of a defense investigator's notes in this and similar cases will compromise counsel's ability to investigate and prepare the defense case thoroughly. Respondent maintains that even the limited

[\*\*\*\*29] V

[\*\*\*155] [LEdHN\[1D\]](#)[↑] [1D] Finally, our examination of the record persuades us that the District Court properly exercised its discretion in this instance. The court authorized no general "fishing expedition" into the defense files or indeed even into the defense investigator's report. Cf. [United States v. Wright](#), 160 U.S. App. D.C. 57, 489 F. 2d 1181 (1973). Rather, its considered ruling was quite limited in scope, opening to prosecution scrutiny only the portion of the report that related to the testimony the investigator would offer to discredit the witnesses' identification testimony. The court further afforded respondent the maximum [\*241] opportunity to assist in avoiding unwarranted disclosure or to exercise an informed choice to call for the investigator's testimony and thereby open his report to examination.

[LEdHN\[15\]](#)[↑] [15] [LEdHN\[16A\]](#)[↑] [16A] The court's preclusion sanction was an entirely proper method of assuring compliance with its order. [\*\*\*\*30] Respondent's argument that this ruling deprived him of the [Sixth Amendment](#) rights to compulsory process and cross-examination misconceives the issue. The District Court did not bar the investigator's testimony. Cf. [Washington v. Texas](#), 388 U.S. 14, 19 (1967). It merely prevented respondent from presenting to the jury a partial view of the credibility issue by adducing the investigator's testimony and thereafter refusing to disclose the contemporaneous report that might offer further critical insights. The [Sixth Amendment](#) does not confer the right to present testimony free from the legitimate demands of the adversarial system; one cannot invoke the [Sixth Amendment](#) as a justification for presenting what might have been a half-truth. Deciding, as we do, that it was within the court's discretion to assure that the jury would hear the full testimony of the

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disclosure required in this case will impair the relationship of trust and confidence between client and attorney and will inhibit other members of the "defense team" from gathering information essential to the effective preparation of the case. See American Bar Association Project on Standards for Criminal Justice, The Defense Function § 3.1 (a) (App. Draft 1971). The short answer is that the disclosure order resulted from respondent's voluntary election to make testimonial use of his investigator's report. Moreover, apart from this waiver, we think that the concern voiced by respondent fails to recognize the limited and conditional nature of the court's order.

investigator rather than a truncated portion favorable to respondent, we think it would be artificial indeed to deprive the court of the power to effectuate that judgment. Nor do we find constitutional significance in the fact that the court in this instance was able to exclude the testimony in advance rather [\*\*\*\*31] than receive it in evidence and thereafter charge the jury to disregard [\*\*2172] it when respondent's counsel refused, as he said he would, to produce the report. <sup>16</sup>

[\*\*\*\*32] [\*242] The [\*\*\*156] judgment of the Court of Appeals for the Ninth Circuit is therefore

*Reversed.*

MR. JUSTICE DOUGLAS took no part in the consideration or decision of this case.

**Concur by:** WHITE

## **Concur**

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MR. JUSTICE **WHITE**, with whom MR. JUSTICE REHNQUIST joins, concurring.

I concur in the judgment and in Parts II, III, and V of the opinion of the Court. I write only because of misgivings about the meaning of Part IV of the opinion. The Court

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[LEdHN16B](#) [↑] [16B] Respondent additionally argues that certain statements by the prosecution and the District Court's exclusion of purported expert testimony justify reversal of the verdict, and that the Court of Appeals' decision should be affirmed on those grounds. The Court of Appeals rejected respondent's challenge to the exclusion of the testimony of the proffered expert, *501 F. 2d, at 150-151*. Respondent did not present this issue or the question involving the challenged prosecutorial statements to this Court in a cross-petition for certiorari. Without questioning our jurisdiction to consider these alternative grounds for affirmance of the decision below, cf. *Langnes v. Green, 282 U.S. 531, 538 (1931)*; *Dandridge v. Williams, 397 U.S. 471, 475-476, n. 6 (1970)*; see generally Stern, When to Cross-Appeal or Cross-Petition -- Certainty or Confusion?, 87 Harv. L. Rev 763 (1974), we do not consider these contentions worthy of consideration. Each involves an issue that is committed to the trial court's discretion. In the absence of a strong suggestion of an abuse of that discretion or an indication that the issues are of sufficient general importance to justify the grant of certiorari we decline to entertain them.

appears to have held in Part IV of its opinion only that whatever protection the defense investigator's notes of his interviews with witnesses might otherwise have had, that protection would have been lost when the investigator testified about those interviews. With this I agree also. It seems to me more sensible, however, to decide what protection these notes had in the first place before reaching the "waiver" issue. Accordingly, and because I do not believe that the work-product [\*243] doctrine of *Hickman v. Taylor, 329 U.S. 495 (1947)*, can be extended wholesale from its historic role as a limitation on the nonevidentiary material which may be the subject of pretrial discovery to an unprecedented role [\*\*\*\*33] as a limitation on the trial judge's power to compel production of evidentiary matter at trial, I add the following.

I

Up until now the work-product doctrine of *Hickman v. Taylor, supra*, has been viewed almost exclusively as a limitation on the ability of a party to obtain pretrial discovery. It has not been viewed as a "limitation on the trial court's broad discretion as to evidentiary questions at trial." *Ante*, at 236. The problem discussed in *Hickman v. Taylor* arose precisely because, in addition to accelerating the time when a party could obtain evidentiary matter from his adversary, <sup>1</sup> the new Federal Rules of Civil Procedure greatly expanded the nature of the material subject to pretrial disclosure. <sup>2</sup> [\*244]

<sup>1</sup> Under criminal discovery rules the *time* factor is not as great as might otherwise appear. *Federal Rule Crim. Proc. 16* permits discovery through the time of trial; and under *Fed. Rule Crim. Proc. 17 (c)*, evidentiary matter may be obtained pursuant to subpoena in advance of trial in the discretion of the trial judge.

<sup>2</sup> Prior to the Federal Rules, requests for witness statements were granted or denied on the basis of whether they were evidence and nonprivileged. In the main, production was denied, either because witness statements were not evidence (they are inadmissible hearsay until and unless the witness testifies); because a party is not entitled to advance knowledge of his adversary's case; or because the statements were made by the client or his agent to his attorney and thus covered by the attorney-client privilege. 4 J. Moore, *Federal Practice* p26.63 [3] (2d ed. 1974), and cases cited therein. The cases did not hold that witness statements were generally privileged, if they *were* evidentiary, and had no cause to decide whether a work-product notion should protect them from discovery, since they were nondiscoverable anyway under applicable discovery rules. But see *Walker v. Struthers, 273 Ill. 387, 112 N.E. 961 (1916)*.

Under the Rules, a [\*\*2173] party was, for the first time, entitled to know in advance his opponent's evidence [\*\*\*157] and was entitled to obtain from his opponent nonprivileged "information as to the existence or whereabouts of facts" relevant to a case even though the "information" was not itself evidentiary. [Hickman v. Taylor, supra, at 501](#). Utilizing these Rules, the plaintiff in *Hickman* [\*\*\*\*34] v. *Taylor* sought discovery of statements obtained by defense counsel from witnesses to the events relevant to the lawsuit, not for evidentiary use but only "to help *prepare* himself to examine witnesses and to make sure that he ha[d] overlooked nothing." [329 U.S., at 513](#) (emphasis added). In concluding that these statements should not be produced, the Court treated the matter entirely as one involving the plaintiff's entitlement to pretrial discovery under the new Federal Rules,<sup>3</sup> and carefully limited its opinion accordingly. The relevant Rule in the Court's view, [Rule 26](#), on its face required production of the witness statements unless they were privileged. Nonetheless, the Court expressly stated that the request for witness statements was to be denied "not because the subject matter is privileged" (although noting that a workproduct "privilege" applies in England, 329 U.S., at 510 n. 9) as that concept was used in the Rules, but because the request "falls outside the arena of *discovery*." [Id., at 510](#) (emphasis added). The Court stated that it is essential that a lawyer work with a certain degree of privacy, and concluded [\*\*\*\*35] that the effect of giving one lawyer's work (particularly his strategy, legal theories, and mental impressions) to another would have a "demoralizing" effect on the legal profession. The Court then noted that witness [\*245] statements might be admissible in evidence under some circumstances and might be usable to impeach or corroborate a witness. However, it concluded that in the case before it the plaintiff wanted the statements for preparation only and had shown no reason why he could not obtain everything he sought by doing his own work rather than utilizing that of his adversary.

[\*\*\*\*36] The conclusion that the work product of a lawyer is not "privileged" made it much more difficult for the Court to support its result. Nothing *expressed* in the Rule supported its result, and the Court was forced to explain its decision by stating: S

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<sup>3</sup>Mr. Justice Jackson's concurrence is even more express on this point. It states: [T]he question is simply whether such a demand is authorized by the rules relating to various aspects of 'discovery.'" [329 U.S., at 514](#).

"When [Rule 26](#) and the other *discovery* rules were adopted, this Court and the members of the bar in general certainly did not believe or contemplate that all the files and mental processes of lawyers were *thereby* opened to the free scrutiny of their adversaries." [Id., at 514](#). (Emphasis added.)

I am left with the firm conviction that the Court avoided the easier route to its decision for a reason. To have held an attorney's work product to be "privileged" would have been to limit its use at trial as evidence in those cases in which the work product qualified as evidence, see [Report of Proposed Amendments to Rules of Civil Procedure for the District Courts of the United States, 5 F.R.D. 433, 460 \[\\*\\*\\*158\] \(1946\)](#), and, as Mr. Justice Jackson stated in his concurring opinion, a party is entitled to anything which is "evidence in his case." [329 U.S., at 515](#).<sup>4</sup>

[\*\*\*\*37] [\*246] Since [\*\*2174] [Hickman v. Taylor, supra](#), Congress, the cases, and the commentators have uniformly continued to view the "work product" doctrine solely as a limitation on pretrial discovery and not as a qualified evidentiary privilege. In 1970, Congress became involved with the problem for the first time in the civil area. It did so solely by accepting a proposed amendment to [Fed. Rule Civ. Proc. 26](#), which incorporated much of what the Court held in [Hickman v. Taylor, supra](#), with respect to pretrial discovery. See Advisory Committee's explanatory statement, 28 U.S.C. App., p. 7778. In the criminal area, Congress has enacted [18 U.S.C. § 3500](#) and accepted [Fed. Rule Crim. Proc. 16 \(c\)](#). The former prevents pretrial discovery of witness statements from the Government; the latter prevents pretrial discovery of witness statements from the defense. Neither limits the power of the trial court to order production as evidence of prior

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<sup>4</sup>Mr. Justice Jackson also emphasized that the witness statements involved in *Hickman v. Taylor* were neither evidence nor privileged. [Id., at 516](#). Indeed, most of the material described by the Court as falling under the work-product umbrella does not qualify as evidence. A lawyer's mental impressions are almost never evidence and out-of-court statements of witnesses are generally inadmissible hearsay. Such statements become evidence only when the witness testifies at trial, and are then usually impeachment evidence only. This case, of course, involves a situation in which the relevant witness was to testify and thus presents the question -- not involved in *Hickman v. Taylor* -- whether prior statements should be disclosed under the trial judge's power over evidentiary matters at trial.

statements of witnesses who have testified at trial.<sup>5</sup>

[\*\*\*\*38] With the exception of materials of the type discussed in Part II, *infra*, research has uncovered no application of the work-product rule in the lower courts since *Hickman* to prevent production of evidence -- impeaching or [\*247] otherwise -- at trial;<sup>6</sup> and there are several examples of cases rejecting such an approach.<sup>7</sup>

[\*\*\*\*39] Similarly, [\*\*\*159] the commentators have all treated the attorney work-product rule solely as a limitation on pretrial discovery, e.g., 4 J. Moore, Federal Practice pp 26.63-26.64 (2d ed. 1974); 8 C. Wright & A. Miller, Federal Practice and Procedure § 2026 (1970); 2A W. Barron & A. Holtzoff, Federal Practice and Procedure § 652 (Wright ed. 1961), and some have expressly stated that it does not apply to evidentiary matter. F. James, Civil Procedure 211 n. 13 (1965); 4 J. Moore, Federal Practice p16.23 [8.-4] (1963).

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<sup>5</sup> In n. 13 of its opinion, the Court cites [Fed. Rule Crim. Proc. 16 \(c\)](#), as containing the work-product rule. In n. 10, the Court correctly notes that [Rule 16 \(c\)](#) is not "directed to the court's control of evidentiary questions arising at trial." It seems to me that this supplies a better ground for the Court's decision than "waiver."

<sup>6</sup> The majority does cite one case, [In re Terkeltoub, 256 F. Supp. 683 \(SDNY 1966\)](#), in which the court referred to the work-product doctrine in preventing the Government from inquiring of a lawyer before the grand jury whether he had participated in suborning perjury of a prospective witness while preparing a criminal case for trial. In any event, a grand jury investigation is in some respects similar to pretrial discovery. Compare [In re Grand Jury Proceedings \(Duffy v. United States\), 473 F. 2d 840 \(CA8 1973\)](#), with [Schwimmer v. United States, 232 F. 2d 855 \(CA8\)](#), cert. denied, **352 U.S. 833 (1956)**. The proper scope of inquiry is as broad, and it can be used as a way of preparing for the later criminal trial. There is for example a split of authority on whether the work-product rule applies to IRS tax investigations. Compare [United States v. McKay, 372 F. 2d 174 \(CA5 1967\)](#), with [United States v. Brown, 478 F. 2d 1038 \(CA7 1973\)](#).

<sup>7</sup> [Shaw v. Wuttke, 28 Wis. 2d 448, 454-456, 137 N.W. 2d 649, 652-653 \(1965\)](#); [State ex rel. State Highway Comm'n v. Steinkraus, 76 N.M. 617, 620-621, 417 P. 2d 431, 432-433 \(1966\)](#); [E.I. du Pont de Nemours & Co. v. Phillips Petroleum Co., 24 F.R.D. 416 \(Del. 1959\)](#); [United States v. Matles, 154 F. Supp. 574 \(EDNY 1957\)](#); [United States v. Sun Oil Co., 16 F.R.D. 533 \(ED Pa. 1954\)](#); [United States v. Gates, 35 F.R.D. 524 \(Colo. 1964\)](#).

The reasons for largely confining the work-product rule to its role as a limitation on pretrial discovery are compelling. First of all, the injury to the factfinding [\*248] process is far greater where a rule keeps *evidence* from the factfinder than when it simply keeps advance disclosure [\*\*2175] of evidence from a party or keeps from him *leads* to evidence developed by his adversary and which he is just as well able to find by himself. In the main, where a party seeks to discover a statement made to an opposing party in order to *prepare* for trial, he can obtain the "substantial equivalent... by other means," [Fed. Rule Civ. Proc. \[\\*\\*\\*\\*40\] 26\(b\)\(3\)](#), i.e., by interviewing the witness himself. A prior inconsistent statement in the possession of his adversary, however, when sought for evidentiary purposes -- i.e., to impeach the witness after he testifies -- is for that purpose unique. By the same token, the danger perceived in *Hickman* that each party to a case will decline to prepare in the hopes of eventually using his adversary's preparation is absent when disclosure will take place only at trial. Indeed, it is very difficult to articulate a reason why statements on the same subject matter as a witness' testimony should not be turned over to an adversary after the witness has testified. The statement will either be consistent with the witness' testimony, in which case it will be useless and disclosure will be harmless; or it will be inconsistent and of unquestioned value to the jury. Any claim that disclosure of such a statement would lead the trial into collateral and confusing issues was rejected by this Court in [Jencks v. United States, 353 U.S. 657 \(1957\)](#), and by Congress in the legislation which followed.

The strong negative implication in [Hickman v. Taylor, supra](#), [\*\*\*\*41] that the work-product rule does not apply to evidentiary requests at trial became a holding in [Jencks v. United States, supra](#). There a defendant in a criminal case sought production by the Government at trial of prior statements made by its witnesses on the same subject matter as their testimony. The Government [\*249] argued, *inter alia*, that production would violate the "'legitimate interest that each party -- including the Government -- has in safeguarding the privacy of its files.'" [353 U.S., at 670](#). The Court held against the Government. The Court said that to deny disclosure of prior statements which might be used to impeach the witnesses was to "deny the accused *evidence* relevant and material to his defense," *id.*, [at 667](#) (emphasis added). Also rejected as unrealistic was any rule which would require the defendant to demonstrate the impeachment value of the [\*\*\*160]

prior statements *before* disclosure,<sup>8</sup> and the Court held that entitlement to disclosure for use in cross-examination is "established when the reports are shown to relate to the testimony of the witness." *Id.*, at 669. [\*\*\*\*42] Thus, not only did the Court reject the notion that there was a "work product" limitation on the trial judge's discretion to order production of evidentiary matter at trial, but it was affirmatively held that prior statements of a witness on the subject of his testimony are the kind of evidentiary matter to which an adversary is entitled.

Indeed, even in the pretrial discovery area in which the work-product rule does apply, work-product notions have been thought insufficient to prevent discovery of *evidentiary and impeachment* material. In *Hickman v. Taylor*, 329 U.S., at 511, the Court [\*\*\*\*43] stated: S

"We do not mean to say that all written materials obtained or prepared by an adversary's counsel with an eye toward litigation are necessarily free from discovery in all cases. Where relevant and nonprivileged [\*250] [\*\*2176] facts remain hidden in an attorney's file and where production of those facts is essential to the preparation of one's case, discovery may properly be had. Such written statements and documents might, under certain circumstances, be *admissible in evidence* or give clues as to the existence or location of relevant facts. Or they might be useful for purposes of *impeachment or corroboration*." (Emphasis added.)

Mr. Justice Jackson, in concurring, was even more explicit on this point. See *supra*, at 245. Pursuant to this language, the lower courts have ordered *evidence* to be turned over pretrial even when it came into being as a result of the adversary's efforts in preparation for trial.<sup>9</sup>

<sup>8</sup>The Court in *Jencks* quoted the language of Mr. Chief Justice Marshall in *United States v. Burr*, 25 F. Cas. 187, 191 (Va. 1807)

"Now, if a paper be in possession of the opposite party, what statement of its contents or applicability can be expected from the person who claims its production, he not precisely knowing its contents?" 353 U.S., at 668 n. 12.

<sup>9</sup>*Cummings v. Bell Telephone Co. of Pennsylvania*, 47 F.R.D. 373 (ED Pa. 1968); *Marks v. Gas Service Co.*, 168 F. Supp. 487 (WD Mo. 1958); *Maginnis v. Westinghouse Electric Corp.*, 207 F. Supp. 739 (ED La. 1962); *Julius Hyman & Co. v. American Motorists Ins. Co.*, 17 F.R.D. 386 (Colo. 1955); *Parrett v. Ford Motor Co.*, 47 F.R.D. 22 (WD Mo. 1968); *Scuderi v. Boston Ins. Co.*, 34 F.R.D. 463, 468 (Del. 1964)

A member of a defense team who witnesses an out-of-court statement of someone who later testifies at trial in a contradictory fashion becomes at that moment a witness to a relevant and admissible event, and the cases cited above would [\*\*\*\*44] dictate disclosure of any reports he [\*251] may have [\*\*\*161] written about the event.<sup>10</sup> Since prior statements are inadmissible hearsay until the witness testifies, there is no occasion for ordering reports of such statements produced as evidence *pretrial*. However, some courts have ordered witness statements produced pretrial in the likelihood that they will *become* impeachment evidence.<sup>11</sup> Moreover, where access to witnesses or to their information is unequal, discovery of their statements is often granted solely to help a party *prepare* for trial regardless of any eventual evidentiary value of the out-of-court statements. See *Proposed Amendments to the Federal Rules of Civil Procedure Relating to Discovery*, 48 F.R.D., at 501.

[\*\*\*\*45] Accordingly, it would appear that with one exception to be discussed below, the work-product notions of *Hickman v. Taylor*, *supra*, impose no restrictions on the trial judge's ordering production of evidentiary matter at trial; that these notions apply in only a very limited way, if at all, to a party's efforts to

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(each involving a situation in which a member of a litigation team witnessed an event or scene in the course of preparing a case for trial and the court ordered disclosure of his report of the event); *Bourget v. Government Employees Ins. Co.*, 48 F.R.D. 29 (Conn. 1969); *McCullough Tool Co. v. Pan Geo Atlas Corp.*, 40 F.R.D. 490 (SD Tex. 1966); *O'Boyle v. Life Ins. Co. of North America*, 299 F. Supp. 704 (WD Mo. 1969). Cf. *LaRocca v. State Farm Mutual Automobile Ins. Co.*, 47 F.R.D. 278 (WD Pa. 1969), and *Kennedy v. Senyo*, 52 F.R.D. 34 (WD Pa. 1971) (in each of which the preparation for trial was the subject of the suit); see also *Natta v. Hogan*, 392 F. 2d 686, 693 (CA10 1968); F. James, *Civil Procedure* 211 (1965).

<sup>10</sup>The holding in *Jencks v. United States*, 353 U.S. 657 (1957), would put to rest any claim that such prior statement would be disclosable only if the adversary established its evidentiary value ahead of time by specific proof that it was inconsistent.

<sup>11</sup>*Vetter v. Lovett*, 44 F.R.D. 465 (WD Tex. 1968); *McDonald v. Prowdley*, 38 F.R.D. 1 (WD Mich. 1965); *Tannenbaum v. Walker*, 16 F.R.D. 570 (ED Pa. 1954); *Fulton v. Swift*, 43 F.R.D. 166 (Mont. 1967); *Republic Gear Co. v. Borg-Warner Corp.*, 381 F. 2d 551, 557-558 (CA2 1967) (in camera inspection). Cf. *Goosman v. A. Duie Pyle, Inc.*, 320 F. 2d 45 (CA4 1963). For cases contra see 4 J. Moore, *Federal Practice* p26.64[3] n. 14 (2d ed. 1974).



obtain *evidence* pretrial pursuant to available discovery devices; and that these notions supply only a qualified discovery immunity with respect to witness statements in any event.<sup>12</sup>

[\*\*\*\*46] [\*252] II

[\*\*2177] In one of its aspects, the rule of [Hickman v. Taylor, supra](#), has application to evidentiary requests at trial. Both the majority and the concurring opinions in *Hickman v. Taylor* were at pains to distinguish between production of statements written by the witness and in the possession of the lawyer, and those statements which were made orally by the witness and written down by the lawyer. Production and use of oral statements written down by the lawyer would create a substantial risk that the lawyer would have to testify.<sup>13</sup> [\*\*\*162] The majority said that this would "make the attorney much less an officer [\*253] of the court and much more an ordinary witness." [329 U.S., at 513](#). Mr. Justice Jackson, in concurring, stated: S

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<sup>12</sup>The majority states:

"Moreover, the concerns reflected in the work-product doctrine do not disappear once trial has begun. Disclosure of an attorney's efforts at trial, as surely as disclosure during pretrial discovery, could disrupt the orderly development and presentation of his case. We need not, however, undertake here to delineate the scope of the doctrine at trial, for in this instance it is clear that the defense waived such right as may have existed to invoke its protections." *Ante*, at 239.

As noted above, the important question is not when the document in issue is created or even when it is to be produced. The important question is whether the document is sought for evidentiary or impeachment purposes or whether it is sought for preparation purposes only. Of course, a party should not be able to discover his opponent's legal memoranda or statements of witnesses not called whether his request is at trial or before trial. Insofar as such a request is made under the applicable discovery rules, it is within the rule of *Hickman v. Taylor* even though made at trial. Insofar as the request seeks to invoke the trial judge's discretion over evidentiary matters at trial, the rule of *Hickman v. Taylor* is unnecessary, since no one could ever suggest that legal memoranda or hearsay statements are evidence. If this is all the majority means by the above-quoted language, I agree.

<sup>13</sup>If the witness does not acknowledge making an inconsistent statement to the lawyer - even though the lawyer recorded it - the cross-examiner may not offer the document in evidence without at least calling the lawyer as a witness to authenticate the document and otherwise testify to the prior statement.

"Every lawyer dislikes to take the witness stand and will do so only for grave reasons. This is partly because it is not his role; he is almost invariably a poor witness. But he steps out of professional character to do it. He regrets it; the profession discourages it. But the practice advocated here is one which would force him to be a witness, not as to what he has seen or [\*\*\*\*47] done but as to other witnesses' stories, and not because he wants to do so but in self-defense." *Id.*, at 517.

The lower courts, too, have frowned on any practice under which an attorney who tries a case also testifies as a witness, and trial attorneys have been permitted to testify only in certain circumstances.<sup>14</sup>

[\*\*\*\*48] The remarks of the Court in [Hickman v. Taylor, supra](#), while made in the context of a request for pretrial discovery have application to the evidentiary use of lawyers' memoranda of witness interviews at trial. It is unnecessary, however, to decide in this case whether the policies against putting in issue the credibility of the lawyer who will sum up to the jury outweighs the jury's interest in obtaining all relevant information; and whether [Jencks v. United States, supra](#), and [18 \[\\*254\] U.S.C. § 3500](#) are to be viewed as expressing a preference for disclosure of all facts.<sup>15</sup> In this case, the creator of the memorandum [\*\*2178] was not the trial

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<sup>14</sup> [United States v. Porter](#), 139 U.S. App. D.C. 19, 429 F. 2d 203 (1970); [United States v. Fiorillo](#), 376 F. 2d 180 (CA2 1967); [Gajewski v. United States](#), 321 F. 2d 261 (CA8 1963), cert. den., 375 U.S. 968 (1964); [United States v. Newman](#), 476 F. 2d 733 (CA3 1973); [Travelers Ins. Co. v. Dykes](#), 395 F. 2d 747 (CA5 1968); [United States v. Alu](#), 246 F. 2d 29 (CA2 1957); [United States v. Chiarella](#), 184 F. 2d 903, modified on rehearing, 187 F. 2d 12 (CA2 1950), vacated as to one petitioner, 341 U.S. 946, cert. denied as to other petitioner *sub nom.* [Stancin v. United States](#), 341 U.S. 956 (1951); [United States v. Clancy](#), 276 F. 2d 617 (CA7 1960), rev'd on other grounds, 365 U.S. 312 (1961).

<sup>15</sup> The cases have held records of witness statements made by prosecutors to be disclosable under [18 U.S.C. § 3500](#), [United States v. Hilbrich](#), 341 F. 2d 555 (CA7), cert. den., 381 U.S. 941, reh. den., 382 U.S. 874 (1965), and 384 U.S. 1028 (1966); [United States v. Aviles](#), 315 F. 2d 186 (CA2 1963); [Saunders v. United States](#), 114 U.S. App. D.C. 345, 316 F. 2d 346 (1963); [United States v. Smaldone](#), 484 F. 2d 311 (CA10 1973), cert. den., 415 U.S. 915 (1974). Cf. [Canaday v. United States](#), 354 F. 2d 849 (CA8 1966). In [State v. Bowen](#), 104 Ariz. 138, 449 P. 2d 603 (1969), the court reached a contrary result under state law.

lawyer but an investigator <sup>16</sup> [\*\*\*163] and he was, in any event, to be called as a witness by the defense. Accordingly, I would reverse the judgment below because, quite apart from waiver, the workproduct rule of *Hickman v. Taylor, supra*, has no application to the request at trial for evidentiary and impeachment material made in this case.

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## References

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23 Am Jur 2d, Depositions and Discovery 324, 324.5

11 Am Jur PI & Pr Forms (Rev ed), Federal Criminal Procedure, Forms 141-143

5 Am Jur Trials 27, Pretrial Procedures and Motions in Criminal Cases

USCS, [Constitution, 5th Amendment](#); [Federal Rules of Criminal Procedure, Rule 16](#)

US L Ed Digest, Disclosure and Inspection 13, 13.5

ALR Digests, Discovery and Inspection 11-13

L Ed Index to Annos, Depositions and Discovery; Federal Rules of Criminal Procedure; Production of Book and Papers; Witnesses

ALR Quick Index, Discovery and Inspection; Impeachment of Witnesses; Production of Books and Papers; Rules of Criminal Procedure

Federal Quick Index, Deposition and Discovery; Federal Rules of Criminal Procedure; Impeachment of Witnesses; Production of Books and Papers

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<sup>16</sup>A conflict arose among lower federal courts over the question whether the work product of members of a litigation team other than the lawyer was protected from discovery by the rule of *Hickman v. Taylor, supra*. Ghent, Development, Since *Hickman v. Taylor*, of Attorney's "Work Product" Doctrine, 35 A.L.R. 3d 438-440 (§§ 7 [a] and [b]) and 453-455 (§§ 15 [a] and [b]) (1971); [Proposed Amendments to the Federal Rules of Civil Procedure Relating to Discovery, 48 F.R.D. 487, 501-502 \(1970\)](#). With respect to discovery in civil cases under [Fed. Rule Civ. Proc. 26](#), the conflict was resolved in the 1970 amendments by affording protection to documents by a party's "representative," whether a lawyer or not. Where the purpose of the rule protecting the work product is to remove the incentive a party might otherwise have to rely solely on his opponent's preparation, it is sensible to treat preparation by an attorney and an investigator alike. However, the policy against lawyers testifying applies only to the lawyer who tries the case.

## Annotation References:

Federal constitutional right to confrontation of witnesses. [23 L Ed 2d 853](#).

Validity and construction of Jencks Act ([18 USCS 3500](#)) as to defendant's right to production of statements and reports of government witnesses. [5 L Ed 2d 1014](#).

[\*\*\*\*50] Failure to cross-appeal as affecting scope of appellate review. [1 L Ed 2d 1820](#).

Accused's right to counsel under the [Federal Constitution](#). [93 L Ed 137](#), [2 L Ed 2d 1644](#), [9 L Ed 2d 1260](#), [18 L Ed 2d 1420](#).

Pretrial discovery, inspection or interrogation procedure as applicable to files, records, documents or other data in possession of attorney. [91 L Ed 467](#).

Development, since *Hickman v Taylor*, of attorney 's "work product" doctrine. [35 ALR3d 412](#).

Statements and reports of government witnesses producible in federal criminal case under Jencks Act ([18 USCS 3500](#)). [5 ALR3d 763](#).

Discovery and inspection of prosecution evidence under Federal [Rule 16](#) of [Criminal Procedure](#). [5 ALR3d 819](#).

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## *Loftis v. Amica Mut. Ins. Co.*

United States District Court for the District of Connecticut

June 19, 1997, Decided ; June 19, 1997, Opinion Filed

CASE NO. 3:95 CV 1662 (AHN)

### Reporter

175 F.R.D. 5 \*; 1997 U.S. Dist. LEXIS 11788 \*\*

ANDREA T. LOFTIS, Individually and as Administratrix of the Estate of James Loftis, Plaintiff, v. AMICA MUTUAL INSURANCE COMPANY, Defendant.

**Disposition:** [\*\*1] Plaintiff's motion to compel (doc. # 26) GRANTED in part and DENIED in part.

### Core Terms

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insured, communications, advice, attorney-client, work product, documents, work product doctrine, bad faith, correspondence, legal advice, confidential, client's confidence, policy limit, attorney's, disclosure, privileged, redacted, billing, parties, settle, motion to compel, courts, plaintiff's claim, discovery, outside counsel, legal opinion, confidence, materials, protects, reveals

### Case Summary

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#### Procedural Posture

Plaintiff individual sought to compel the production of four documents, which defendant insurer withheld as protected under the attorney-client privilege and the work product doctrine in a bad faith action against defendant for failure to settle an insurance claim.

#### Overview

Plaintiff individual claimed that defendant insurer acted in bad faith by refusing to promptly settle her claims against defendant's insured when liability became obvious and failing to communicate a settlement offer to the insured. Plaintiff sought discovery of a letter from defendant's counsel setting forth the attorney's legal opinion and advice concerning defendant's bad faith liability, a billing statement from defendant's counsel,

and two internal memoranda discussing the attorney's legal opinion and advice. Defendant claimed the documents were privileged. The court held that the documents were not subject to attorney-client privilege under Connecticut law because they did not reveal defendant's confidences. However, because the letter from defendant's counsel constituted opinion work product and was not used by defendant in the processing or handling of plaintiff's claim, the court denied plaintiff's motion to compel its disclosure. The billing statement was not work product and was ordered disclosed. Defendant's internal correspondence was ordered redacted to the extent that it revealed the attorney's work product and then ordered disclosed.

#### Outcome

The court granted plaintiff individual's motion to compel production of documents in defendant insurer's possession in part and denied it in part. Because the documents did not reveal defendant's confidences they were not subject to attorney-client privilege but a document and parts of other documents, which revealed defendant's attorney's opinion work product were not ordered disclosed.

### LexisNexis® Headnotes

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Civil Procedure > Preliminary Considerations > Federal & State Interrelationships > Erie Doctrine

Evidence > Privileges > Attorney-Client Privilege > General Overview

## [HN1](#) **Erie Doctrine**

Federal courts sitting in diversity look to state law regarding the attorney-client privilege.

Evidence > Privileges > Attorney-Client Privilege > Elements

Criminal Law & Procedure > Trials > Burdens of Proof > Prosecution

Evidence > Privileges > Attorney-Client Privilege > Waiver

Evidence > Privileges > Attorney-Client Privilege > General Overview

## [HN2](#) **Elements**

Connecticut has adopted the common law formulation of the attorney-client privilege, which states that where legal advice of any kind is sought from a professional legal adviser in his capacity as such, the communications relating to that purpose, made in confidence by the client, are at his instance permanently protected from disclosure by himself or by the legal adviser, except the protection be waived. The party asserting the attorney-client privilege bears the burden of establishing all of the elements of the privilege.

Legal Ethics > Client Relations > Duties to Client > Duty of Confidentiality

Evidence > Privileges > Attorney-Client Privilege > General Overview

## [HN3](#) **Duty of Confidentiality**

An attorney's communications with the client are not privileged unless they reveal client confidences.


Legal Ethics > Client Relations > Duties to Client > Duty of Confidentiality

Evidence > Privileges > Attorney-Client Privilege > General Overview

## [HN4](#) **Duty of Confidentiality**

Billing statements from an attorney to a client, which do not reveal a client's confidential communications are not protected by the attorney-client privilege.

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview


[HN5](#)  The work product doctrine shields from disclosure documents and other materials prepared in anticipation of litigation or trial by a party or a party's representative, absent a showing of substantial need. [Fed. R. Civ. P. 26\(b\)\(3\)](#).

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview

Civil Procedure > ... > Discovery > Methods of Discovery > Inspection & Production Requests

Civil Procedure > Discovery & Disclosure > General Overview

Civil Procedure > ... > Discovery > Methods of Discovery > General Overview

[HN6](#)  [Fed. R. Civ. P. 26\(b\)\(3\)](#) provides that a party may obtain discovery of documents and tangible things prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative (including the other party's attorney, consultant, surety, indemnitor, insurer, or agent) only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the district court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

Civil Procedure > Preliminary Considerations > Federal & State Interrelationships > Erie Doctrine

Civil Procedure > ... > Privileged

Communications > Work Product  
Doctrine > General Overview

### [HN7](#) **Erie Doctrine**

Federal law governs the protection afforded under the work product doctrine in federal courts.

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Fact  
Work Product

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > Opinion Work Product


Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

### [HN8](#) **Fact Work Product**

The degree of protection afforded under the work product doctrine is dependent upon whether the work product is ordinary or opinion work product. In either event, the protection is not absolute. A party can obtain discovery of ordinary work product materials by demonstrating substantial need and the inability to obtain the substantial equivalent of the materials without undue hardship. [Fed. R. Civ. P. 26\(b\)\(3\)](#). Opinion work product,, which reflects the mental impressions, conclusions or opinions of an attorney, receives greater protection. Disclosure of opinion work product is particularly disfavored by the courts and requires a far stronger showing of necessity and unavailability by other means.

Insurance Law > Liability & Performance  
Standards > Bad Faith & Extracontractual  
Liability > General Overview

Civil Procedure > Discovery &  
Disclosure > Discovery > Relevance of  
Discoverable Information

[HN9](#)  In a bad faith action against an insurer, the plaintiff must show that the insurer was unreasonable in withholding payment of the claim of its insured. Bad faith actions against an insurer by their very nature can only be proved by showing exactly how the company

processed the claim, how thoroughly it was considered, and why the company took the action that it did. To establish that the insurer acted in bad faith, the plaintiff must show whether the insurer sought and followed the advice and recommendation of its agents, adjusters, and attorneys. Therefore, all such information is relevant and good cause is established for its production.

**Counsel:** For Plaintiff: Karen L. Murdoch, Horton, Shields & Cormier, Hartford, CT.

For Defendant: Francis H. Morrison, III, Day, Berry & Howard, Hartford, CT.

**Judges:** Donna F. Martinez, United States Magistrate Judge

**Opinion by:** Donna F. Martinez

## **Opinion**

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### [\*6] RULING ON THE PLAINTIFF'S MOTION TO COMPEL

This is a bad faith action against an insurer for failing to settle an insurance claim. Presently pending before the court is a discovery dispute in which the court is called upon to decide whether the defendant must produce documents containing the confidential advice and work product of its attorney. <sup>1</sup> After oral arguments, supplemental briefs and an in camera review of the documents at issue, the plaintiff's motion to compel (doc. # 26) is GRANTED in part and DENIED in part.

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<sup>1</sup> On April 12, 1996, the plaintiff moved to compel responses to several interrogatories and the production of certain documents. Since the filing of the plaintiff's motion, the parties have resolved by agreement many of the discovery disputes that were the subject of that motion. All that remains for the court to decide is whether Amica Mutual Insurance Company shall be compelled to produce any of four documents which have been withheld as protected under the attorney-client privilege and the work product doctrine. Those documents are (1) a letter from Noble K. Pierce, Esq. to Richard W. Hassett dated June 1, 1994, (2) a billing statement from Noble K. Pierce to Amica Mutual Insurance Company dated June 8, 1994, (3) a memorandum from Barbara Munsell to M. Stuart Towsay dated June 3, 1994, and (4) a document from Norman Norys to Barbara Munsell and M. Stuart Towsay dated June 3, 1994.

[\*\*2] Factual Background

The following facts were obtained from the submissions of the parties in connection with the motion to compel.

[\*7] On October 25, 1993, James Loftis was killed in a head-on automobile collision when a car driven by Brian Whitlatch crossed over into Loftis's lane on Route 85 in Salem. Loftis, a 22 year old police dispatcher, left behind a wife and a small baby.

Brian Whitlatch was insured by the defendant Amica under a liability policy that provided coverage of \$ 300,000 per claim. About a month after the fatal accident, an attorney representing Loftis's widow wrote to Amica and demanded that it settle with Mrs. Loftis for the \$ 300,000 policy limit of Whitlatch's insurance. Mrs. Loftis's lawyer emphasized that Mrs. Loftis was unemployed, had an infant child to support and monthly mortgage payments to make. Mrs. Loftis's attorney also stressed the obvious liability of Amica's insured in causing the accident.

Over the next few months, Mrs. Loftis's lawyer communicated frequently with Amica. He repeated that Whitlatch's liability was clear and that Amica had had ample time to investigate the claim. Mrs. Loftis's lawyer extended several times the deadline by which [\*\*3] Mrs. Loftis would accept payment of the \$ 300,000 policy limit before filing suit. As early as mid-February of 1994, he raised the specter of suing Amica for its "bad faith" in failing to settle the claim quickly.

The parties dispute the details of the negotiations. Amica maintains that it offered the policy limits as soon as it concluded its investigation. The plaintiff claims that Amica lingered too long before finally trying to settle the claim for the policy limits. In any event, the correspondence makes apparent that by March 14, 1994, Amica offered the \$ 300,000 insurance policy with no conditions attached. It is also evident that by that time, Mrs. Loftis's attorney had informed Amica that Mrs. Loftis would no longer settle for that amount.

On April 19, 1994, Mrs. Andrea Loftis, acting in her individual capacity and as administratrix of her husband's estate, brought a wrongful death action against Brian Whitlatch in Connecticut Superior Court. Amica retained Attorney Thomas Mullaney to represent Whitlatch in the wrongful death action.

Within one month of commencing the wrongful death action, Mrs. Loftis filed an offer of judgment for \$ 325,000. Although there was no action [\*\*4] pending

directly against Amica at the time of the offer of judgment, Mrs. Loftis identified \$ 25,000 of the offer of judgment as compensation to settle a claim against Amica for its "bad faith" in handling the insurance claim.<sup>2</sup> Attorney Mullaney, who represented Whitlatch, communicated the offer of judgment to Amica, but informed Amica that his ethical obligations to Whitlatch limited his ability to advise Amica concerning the offer of the judgment. Attorney Mullaney therefore suggested that Amica consult independent counsel.

Amica then forwarded the Whitlatch claim file to the law firm of Howard, Kohn, Sprague and Fitzgerald with a cover letter stating that Amica wanted "a legal opinion as to whether or not there is any exposure to [Amica] for 'bad faith.'" [\*\*5] Attorney Pierce responded to Amica's request by letter dated June 1, 1994. The letter contained Attorney Pierce's legal opinion regarding Amica's exposure to a bad faith claim based upon his review of the facts contained in the claims file which Amica provided to him. Thereafter, Amica rejected the offer of judgment.

In May 1995, the wrongful death action was tried before a jury in the Connecticut Superior Court in New London. The jury found in favor of the plaintiff and awarded the estate damages in the amount of \$ 3,585,300 and also awarded Mrs. Loftis damages in the amount of \$ 152,000.

Having obtained judgment against Amica's insured, Mrs. Loftis, acting in her individual capacity and on behalf of her husband's estate, brings this action against Amica pursuant to [Connecticut General Statutes § 38a-321](#) for payment of the judgment against Brian Whitlatch.

In this action, the plaintiff alleges that Amica acted in bad faith by, *inter alia*, failing to attempt to effectuate a prompt, fair and equitable settlement of the plaintiff's claims [\*8] after the liability of its insured had become apparent and by failing to accept an offer to settle the plaintiff's claims against its insured [\*\*6] for the limits of the insured's policy. The plaintiff further alleges that Amica's failure to accept the offer of judgment for \$ 325,000 also constituted bad faith.

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<sup>2</sup> Under Connecticut law, when an insurer unreasonably and in bad faith withholds payment of a claim, it may be subject to liability in tort. [Grand Sheet Metal Products Co. v. Protection Mutual Ins. Co., 34 Conn. Supp. 46, 50-51, 375 A.2d 428 \(1977\).](#)

## Discussion

The plaintiff moves to compel the production of four documents which Amica has withheld as protected under the attorney-client privilege and the work product doctrine. The documents at issue are the letter from Amica's outside counsel to Amica which sets forth the attorney's legal opinion and advice to Amica, a billing statement from Amica's outside counsel to Amica, and two internal memoranda between Amica employees which discuss one outside counsel's legal opinion and advice. The court will separately discuss the scope of the protections afforded by the attorney-client privilege and the work product doctrine as applied to the documents at issue in this case.

### I. Attorney-Client Privilege

Connecticut law defines and governs the application of the attorney-client privilege in this diversity action. [Dixon v. 80 Pine St. Corp., 516 F.2d 1278, 1280 \(2d Cir. 1975\)](#) (HN1 federal courts sitting in diversity look to state law regarding the attorney-client privilege); [Rule 501, Fed. R. Evid.](#)

HN2 Connecticut [\*\*7] has adopted the common law formulation of the attorney-client privilege which states that "where legal advice of any kind is sought from a professional legal adviser in his capacity as such, the communications relating to that purpose, made in confidence by the client, are at his instance permanently protected from disclosure by himself or by the legal adviser, except the protection be waived." [Rienzo v. Santangelo, 160 Conn. 391, 395, 279 A.2d 565 \(1971\)](#). The party asserting the attorney-client privilege bears the burden of establishing all of the elements of the privilege. [State v. Hanna, 150 Conn. 457, 466, 191 A.2d 124 \(1963\)](#).

#### A. Attorney Pierce's June 1, 1994 Letter

The first document that is the subject of the plaintiff's motion to compel is the June 1, 1994 letter written by Attorney Pierce to Amica. Based upon the parties' submissions and an *in camera* review of the letter, the court finds that Attorney Pierce's letter satisfies many but not all of the elements necessary to merit protection under the privilege. The letter was written by Attorney Pierce in his capacity as Amica's attorney. It contains Attorney Pierce's advice and opinions and was written in [\*\*8] response to Amica's request for legal advice. In addition, the contents of the letter were communicated in confidence to Amica and that confidentiality has apparently been maintained. The letter, however, fails to

satisfy that element of the privilege which requires that the protected communication be a confidence of the client.

After a careful review of the record, the court finds that any communications made by Amica which are revealed in (or which may be inferred from) Attorney Pierce's letter have already been disclosed. To begin with, Amica's request for Attorney Pierce's legal opinion has been disclosed. In that request, Amica said that it was enclosing the claims file. The claims file has been disclosed. Attorney Pierce attests that the facts contained in his opinion letter were communicated to him through Amica's claims file. *See* Exhibit A to Defendant Amica Mutual Insurance Company's Supplemental Memorandum of Law in Opposition to Plaintiff's Motion to Compel dated April 18, 1997. Thus, any communications made by Amica when it sought the advice of its attorney -- even if confidential when made -- have since been disclosed as part of the normal course of this litigation [\*\*9] and are no longer confidential.

The question presented by the motion to compel Attorney Pierce's letter, therefore, is whether the attorney-client privilege protects from disclosure the legal opinion and advice communicated in confidence by an attorney to his client where that opinion and advice do not reveal client confidences. Amica argues that the letter should be protected because it contains the advice of Amica's attorney. The plaintiff argues that the letter should be disclosed if it does not reveal any confidential [\*9] communications by the client. Because the Connecticut Supreme Court has not decided this issue, this court must predict how Connecticut's highest court would rule under the circumstances of this case. *See Doyle v. St. Paul Fire & Marine Ins. Co., Inc., 583 F. Supp. 554, 555 (D. Conn. 1984)* (when deciding issue not yet decided by the highest court of the state, federal court sitting in diversity may consider all data the highest court would use to determine how the Connecticut court would decide).

The law in other jurisdictions is not uniform as to whether the attorney-client privilege protects a lawyer's advice that does not reveal a client's confidence. Applying [\*\*10] a broad approach to the privilege, some courts have held that the privilege protects communications from the lawyer, regardless of whether the lawyer's communications reveal confidences from the client. *See e.g., United States v. Amerada Hess Corp., 619 F.2d 980, 986 (3d Cir. 1980); In re LTV Securities Litigation, 89 F.R.D. 595, 602-03 (N.D. Tex.*

1981).

Many other courts, however, have rejected the broad approach to the privilege, opting instead to apply the privilege narrowly. See Scott N. Stone and Robert K. Taylor, Testimonial Privileges, § 1.25 (2d ed. 1995). These courts hold that the attorney's communications are not privileged unless they reveal client confidences. SCM Corp. v. Xerox Corp., 70 F.R.D. 508, 522 (D. Conn.) (Newman, J.), appeal dismissed, 534 F.2d 1031 (2d Cir. 1976). As Judge Newman reasoned in SCM Corp. v. Xerox Corp., "unless the legal advice reveals what the client has said, no legitimate interest of the client is impaired by disclosing the advice." *Id.* See also In re Sealed Case, 237 U.S. App. D.C. 312, 737 F.2d 94 (D.C. Cir. 1984) (communications from attorney are privileged where they are based in significant and inseparable [\*\*11] part on confidential communications from the client); Schlefer v. United States, 226 U.S. App. D.C. 254, 702 F.2d 233, 245 (D.C. Cir. 1983) (lawyer-client privilege protects communications from attorney to client when confidential and based on confidential information supplied by client); Walsh v. Northrop Grumman Corp., 165 F.R.D. 16, 18 (E.D.N.Y. 1996) (second circuit "remains committed to the narrowest application of the privilege such that it protects only legal advice that discloses confidential information given to the lawyer by the client"); Montgomery v. Leftwich, Moore & Douglas, 161 F.R.D. 224, 226 (D.D.C. 1995) (communications made by attorney to client are shielded only if they rest on confidential information obtained from the client); Republican Party v. Martin, 136 F.R.D. 421, 426 (E.D.N.C. 1991) (the privilege does not apply to legal advice which does not reveal client confidences); In re Tire Workers Asbestos Litigation, 125 F.R.D. 617, 621-22 (E.D. Pa. 1989) (under Pennsylvania law, attorney's speech at union meeting outlining possible rights of union members was not privileged because speech was not based on client confidences); Potts v. Allis-Chalmers [\*\*12] Corp., 118 F.R.D. 597, 602-05 (N.D. Ind. 1987) (attorney required to reveal legal advice where no showing had been made that advice would disclose client confidences).

Amica argues that an attorney's advice is protected under Connecticut law and cites the Connecticut Supreme Court decision in Ullmann v. State, 230 Conn. 698, 647 A.2d 324 (1994) in support of its argument. Amica reads Ullmann too broadly. The issues in Ullmann arose out of a criminal trial involving charges of witness tampering. *Id.* at 699. At the trial, the state sought to establish that the attorney for the accused had communicated the witness's telephone number to the

accused. *Id.* at 714. The state attempted to compel the accused's attorney to testify as to certain facts, including whether the attorney knew the telephone number of the witness at the time that he met with his client. *Id.* at 700-01. When the attorney refused to answer the state's questions on the ground that the information sought was protected from disclosure by the attorney-client privilege, the court held the attorney in criminal contempt and fined him \$ 100. *Id.* at 702. Reviewing the trial court's ruling, the Connecticut [\*\*13] Supreme Court found no error. *Id.* at 724. Recognizing that the attorney-client privilege does not protect all communications from an attorney to his client, the Ullmann court stated that a "communication from attorney to client solely regarding a matter of fact would not ordinarily [\*10] be privileged, unless it were shown to be inextricably linked to the giving of legal advice." *Id.* at 713. The court concluded that the communications at issue in Ullmann were not made by the attorney in connection with giving legal advice and held that the attorney-client privilege was not implicated. *Id.* at 714. The court did not address the issue which is presented by this case, that is, whether advice is protected if it does not reveal client confidences.

Amica draws this court's attention to the statement in Ullmann that "the attorney-client privilege protects communications between client and attorney when made in confidence for the purpose of seeking or giving legal advice." *Id.* at 711. In light of the facts and holding of Ullmann, this statement should not be read to mean that the Connecticut Supreme Court has adopted the broad view of the attorney-client privilege [\*\*14] which shields all legal advice from disclosure. To the contrary, the Connecticut Supreme Court was merely stating what was not in contention. Ullmann does not hold that legal advice itself is protected in all instances. Indeed, the Ullmann court stated that the attorney-client privilege is to be "strictly construed because it tends to prevent a full disclosure of the truth in court." Ullmann v. State, 230 Conn. 698, 711, 647 A.2d 324 (1994). See also Turner's Appeal, 72 Conn. 305, 318, 44 A. 310 (1899).

This court believes that the Connecticut Supreme Court would adopt the reasoning of Judge Newman and join those courts, including the federal courts of the second circuit, which apply the privilege narrowly to hold that HN3 [↑] an attorney's communications with the client are not privileged unless they reveal client confidences. Because there has been no showing by Amica that Attorney Pierce's letter reveals any client confidences, the court holds that the June 1, 1994 letter is not protected by the attorney-client privilege.



## B. Billing Statement from Amica's Outside Counsel

[HN4](#) [↑] Billing statements from an attorney to a client which do not reveal a client's confidential communications [\*\*15] are not protected by the attorney-client privilege. [Rehim v. Kimberly-Clark Corp., 1996 Conn. Super. LEXIS 3225](#), No. 323416, 1996 WL 727338 (Conn. Super., Dec. 5, 1996). The court finds that, like the June 1, 1994 letter, the June 8, 1994 billing statement does not reveal any client confidences. That billing statement is therefore not protected by the privilege.

## C. Amica's Internal Correspondence Regarding Attorney's Advice

The advice which Amica received from Attorney Pierce is discussed in two internal documents generated by Amica employees. The only ground on which Amica claims these documents are privileged is that they reveal the substance of Amica's attorney's advice. However, because this court holds that the attorney's advice is not privileged, it follows that the internal memoranda discussing that advice also are not privileged. The court holds that the internal memoranda are not protected by the attorney-client privilege.

## II. Work Product Doctrine

Having concluded that the attorney-client privilege does not protect the documents at issue from disclosure, the court now turns to the question of whether the documents are protected under the work product doctrine.

[HN5](#) [↑] The work product doctrine [\*\*16] shields from disclosure documents and other materials prepared in anticipation of litigation or trial by a party or a party's representative, absent a showing of substantial need. [Fed. R. Civ. P. 26\(b\)\(3\)](#); see also [In re Grand Jury Subpoenas, 959 F.2d 1158, 1166 \(2d Cir. 1992\)](#). "At its core, the work-product doctrine shelters the mental processes of the attorney, providing a privileged area in which he can analyze and prepare his client's case." [United States v. Nobles, 422 U.S. 225, 238, 45 L. Ed. 2d 141, 95 S. Ct. 2160 \(1975\)](#). By establishing a zone of privacy for strategic litigation planning, the work product doctrine prevents one party from piggybacking on the adversary's preparation. [United States v. Adlman, 68 F.3d 1495, 1501 \(2d Cir. 1995\)](#).

First articulated by the United States Supreme Court more than 50 years ago in [\*\*11] [Hickman v. Taylor, 329 U.S. 495, 91 L. Ed. 451, 67 S. Ct. 385 \(1947\)](#), the

work product doctrine has since been substantially incorporated in [HN6](#) [↑] [Rule 26\(b\)\(3\) of the Federal Rules of Civil Procedure](#), which provides, in pertinent part:

a party may obtain discovery of documents and tangible things . . . prepared in anticipation of litigation [\*\*17] or for trial by or for another party or by or for that other party's representative (including the other party's attorney, consultant, surety, indemnitor, insurer, or agent) only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

[HN7](#) [↑] Federal law governs the protection afforded under the work product doctrine in federal courts. [Edo Corp. v. Newark Insurance Co., 145 F.R.D. 18, 21 \(D. Conn. 1992\)](#).

[HN8](#) [↑] The degree of protection afforded under the work product doctrine is dependent upon whether the work product is *ordinary* or *opinion* work product. In either event, the protection is not absolute. A party can obtain discovery of ordinary work product materials by demonstrating substantial need and the inability to obtain [\*\*18] the substantial equivalent of the materials without undue hardship. [Fed. R. Civ. P. 26\(b\)\(3\)](#). Opinion work product, which reflects the mental impressions, conclusions or opinions of an attorney, receives greater protection. *Id.* Disclosure of opinion work product is particularly disfavored by the courts and requires a far stronger showing of necessity and unavailability by other means. [Upjohn Co. v. United States, 449 U.S. 383, 401-02, 66 L. Ed. 2d 584, 101 S. Ct. 677 \(1981\)](#); see also [S.N. Phelps & Co. v. Circle K Corp., 1997 U.S. Dist. LEXIS 713](#), No. 96 CV 5801 (JFK), 1997 WL 31197, at \*7 (S.D.N.Y. 1997) (party seeking discovery of opinion work product must demonstrate "extraordinary justification" (citation omitted)).

As the party invoking the protection of the work product doctrine, Amica has the burden of establishing that the documents at issue were prepared in anticipation of

litigation. [Helt v. Metropolitan District Commission, 113 F.R.D. 7, 12 \(D. Conn. 1986\)](#). The burden of proving that the need for the documents overrides the protection of the work product doctrine rests with the plaintiff. [Id.](#)

A. [Attorney Pierce's June 1, 1994 Letter](#)

The defendant has argued, and the plaintiff [\*\*19] has conceded, that Attorney Pierce's June 1, 1994 letter constitutes opinion work product. The letter is therefore deserving of the highest protection under the work product doctrine. In order to decide whether Attorney Pierce's letter should be produced, this court must evaluate whether the plaintiff's need for the letter in the context of this action is so compelling as to warrant production of the letter and revelation of Attorney Pierce's opinion work product. The court finds that it is not so compelling.

[HN9](#) [↑] In a bad faith action against an insurer, the plaintiff must show that the insurer was unreasonable in withholding payment of the claim of its insured. [See L.F. Pace & Sons, Inc. v. Travelers Indemnity Co., 9 Conn. App. 30, 46, 514 A.2d 766, cert. denied 201 Conn. 811, 516 A.2d 886 \(1986\)](#). "Bad faith actions against an insurer . . . by their very nature 'can only be proved by showing exactly how the company processed the claim, how thoroughly it was considered and why the company took the action that it did.'" [Robarge v. Patriot General Insurance Company, 42 Conn. Supp. 164, 166-67, 608 A.2d 722 \(1992\)](#) (quoting [Brown v. Superior Court In & For Maricopa County, \[\\*\\*20\] 137 Ariz. 327, 336, 670 P.2d 725 \(1983\)](#)). To establish that the insurer acted in bad faith, the plaintiff "must show 'whether [the insurer] sought and followed [the] advice and recommendation of its agents, adjusters and attorneys.' Therefore, all such information is relevant and good cause [is] established for its production." [Id.](#), quoting [Chitty v. State \[\\*12\] Farm Mutual Automobile Ins. Co., 36 F.R.D. 37, 40 \(E.D.S.C. 1964\)](#).<sup>3</sup>

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<sup>3</sup> The plaintiff relies upon a line of cases, including [Chitty v. State Farm Mutual Automobile Ins. Co., 36 F.R.D. 37 \(E.D.S.C. 1964\)](#) and [Bourget v. Government Employees Ins. Co., 48 F.R.D. 29, 33 \(D. Conn. 1969\)](#), in arguing that Attorney Pierce's opinion must be disclosed. However, the issue presented in [Chitty](#) and [Bourget](#) concerned whether the insurer was compelled to produce correspondence between it and the attorney it retained to represent the insured. These cases are inapposite to the issue presented in this case because Attorney Pierce did not represent the insured. The plaintiff's suggestions to the contrary notwithstanding, the record in this case makes clear that Attorney Pierce

[\*\*21] In this case, the focus of the plaintiff's claims of bad faith is upon Amica's failure to promptly settle the insurance claim for the limits of the policy as soon as the liability of its insured became apparent. Indeed, it was Amica's delay in offering the policy limits that first prompted Mrs. Loftis to increase her demand to \$ 325,000 when she filed the offer of judgment.

The plaintiff also claims that Amica's failure to accept the \$ 325,000 offer of judgment constituted bad faith. The plaintiff does not argue, as she cannot, that Amica's failure to pay the \$ 25,000 above the policy limits in and of itself constituted bad faith. As the defendant points out, "it is axiomatic that no insurer is bound to provide indemnification . . . beyond the scope of the coverage described in the insurance contract, the policy." [Plasticrete Corporation v. American Policyholders Ins. Co., 184 Conn. 231, 235-36, 439 A.2d 968 \(1981\)](#). Rather, the plaintiff maintains that Amica failed to inform its insured of the offer and failed to give the insured the option to personally pay the \$ 25,000 above policy limits to avoid the risk of a huge judgment against him. [See Third Amended Complaint, All \[\\*\\*22\] Counts, P 17n and Plaintiff's Reply to Defendant's Objection to Motion to Compel dated May 28, 1996 at pp. 5-6.](#)

After careful review of the plaintiff's claims and arguments and the factual context out of which they arise, the court concludes that the plaintiff has not established substantial need for the opinion work product of Attorney Pierce. Attorney Pierce's advice was sought so that Amica might better assess its bad faith exposure based upon its handling of the insurance claim. Evidence of the manner in which Amica processed or handled the claim up to the point when Amica sought Attorney Pierce's opinion has been made available to the plaintiff. Negotiations regarding settling the insurance claim for the policy limits had ended by the time Attorney Pierce's advice was sought. Attorney Pierce's after-the-fact assessment of his client's handling of the claim is not necessary for the plaintiff to prepare her claim that Amica had acted in bad faith in failing to effectuate a prompt settlement for the policy limits.

Nor is Attorney Pierce's opinion letter necessary to the plaintiff's claim that Amica acted in bad faith by rejecting the \$ 325,000 offer of judgment without informing [\*\*23] its insured of the offer and giving him the opportunity to contribute toward a settlement. Whether Amica was obligated to inform its insured of the offer or to permit

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represented Amica, not the insured.

him the opportunity to pay the \$ 25,000 in excess of the policy limits was not discussed by Attorney Pierce in his opinion letter to Amica. Therefore, disclosure of Attorney Pierce's opinion letter cannot be necessary to that aspect of the plaintiff's case.

In sum, based upon the plaintiff's claim and based upon the court's in camera review of Attorney Pierce's letter, the court concludes that the plaintiff has not demonstrated the requisite need for Attorney Pierce's opinion work product. The letter therefore should be protected.

#### B. Billing Statement from Amica's Outside Counsel

The billing statement from Amica's outside counsel to Amica contains general descriptions of the work which Amica's outside counsel performed in response to Amica's request. The billing statement does not reveal any ordinary or opinion work product of Attorney Pierce and, therefore, should be disclosed.

#### C. Amica's Internal Correspondence Regarding Attorney's Advice

The two pieces of internal correspondence between Amica employees [\*\*24] contain [\*13] references to Attorney Pierce's work product. To the extent that the correspondence reveals Attorney Pierce's work product, the correspondence should be redacted so that that work product is not revealed.

With respect to the correspondence from Barbara Munsell to M. Stuart Towsay dated June 3, 1994, the document should be redacted as follows:

The first three sentences in the second paragraph should be redacted because they reveal the substance of Attorney Pierce's analysis. That remainder of the second paragraph, beginning with "He has no understanding . . . ." should be produced.

The first sentence of the third paragraph should be redacted because it reveals the substance of Attorney Pierce's work product. The second sentence of the third paragraph should be produced up to and including the phrase "\$ 25K in Calif." The last four words of the second sentence should be redacted. The remainder of the third paragraph should be produced.

Other than those portions of the memorandum designated to be redacted as set forth above, the remainder of the memorandum reveals the opinions of the Amica employees who wrote the document and is therefore discoverable.

With respect to the [\*\*25] correspondence from Norman Norys to Barbara Munsell and M. Stuart Towsay dated June 3, 1994, the document should be redacted as follows:

Excepting the handwritten initials that appear at the bottom left side of the page, the handwritten notation at the bottom of the page which appears below the typewritten statement "please call (203) 659-4151" should be redacted because it reveals the work product of Attorney Pierce. The remainder of the document should be disclosed.

#### Conclusion

For the above stated reasons, the plaintiffs' motion to compel (doc. # 26) is DENIED as moot insofar as the parties have been able to reach agreement on the matters previously in dispute. The motion is DENIED with respect to the correspondence from Noble K. Pierce, Esq. to Richard W. Hassett dated June 1, 1994. The motion is GRANTED in part and DENIED in part with respect to the correspondence from Barbara Munsell to M. Stuart Towsay dated June 3, 1994, and the correspondence from Norman Norys to Barbara Munsell and M. Stuart Towsay dated June 3, 1994, both of which are to be produced with redactions as set forth in this decision.

SO ORDERED.

Dated this 19th day of June, 1997 at New Haven, Connecticut.

[\*\*26] Donna F. Martinez

United States Magistrate Judge

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End of Document

## *In re Grand Jury Subpoena*

United States Court of Appeals for the Second Circuit

July 13, 2007, Argued; November 16, 2007, Decided

Docket No. 05-6891-cv

### Reporter

510 F.3d 180 \*; 2007 U.S. App. LEXIS 28479 \*\*

IN RE GRAND JURY SUBPOENA DATED JULY 6,  
2005

**Subsequent History:** Supplemental opinion at [In re Grand Jury Subpoena Dated July 6, 2005, 256 Fed. Appx. 379, 2007 U.S. App. LEXIS 28484 \(2d Cir. N.Y., 2007\)](#)

US Supreme Court certiorari denied by [Doe v. United States, 2008 U.S. LEXIS 4839 \(U.S., June 9, 2008\)](#)

**Prior History:** [\*\*1] Appeal from orders of the Eastern District of New York (Garaufis, J.), entered on October 19, 2005 and December 1, 2005, directing Appellant to comply with a grand jury subpoena dated July 6, 2005.

**Disposition:** AFFIRMED.

### Core Terms

recordings, grand jury, work product, grand jury subpoena, district court, Broker, contends, grand jury proceedings, conversations, interview, materials, witnesses, attorney-client, discovery, questioning, subpoena, argues, tape, information contained, work product doctrine, transactions, contents, cases

### Case Summary

#### Procedural Posture

Appellant mortgage broker challenged a judgment of the United States District Court of the Eastern District of New York, which directed appellant to comply with a grand jury subpoena. Appellant contended that the district court erred in concluding that recordings he made of conversations with a business colleague were

not protected by attorney work product privilege, the [Fifth Amendment](#), or attorney-client privilege.

### Overview

Appellant was the subject of an on-going grand jury investigation and had recorded conversations with the colleague, also another mortgage broker under investigation, on the advice of his counsel. The district court held that the recordings were fact work product; however, under the standard set forth in [Fed. R. Civ. P. 26\(b\)\(3\)](#), the grand jury had a substantial need for the information contained in the recordings, as they were unique evidence that could not be obtained through other means. The court affirmed. Appellant failed to carry his heavy burden of demonstrating that the recordings were opinion work product, as the recordings were less reflective of an attorney's thought processes than his notes or memoranda would be. Further, appellant did not produce the recordings for in camera review. The court then opined that the grand jury had a substantial need for the recordings, which would provide it with evidence to determine the roles that appellant and his colleague played in an alleged fraud. The grand jury could not obtain the information through alternative means because the recordings were a unique memorialization of the conversations between appellant and his colleague.

### Outcome

The court affirmed the judgment.

### LexisNexis® Headnotes

Civil Procedure > Appeals > Standards of Review > Abuse of Discretion

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > Scope of Protection

Evidence > Burdens of Proof > Allocation

### [HN1](#) Abuse of Discretion

The attorney work product doctrine provides qualified protection for materials prepared by or at the behest of counsel in anticipation of litigation or for trial. The party invoking the privilege bears the heavy burden of establishing its applicability. A United States Circuit Court of Appeals reviews a district court's ruling on a work product claim for abuse of discretion. A district court abuses its discretion when (1) its decision rests on an error of law (such as application of the wrong legal principle) or a clearly erroneous factual finding, or (2) its decision--though not necessarily the product of a legal error or a clearly erroneous factual finding--cannot be located within the range of permissible decisions.


Civil Procedure > ... > Privileged Communications > Work Product Doctrine > Fact Work Product

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > Opinion Work Product

### [HN2](#) Fact Work Product

There are two types of work product, ordinary or fact and opinion. Fact work product may encompass factual material, including the result of a factual investigation. In contrast, opinion work product reveals the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative, and is entitled to greater protection than fact work product. To be entitled to protection for opinion work product, the party asserting the privilege must show a real, rather than speculative, concern that the work product will reveal counsel's thought processes in relation to pending or anticipated litigation.

Civil Procedure > ... > Discovery > Privileged Communications > General Overview

[HN3](#)  Making an in camera submission of materials that counsel contends are privileged is a practice both long-standing and routine in cases involving claims of privilege.

Evidence > Burdens of Proof > Allocation

Civil Procedure > ... > Discovery > Privileged Communications > General Overview

### [HN4](#) Allocation

The burden of showing entitlement to a privilege is on the party asserting that privilege.

Criminal Law & Procedure > Commencement of Criminal Proceedings > Grand Juries > Attorney-Client Privilege


Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview

### [HN5](#) Attorney-Client Privilege

Although the work product doctrine is most often applied in civil cases, its role in assuring the proper functioning of the criminal justice system is even more vital. It is clear that the work product doctrine applies to grand jury proceedings, but arguably less clear what species of work product protection a court should apply.

Criminal Law & Procedure > ... > Discovery & Inspection > Discovery by Government > General Overview

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview

[HN6](#)  [Fed. R. Civ. P. 26\(b\)\(3\)](#) obviously does not apply to grand jury subpoenas. [Fed. R. Crim. P. 16\(b\)\(2\)](#) protects reports, memoranda, or other documents made by a defendant, or the defendant's attorney or agent during the case's investigation or defense, [Fed. R. Crim. P. 16\(b\)\(2\)\(A\)](#), but posits a pre-trial proceeding in which there is a known defendant. Thus, neither [Fed. R. Civ. P. 26\(b\)\(3\)](#) nor [Fed. R. Crim. P. 16\(b\)\(2\)](#) is a perfect fit in the grand jury context.

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview

[HN7](#)  See [Fed. R. Civ. P. 26\(b\)\(3\)](#).

Criminal Law & Procedure > ... > Discovery & Inspection > Discovery by Government > General Overview


[HN8](#)  See [Fed. R. Crim. P. 16\(b\)\(2\)](#).

Criminal Law & Procedure > Commencement of Criminal Proceedings > Grand Juries > Attorney-Client Privilege


[HN9](#)  **Attorney-Client Privilege**

A grand jury has a right to every man's evidence and there is a fundamental and comprehensive need for that evidence. Thus, privilege claims that shield information from a grand jury proceeding or a criminal trial are not to be expansively construed, for they are in derogation of the search for truth.

Criminal Law & Procedure > ... > Grand Juries > Evidence Before Grand Jury > General Overview

[HN10](#)  Where relevant and non-privileged facts remain hidden in an attorney's file and where production of those facts is essential to the preparation of one's case, discovery may properly be had. That is, a grand jury is entitled to fact work product where the government shows that the grand jury has a substantial need for the materials and that it has exhausted other means of obtaining the relevant information it seeks.

Criminal Law & Procedure > ... > Investigative Authority > Subpoenas > Scope

[HN11](#)  A grand jury holds broad powers to collect evidence through judicially enforceable subpoenas. Indeed, nowhere is the public's claim to each person's evidence stronger than in the context of a valid grand

jury subpoena. Without thorough and effective investigation, the grand jury would be unable either to ferret out crimes deserving of prosecution, or to screen out charges not warranting prosecution. This is accomplished only if the grand jury has access to the data it needs to decide whether it should return an indictment.

Constitutional Law > ... > Fundamental Rights > Criminal Process > Assistance of Counsel

[HN12](#)  **Assistance of Counsel**

Where the [Sixth Amendment](#) right to attorney-client confidentiality exists, prosecutorial violation of that privilege might lead to reversal of a resulting conviction if a defendant could show prejudice.

**Counsel:** PAULA SCHWARTZ FROME, Law Office of Paula Schwartz Frome, Esq., Garden City, New York, for Appellant.

ROBERT M. RADICK, Assistant United States Attorney (Jo Ann M. Navickas, Assistant United States Attorney, Roslynn R. Mauskopf, United States Attorney for the Eastern District of New York on the brief) Brooklyn, New York, for Appellee.

**Judges:** Before: POOLER, B.D. PARKER, and WESLEY, Circuit Judges.

**Opinion by:** RICHARD C. WESLEY

## Opinion

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[\*181]

RICHARD C. WESLEY, *Circuit Judge*:

Appellant contends that the district court erred in concluding that recordings he made of conversations with a business colleague were not protected by attorney work product privilege, the [Fifth Amendment](#), or attorney-client privilege. In this opinion, we hold that the district court did not err in concluding that while Appellant's recordings were fact work product, the government established that the grand jury had a substantial need for the recordings and that the information contained on them could not be obtained through other means. In a separate [\*2] summary order filed today, we reject Appellant's remaining claims. We therefore AFFIRM the judgment below.

## BACKGROUND

Appellant,<sup>1</sup> a former mortgage broker, is [\*182] the subject<sup>2</sup> of an ongoing grand jury investigation. He appeals from sealed orders of the United States District Court for the Eastern District of New York (Garaufis, J.) dated October 19, 2005 and December 1, 2005. Collectively, the orders directed him to comply with a July 6, 2005 grand jury subpoena that required him to produce copies of recordings<sup>3</sup> he surreptitiously made of conversations with another mortgage broker ("Broker")--also a subject of the investigation.

In January 2005, a prosecutor with the United States Attorney's Office for the Eastern District of New York contacted Appellant's counsel and indicated that Appellant was a subject of a grand jury investigation. Appellant and his attorney met twice--on January 12, 2005, and May 15, 2005--with the prosecutor and several federal agents. There was no proffer agreement covering either meeting. At both, Appellant discussed his role in certain transactions, and at the latter meeting, appellant indicated that he had surreptitiously recorded conversations with Broker sometime after January 12, 2005. He explained that he made the recordings on the advice of his counsel to protect himself and that the recorded conversations related to real estate transactions. The prosecutor then informed Appellant that he intended to seek a grand jury subpoena for the recordings. Appellant's attorney protested that the recordings were not subject to production, raising the [Fifth Amendment](#) privilege [\*\*4] against self-incrimination and attorney-client privilege. The government did not ask Appellant any questions about

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<sup>1</sup> Because both sides have filed submissions under seal, and because the grand jury investigation is ongoing, our discussion of the background to this appeal is limited to those facts necessary to an understanding of the legal conclusions reached in this case.

<sup>2</sup> While Appellant refers to himself as a "target" of the investigation, the government contends that he is only a "subject" of the investigation. Appellant has not been charged in this matter. See [United States v. Calandra, 414 U.S. 338, 352 n.8, 94 S. Ct. 613, 38 L. Ed. 2d 561 \(1974\)](#) (distinguishing between criminal defendant and witness subpoenaed [\*\*3] to testify before grand jury).

<sup>3</sup> Appellant refers to the disputed evidence as "recording or recordings"; we adopt the plural for simplicity's sake, and do not intend to imply anything about the actual number of recordings.

the contents of the tape recordings.

An agent of the Federal Bureau of Investigation served Appellant with a grand jury subpoena that required Appellant to produce, *inter alia*, "[o]riginals of any and all tape recordings of conversations between you and [Broker]." The next day, Appellant's attorney refused in writing to produce the requested materials, invoking several [Fifth Amendment](#) privilege claims and the attorney-client privilege.

The government moved to compel compliance with the grand jury subpoena. The district court issued a sealed memorandum and order rejecting all of Appellant's claims. The court made a preliminary finding that Appellant failed to establish that the tapes should be protected under the work product doctrine, but because it was "conceivable that [Appellant] could make a showing sufficient to meet [his] burden," the court directed the parties to submit supplemental briefs regarding whether the work product doctrine applied.

Appellant submitted an *ex parte* affirmation of counsel and a brief in which he argued that the recordings constituted opinion [\*\*5] attorney work product. The government conceded that the recordings appeared to have been generated in anticipation of litigation and thus were ordinary or fact work product, subject to qualified protection. The government contended that disclosure would be appropriate if it [\*183] showed substantial need for the recordings and that it was unable to obtain equivalent evidence by other means. The government argued that it needed the recordings because they presumably contained Broker's candid discussions of his role in the scheme, which were relevant to the grand jury's investigation into whether Appellant, Broker, and others had violated federal criminal law. The government pressed that the recordings provided uniquely valuable evidence because they were not subject to impeachment or fading memory. As a result, the government contended it was entitled to the recordings even though they were fact work product.

In a sealed memorandum and order, the district court required Appellant to comply with the grand jury subpoena. The district court agreed that the recordings were fact work product but held that, under the "standard put forth in [Rule 26\(b\)\(3\) of the Federal Rules of Civil Procedure](#)," the [\*\*6] government demonstrated substantial need for the information contained in the recordings and that the recordings were unique evidence that could not be obtained through other

means. The court also determined that Appellant failed to show that the recordings would reveal his attorney's mental impressions or litigation strategies, noting that Appellant had not submitted the recordings for *in camera* review. As a result, the court held that the recordings were not entitled to the heightened protection afforded opinion work product.

This appeal followed.

## DISCUSSION

### I. Work Product

[HN1](#) [↑] The attorney work product doctrine "provides qualified protection for materials prepared by or at the behest of counsel in anticipation of litigation or for trial." [In re Grand Jury Subpoenas Dated Mar. 19, 2002 & Aug. 2, 2002, 318 F.3d 379, 383 \(2d Cir. 2003\)](#). The party invoking the privilege bears the heavy burden of establishing its applicability. [Id. at 384](#). This Court reviews the district court's ruling on a work product claim for abuse of discretion. *See, e.g., Horn & Hardart Co. v. Pillsbury Co., 888 F.2d 8, 12 (2d Cir. 1989)*. A district court abuses its discretion "when (1) its decision rests on an error of [[\\*\\*7](#)] law (such as application of the wrong legal principle) or a clearly erroneous factual finding, or (2) its decision--though not necessarily the product of a legal error or a clearly erroneous factual finding--cannot be located within the range of permissible decisions." [Zervos v. Verizon N.Y., Inc., 252 F.3d 163, 169 \(2d Cir. 2001\)](#) (footnote omitted); *see United States v. Adlman, 68 F.3d 1495, 1502 (2d Cir. 1995)* (remanding case where district court applied incorrect legal standard to work product claim).

#### A. The Recordings are Fact Work Product

[HN2](#) [↑] There are two types of work product, ordinary or fact (herein "fact") and opinion. As we have stated previously, fact work product may encompass factual material, including the result of a factual investigation. *See In re Grand Jury Subpoena Dated Oct. 22, 2001, 282 F.3d 156, 161 (2d Cir. 2002)*. In contrast, opinion work product reveals the "mental impressions, conclusions, opinions, or legal theories of an attorney or other representative," and is entitled to greater protection than fact work product. [United States v. Adlman, 134 F.3d 1194, 1197 \(2d Cir. 1998\)](#) (quoting [Fed. R. Civ. P. 26\(b\)\(3\)](#)). To be entitled to protection for

opinion work product, [[\\*\\*8](#)] the party asserting the privilege must show "a real, rather than speculative, concern" that the work product will reveal counsel's thought processes "in relation [[\\*184](#)] to pending or anticipated litigation." [In re Grand Jury Subpoenas Dated Mar. 19, 2002 & Aug. 2, 2002, 318 F.3d at 386](#) (quoting [Gould, Inc. v. Mitsui Mining & Smelting Co., 825 F.2d 676, 680 \(2d Cir. 1987\)](#)).

Appellant contends that the recordings are opinion work product. He asserts that the "topics and issues" discussed on the recordings "could reveal attorney thought processes," and argues that the district court erred in finding that the recordings were only fact work product. Furthermore, the attorney who represented Appellant when the subpoena was served alleged, in an *ex parte* affirmation submitted to the district court and this Court, that he gave Appellant instructions regarding the conversations with Broker. Appellant argues that the affirmation "demonstrates that the tape recording would be covered by the opinion portion of the work product privilege."

Appellant is wrong. Since Appellant's arguments and the affirmation are "mere[ly] conclusory or ipse dixit assertions," he did not carry his "heavy burden" of demonstrating [[\\*\\*9](#)] the applicability of the privilege; consequently, the district court did not err in concluding that he failed to prove that the recordings were opinion work product. [In re Grand Jury Subpoena Dated Jan. 4, 1984, 750 F.2d 223, 225 \(2d Cir. 1984\)](#) (internal citation omitted). Furthermore, Appellant did not produce the recordings, either to the district court or this Court, for *in camera* review. [HN3](#) [↑] Making an *in camera* submission of materials that counsel contends are privileged is "a practice both long-standing and routine in cases involving claims of privilege." [In re Grand Jury Subpoenas Dated Mar. 19, 2002 & Aug. 2, 2002, 318 F.3d at 386](#) (collecting cases); *see also In re County of Erie, 473 F.3d 413, 416 (2d Cir. 2007)*. Such a submission would have permitted the district court, in the first instance, to assess whether disclosure of the materials would have, indeed, revealed counsel's legal strategies. The district court could have then determined whether there were portions of the recording that were entitled to only fact work product protection and portions that were entitled to opinion work product protection, and proceeded accordingly. Because [HN4](#) [↑] the burden of showing entitlement to a [[\\*\\*10](#)] privilege is on the party asserting that privilege, *see, e.g., In re Grand Jury Subpoena Dated Jan. 4, 1984, 750 F.2d at 224-25*, Appellant bears the consequences of not submitting his recordings for *in camera* review. The district court did



not abuse its discretion in concluding that the recordings were entitled to protection as fact work product only, because it is clear that such tape recordings are less reflective of an attorney's thought processes than his notes or memoranda would be. See *In re Grand Jury Subpoena Dated November 9, 1979*, 484 F. Supp. 1099, 1104 (S.D.N.Y. 1980).

**B. The District Court did not Err in Concluding that the Government Showed that the Grand Jury had a Substantial Need for the Information Contained in the Recordings, which Could not be Obtained Through Other Means**

[HN5](#) Although the work product doctrine is most often applied in civil cases, its "role in assuring the proper functioning of the criminal justice system is even more vital." *In re Grand Jury Proceedings*, 219 F.3d 175, 190 (2d Cir. 2000) (quoting *United States v. Nobles*, 422 U.S. 225, 238, 95 S. Ct. 2160, 45 L. Ed. 2d 141 (1975)). It is clear that the work product doctrine applies to grand jury proceedings, but arguably less clear what species [\*\*11] of work product [\*\*185] protection a court should apply. <sup>4</sup> See, e.g., *In re Grand Jury Subpoenas Dated Mar. 19, 2002 & Aug. 2, 2002*, 318 F.3d at 384; *In re Grand Jury Proceedings*, 219 F.3d at 190.

As an initial matter, we have held that [HN6](#) [Rule 26\(b\)\(3\)](#) <sup>5</sup> of the Federal Rules of Civil Procedure

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<sup>4</sup>After oral argument, we requested the parties brief the following issue: "whether [Federal Rule of Criminal Procedure 16\(b\)](#) bars a Grand Jury, in a criminal proceeding, from obtaining attorney-work product."

<sup>5</sup>[Federal Rule of Civil Procedure 26\(b\)\(3\)](#) [\*\*12] provides, in relevant part:

[HN7](#) Subject to the provisions of subdivision (b)(4) of this rule, a party may obtain discovery of documents and tangible things otherwise discoverable under subdivision (b)(1) of this rule and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative . . . only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions,

"obviously does not apply to grand jury subpoenas." *In re Grand Jury Subpoena*, 599 F.2d 504, 509 (2d Cir. 1979). [Rule 16\(b\)\(2\)](#) <sup>6</sup> of the Federal Rules of Criminal Procedure protects "reports, memoranda, or other documents made by the defendant, or the defendant's attorney or agent during the case's investigation or defense," [Fed. R. Crim. P. 16\(b\)\(2\)\(A\)](#), but "posits a pre-trial proceeding in which there is a known defendant," *In re Grand Jury Subpoena*, 599 F.2d at 509. Thus, neither [Rule 26\(b\)\(3\)](#) nor [Rule 16\(b\)\(2\)](#) is a perfect fit in the grand jury context. *In re Grand Jury Subpoenas Dated Mar. 19, 2002 & Aug. 2, 2002*, 318 F.3d at 384.

It has long been recognized that [HN9](#) the grand jury has a right to "every man's evidence" and that there is a "'fundamental' and 'comprehensive' need" for that evidence. *Cheney v. United States Dist. Court*, 542 U.S. 367, 384, 124 S. Ct. 2576, 159 L. Ed. 2d 459 (2004) (quoting *United States v. Nixon*, 418 U.S. 683, 709, 94 S. Ct. 3090, 41 L. Ed. 2d 1039 (1974)). Thus, "privilege claims that shield information from a grand jury proceeding or a criminal trial are not to be 'expansively construed, for they are in derogation of the search for truth.'" *Id.* (quoting *Nixon*, 418 U.S. at 710).

To determine if a party is entitled to fact work product protection in the grand jury context, this circuit applies a test derived from the requirements in [Rule 26\(b\)\(3\)](#) and the common law principles enunciated in *Hickman v. Taylor*: [HN10](#) "Where relevant and non-privileged facts remain hidden in an attorney's file and where production of those facts is essential to the preparation of one's case, discovery may properly be had." *329 U.S. 495, 511, 67 S. Ct. 385, 91 L. Ed. 451 (1947)*. That is, a grand jury is entitled to fact work product [\*\*14] where

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[opinions, or legal theories of an attorney or other representative of a party concerning the litigation.](#)

<sup>6</sup>[Rule 16\(b\)\(2\)](#) provides, in relevant part:

[HN8](#) Information Not Subject to Disclosure. Except for scientific or medical reports, [Rule 16\(b\)\(1\)](#) does not authorize discovery or inspection of:

(A) reports, memoranda, or other documents made by the defendant, or the defendant's attorney or agent, during the case's investigation or defense; or

(B) [\*\*13] a statement made to the defendant, or the defendant's attorney or agent, by:

(i) the defendant;

(ii) a government or defense witness; or

(iii) a prospective government or defense witness.

the government shows that the grand jury has a "substantial need" for the materials and that it has "exhausted other [\*186] means of obtaining the relevant information it seeks." <sup>7</sup> [In re Grand Jury Proceedings, 219 F.3d at 192.](#)

Thus, we first determine if the government has shown a substantial need for the recordings. *Id.* Appellant argues that the government has not demonstrated that the grand jury has a legitimate need for the recordings, and opines that the government is seeking the recordings only to ensure there is no impeachment evidence against Broker. He also contends that the government should be held to a higher burden--that the recordings were "necessary" for the grand jury to fulfill its purpose. The government contends that it seeks the recordings to provide the grand jury with evidence it requires to determine the roles [\*\*15] that brokers, including Appellant and Broker, played in the alleged fraud, and that the recordings will assist the grand jury in determining whether these individuals committed federal crimes.

**HN11** [↑] A grand jury holds "broad powers" to collect evidence through judicially enforceable subpoenas. See [United States v. Sells Eng'g, Inc., 463 U.S. 418, 423-24, 103 S. Ct. 3133, 77 L. Ed. 2d 743 \(1983\)](#). Indeed, "nowhere is the public's claim to each person's evidence stronger than in the context of a valid grand jury subpoena." [In re Grand Jury Proceedings, 219 F.3d at 186](#) (citation omitted). "Without thorough and effective investigation, the grand jury would be unable either to ferret out crimes deserving of prosecution, or to screen out charges not warranting prosecution." [Sells Eng'g, Inc., 463 U.S. at 424](#). This is accomplished only if the grand jury has access to the data it needs to decide whether it should return an indictment. Here, that data clearly includes the recordings. <sup>8</sup> We have no doubt the

<sup>7</sup>The district court erred in stating that [Federal Rule of Civil Procedure 26\(b\)\(3\)](#) governed its analysis, see [In re Grand Jury Subpoena, 599 F.2d at 509](#), but because the common law test used to determine if the grand jury is entitled to fact work product substantially mirrors the test set forth in [Rule 26\(b\)\(3\)](#), the error was both understandable and harmless.

<sup>8</sup>Appellant contends that the government would be given an "advantage" over him if given access to the [\*\*16] recordings because he has no reciprocal right to obtain any recordings the government may have made of conversations with witnesses. As the government points out, the grand jury is entitled to consider appropriate evidence, regardless of whether the person providing that information is granted

government showed that the grand jury has a "substantial need" for the recordings. [In re Grand Jury Proceedings, 219 F.3d at 190.](#)

The government must next show that it has "exhausted other means of obtaining the relevant information it seeks." *Id.* Appellant argues that the government should have asked him about the contents of the recordings in the interview at which he revealed the existence of the recordings. However, given that Appellant invoked attorney-client privilege regarding the recordings during that interview, it is highly unlikely that such questioning would have been productive because an attorney claiming the privilege would have been unlikely to then permit its breach in response to questions from the government. Appellant seeks to draw a distinction between the actual recordings, which he claims are not discoverable, [\*\*17] and the contents of the recordings, which he suggests may be discoverable. Since this distinction is not, in our view, a real one, we decline to fault the government for not attempting to question Appellant further in that regard after he invoked attorney-client [\*187] privilege. To require otherwise could force prosecutors to choose between their duty to respect attorney-client privilege <sup>9</sup> and the requirement to exhaust other means of obtaining information.

Appellant also argues that the government should have questioned Broker about the contents of the tapes. Appellant builds his argument on two district court cases, [EEOC v. Carrols Corp., 215 F.R.D. 46 \(N.D.N.Y. 2003\)](#) and [Gargano v. Metro-North, 222 F.R.D. 38 \(D. Conn. 2004\)](#). He contends that the government did not exhaust other means of obtaining the information in the recordings.

These two cases involve civil litigation, and are clearly distinguishable. In [Carrols \[\\*\\*18\] Corp.](#), a magistrate determined that a defendant was not entitled to the EEOC's witness questionnaires because the EEOC would provide the defendant with "witness summaries that will serve to identify the witness and provide at . . . least some insight into the witnesses' likely testimony."

reciprocal discovery to any like evidence in the government's possession. In any event, if Appellant is indicted, he will be able to seek such evidence in the normal course. See, e.g., [18 U.S.C. § 3500](#).

<sup>9</sup> See, e.g., [United States v. Castor, 937 F.2d 293, 297 \(7th Cir. 1991\)](#) (**HN12** [↑]) "Where the [sixth amendment](#) right to attorney-client confidentiality exists, prosecutorial violation of that privilege might lead to reversal of a resulting conviction if the defendant could show prejudice.").

[215 F.R.D. at 52](#). "Armed with that information," the magistrate noted, the defendant could then avail itself of the normal civil discovery devices "to obtain more detailed information." *Id.* In *Gargano*, the plaintiff sought transcripts of interviews made by the defendant company soon after the incident that generated the litigation. [222 F.R.D. at 39](#). The defendant company provided the plaintiff with summaries of the interviews and the witnesses' handwritten statements presumably taken soon after the incident, and the plaintiff had already deposed two of the three witnesses and was scheduled to depose the third. [Id. at 40](#). Holding that the plaintiff had not shown "substantial need," <sup>10</sup> the magistrate noted that the plaintiff could question the witnesses "about the events at issue and about the contents of the oral statements"; that the plaintiff had not argued "that the witnesses made statements to [<sup>\*\*19</sup>] the claim agent that they could not later recall at their depositions"; and that there was no "evidence of inconsistency between the prior statements and the deposition testimony." *Id.*

There is a clear difference between the surreptitious recordings here and the questionnaires in *Carrols Corp.* and the interviews in *Garagno*. A post-accident interview, for example, where agents of a company query witnesses about the accident is a far cry from recording someone without his knowledge while discussing possibly criminal business transactions. It is reasonable to suppose that the witnesses in *Garagno* would give the same answers regardless of the identity of the questioner. It is equally likely that the employees given the questionnaires in *Carrols Corp.* would give similar answers if asked to complete a questionnaire prepared by the defendant. But there is no way to recreate the discussions between Appellant and Broker, which provide [<sup>\*\*20</sup>] insight into Broker's role in the real estate transactions under grand jury review. *Accord In re Grand Jury Subpoena Dated November 9, 1979, 484 F. Supp. at 1104* (noting that certain "individuals whose statements were recorded will undoubtedly refrain" from repeating the statements to the grand jury). The district court did not err in concluding that it is unlikely that direct questioning of [<sup>\*188</sup>] Appellant and Broker would reveal the same information contained on the recordings.

The government contends, and the district court found, that it could not obtain the information it seeks through alternative means, because the recordings are a unique memorialization of the conversations between Appellant and Broker that is not subject to "fading memories or contradiction." As Broker did not know that he was being recorded, the government argues that the recordings provide insights into Broker's role in the alleged scheme that cannot be replicated by subsequent interviews. We agree. The grand jury seeks to determine whether Appellant, Broker, and others violated federal criminal law. The recordings, the existence of which Appellant freely admitted during his second interview, provide an unvarnished, [<sup>\*\*21</sup>] unique insight into Broker's role in the real estate transactions. Appellant could have initially shielded these recordings by simply keeping quiet about them. But having informed the government of their existence, he cannot now escape the reach of the grand jury's subpoena given that the information contained on the recordings cannot be replicated.

We hold that the district court did not err in concluding that while the recordings were fact work product, Appellant was required to obey the grand jury's subpoena. The government established that the grand jury had a substantial need for the recordings and could not obtain the information through other means. *Cf. In re Grand Jury Proceedings, 219 F.3d at 192*.

## Conclusion

The district court's orders of October 19, 2005 and December 1, 2005, directing Appellant to comply with a grand jury subpoena dated July 6, 2005, are hereby AFFIRMED for the reasons set forth in this opinion and the companion summary order also filed on this date. Appellant is directed to comply forthwith with the grand jury's July 6, 2005 subpoena.

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End of Document

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<sup>10</sup> The magistrate either collapsed the two prongs of the [Rule 26\(b\)\(3\)](#) test or, finding that there was no substantial need, declined to determine if the plaintiff was "unable without undue hardship to obtain the equivalent by other means." [Gargano, 222 F.R.D. at 40](#).

## [Upjohn Co. v. United States](#)

Supreme Court of the United States

November 5, 1980, Argued ; January 13, 1981, Decided

No. 79-886

### Reporter

449 U.S. 383 \*; 101 S. Ct. 677 \*\*; 66 L. Ed. 2d 584 \*\*\*; 1981 U.S. LEXIS 56 \*\*\*\*; 49 U.S.L.W. 4093; 81-1 U.S. Tax Cas. (CCH) P9138; 1980-81 Trade Cas. (CCH) P63,797; Fed. Sec. L. Rep. (CCH) P97,817; 47 A.F.T.R.2d (RIA) 523; 30 Fed. R. Serv. 2d (Callaghan) 1101

UPJOHN CO. ET AL. v. UNITED STATES ET AL.

**Prior History:** [\*\*\*\*1] CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT.

**Disposition:** [600 F.2d 1223](#), reversed and remanded.

### Core Terms

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communications, employees, attorney-client, interviews, attorney's, disclosure, work-product, court of appeals, legal advice, questionnaire, questions, control group, privileged, discovery, witnesses, summons, advice, courts, responses, work product, corporation's, confidential, proceedings, company's, disclose, mental impressions, outside counsel, oral statement, legal problem, common law

### Case Summary

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#### Procedural Posture

The court granted certiorari on a judgment from the United States Court of Appeals for the Sixth Circuit, which held that the attorney-client privilege did not apply to communications made by petitioner corporation's mid-level and lower-level officers and agents, and that the work-product doctrine did not apply to the administrative tax summonses issued under [26 U.S.C.S. § 7602](#).

#### Overview

Responding to a claim that its foreign subsidiary made

illegal payments to secure a government business, petitioner corporation initiated an investigation and sent out a questionnaire to all of its foreign general and area managers to determine the nature and magnitude of such payments. After petitioner disclosed such payments to the Securities and Exchange Commission, the Internal Revenue Service demanded a production of all the files relating to the investigation. Petitioner refused to produce the documents. The court rejected the "control group" test applied by the lower appellate court, concluding that even low-level and mid-level employees could have the information necessary to defend against the potential litigation, and that [Fed. R. Evid. 501](#) protected any client information that aided the orderly administration of justice. The court rejected the lower appellate court's conclusion that the work-product doctrine did not apply to tax summonses, but remanded the issue because the work-product at issue was based on potentially privileged oral statements. The doctrine could only be overcome upon a strong showing of necessity for disclosure, and unavailability by other means.

#### Outcome

The judgment was reversed because petitioner's low- and mid-level employees' information was protected by the attorney-client privilege where it was necessary to defend against potential litigation, and the work-product doctrine applied to tax summonses. The court remanded the case for a determination as to whether the work-product doctrine applied, and to allow respondent to show a necessity for the disclosure.

### LexisNexis® Headnotes

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Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

[HN1](#) [↓] The work-product doctrine does apply in tax summons enforcement proceedings.

Evidence > Privileges > Attorney-Client  
Privilege > Elements

Evidence > Privileges > General Overview

Evidence > Privileges > Attorney-Client  
Privilege > General Overview

### [HN2](#) [↓] Elements

See [Fed. R. Evid. 501](#).

Evidence > Privileges > Attorney-Client  
Privilege > Scope

Evidence > Privileges > General Overview

Evidence > Privileges > Attorney-Client  
Privilege > General Overview

Evidence > Privileges > Psychotherapist-Patient  
Privilege > General Overview

Evidence > Privileges > Psychotherapist-Patient  
Privilege > Scope

[HN3](#) [↓] The purpose of the attorney-client privilege is to encourage full and frank communication between attorneys and their clients and thereby promote broader public interests in the observance of law and administration of justice. The privilege recognizes that sound legal advice or advocacy serves public ends and that such advice or advocacy depends upon the lawyer's being fully informed by the client. The lawyer-client privilege rests on the need for the advocate and counselor to know all that relates to the client's reasons for seeking representation if the professional mission is to be carried out. The purpose of the privilege is to encourage clients to make full disclosure to their attorneys.

Evidence > Privileges > Attorney-Client  
Privilege > General Overview

[HN4](#) [↓] The attorney-client privilege applies when the client is a corporation.

Labor & Employment Law > Employment  
Relationships > At Will Employment > Definition of  
Employees

Evidence > Privileges > Attorney-Client  
Privilege > General Overview

### [HN5](#) [↓] Definition of Employees

In the corporate context, it will frequently be employees beyond the control group--officers and agents responsible for directing the company's actions in response to legal advice--who will possess the information needed by the corporation's lawyers. Middle-level and lower-level employees can, by actions within the scope of their employment, embroil the corporation in serious legal difficulties, and it is only natural that these employees would have the relevant information needed by corporate counsel if he is adequately to advise the client with respect to such actual or potential difficulties. In a corporation, it may be necessary to glean information relevant to a legal problem from middle management or non-management personnel as well as from top executives.

Evidence > Privileges > Attorney-Client  
Privilege > General Overview

[HN6](#) [↓] The protection of the privilege extends only to communications and not to facts. A fact is one thing and a communication concerning that fact is an entirely different thing. The client cannot be compelled to answer the question, "What did you say or write to the attorney?" but may not refuse to disclose any relevant fact within his knowledge merely because he incorporated a statement of such fact into his communication to his attorney.

Civil Procedure > ... > Privileged  
Communications > Work Product

Doctrine > General Overview


Civil Procedure > ... > Discovery > Methods of Discovery > Inspection & Production Requests

Civil Procedure > ... > Discovery > Methods of Discovery > General Overview

[HN7](#)  See [Fed. R. Civ. P. 26\(b\)\(3\)](#).

Civil Procedure > ... > Pleadings > Service of Process > General Overview


Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview

[HN8](#)  The obligation imposed by a tax summons remains subject to the traditional privileges and limitations. The Federal Rules of Civil Procedure are made applicable to summons enforcement proceedings by [Fed. R. Civ. P. 81\(a\)\(3\)](#).

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview

Civil Procedure > Discovery & Disclosure > Discovery > Relevance of Discoverable Information

Civil Procedure > Discovery & Disclosure > General Overview

[HN9](#)  Not all written materials obtained or prepared by an adversary's counsel with an eye toward litigation are necessarily free from discovery in all cases. Where relevant and nonprivileged facts remain hidden in an attorney's file and where production of those facts is essential to the preparation of one's case, discovery may properly be had. Production might be justified where the witnesses are no longer available or can be reached only with difficulty. This does not apply to oral statements made by witnesses, whether presently in the form of the attorney's mental impressions or memoranda.

## Lawyers' Edition Display

## Decision

Communications between corporate general counsel and corporate employees, held protected by attorney-client privilege; work-product doctrine, held applicable to Internal Revenue Service summons.

## Summary

After a corporation's general counsel was informed of certain questionable payments made by one of the corporation's foreign subsidiaries to foreign government officials, he began an internal investigation which included the sending of questionnaires to foreign managers seeking detailed information concerning the payments. Interviews were also conducted with the managers and other corporate officers and employees. The Internal Revenue Service, during the course of an investigation to determine the tax consequences of the payments, issued a summons pursuant to [26 USCS 7602](#) demanding production of, among other things, the questionnaires and the general counsel's notes on the interviews. The corporation declined to produce the material sought on the grounds that it was protected from disclosure by the attorney-client privilege and constituted the "work product" of an attorney prepared in anticipation of litigation. The United States sought enforcement of the summons in the United States District Court for the Western District of Michigan, which adopted a magistrate's conclusion that the summons should be enforced. On appeal, the United States Court of Appeals for the Sixth Circuit held that the attorney-client privilege did not apply to the extent the communications were made by officers and agents not responsible for directing the corporation's actions in response to legal advice, because the communications were not those of the "client," and that the work-product doctrine did not apply to IRS summonses ([600 F2d 1223](#)).

On certiorari, the United States Supreme Court reversed and remanded. In an opinion by Rehnquist, J., joined by Brennan, Stewart, White, Marshall, Blackmun, Powell, and Stevens, JJ., and joined in pertinent part by Burger, Ch. J., it was held that (1) the communications between the corporation's employees and the general counsel, which were evidenced both by the responses to the questionnaires and by notes taken by the general counsel reflecting employee responses during the interviews, were protected by the attorney-client privilege, and accordingly disclosure of such communications could not be compelled by the Internal Revenue Service pursuant to an administrative

summons under 7602 since the communications at issue were made by the employees to the general counsel, acting as such, at the direction of corporate superiors, in order to secure legal advice from counsel, and concerned matters within the scope of the employees' corporate duties, and (2) the work-product doctrine may be applied to tax summonses issued by the Internal Revenue Service under 7602, and therefore the work product of the corporation's general counsel, including notes and memoranda based on the oral statements of employees interviewed by the attorney, to the extent such material did not reveal communications already protected by the attorney-client privilege, did not have to be disclosed to the Internal Revenue Service simply on a showing of "substantial need" and the inability to obtain the equivalent "without undue hardship," especially in view of [Rule 26 of the Federal Rules of Civil Procedure](#) which accords special protection to work product revealing an attorney's mental processes.

Burger, Ch. J., concurring in part and concurring in the judgment, agreed with the court's holding as to the work-product doctrine, and expressed the view that the court, although properly holding that the communications in the case at bar were protected by the attorney-client privilege, should have made clear that, as a general rule, a communication is privileged at least when an employee or former employee speaks with an attorney at the direction of the management regarding conduct or proposed conduct within the scope of employment, provided the attorney is one authorized by the management to inquire into the subject and is seeking information to assist counsel in evaluating whether the employee's conduct has bound or would bind the corporation, assessing the legal consequences, if any, of that conduct, or formulating appropriate legal responses to actions that have been or may be taken by others with regard to that conduct.

## Headnotes

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REVENUE §74.5 > IRS summons -- corporate communications -- attorney-client privilege -- > Headnote:  
[LEdHN\[1A\]](#) [1A] [LEdHN\[1B\]](#) [1B]

Communications between corporate employees and a corporation's general counsel--which are evidenced both by responses to questionnaires made by the corporation's foreign managers in connection with a

corporate investigation into questionable payments made to foreign government officials, and by notes taken by the general counsel reflecting responses in interviews with corporate employees--are protected by the attorney-client privilege, and accordingly disclosure of such communications may not be compelled by the Internal Revenue Service pursuant to an administrative summons issued under [26 USCS 7602](#) during the course of an investigation into the tax consequences of the payments, where the communications at issue were made by the corporation's employees to the general counsel, acting as such, at the direction of corporate superiors in order to secure legal advice from counsel, and where the communications concerned matters within the scope of the employees' corporate duties.

REVENUE §74.5 > IRS summons -- work-product doctrine -- > Headnote:  
[LEdHN\[2A\]](#) [2A] [LEdHN\[2B\]](#) [2B]

The work-product doctrine is applicable to tax summonses issued by the Internal Revenue Service under [26 USCS 7602](#); accordingly, the work product of a corporation's general counsel including notes and memoranda based on the oral statements of corporate employees interviewed by the attorney in connection with an investigation into questionable payments made to foreign government officials--to the extent such materials do not reveal communications already protected by the attorney-client privilege--need not be disclosed to the Internal Revenue Service during the course of a tax investigation into the payments, simply on a showing by the Service of "substantial need" and the inability to obtain the equivalent "without undue hardship," especially in view of [Rule 26 of the Federal Rules of Civil Procedure](#), which accords special protection from disclosure to work product revealing an attorney's mental processes, such as the general counsel's notes and memoranda.

EVIDENCE §699 > attorney-client privilege -- scope of protection -- > Headnote:  
[LEdHN\[3\]](#) [3]

The attorney-client privilege exists to protect not only the giving of professional advice to those who can act on it, but also the giving of information to the lawyer to

enable him to give sound and informed advice.

EVIDENCE §699 > attorney-client privilege -- scope of protection -- facts underlying communications -- > Headnote: [LEdHN\[4\]](#) [4]

The attorney-client privilege only protects disclosure of communications; it does not protect disclosure of the underlying facts by those who communicated with the attorney.

REVENUE §74.5 > tax summons -- traditional privileges and limitations -- > Headnote: [LEdHN\[5\]](#) [5]

The obligation imposed by a tax summons remains subject to the traditional privileges and limitations.

## Syllabus

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When the General Counsel for petitioner pharmaceutical manufacturing corporation (hereafter petitioner) was informed that one of its foreign subsidiaries had made questionable payments to foreign government officials in order to secure government business, an internal investigation of such payments was initiated. As part of this investigation, petitioner's attorneys sent a questionnaire to all foreign managers seeking detailed information concerning such payments, and the responses were returned to the General Counsel. The General Counsel and outside counsel also interviewed the recipients of the questionnaire and other company officers and employees. Subsequently, based on a report voluntarily submitted by [\*\*\*\*2] petitioner disclosing the questionable payments, the Internal Revenue Service (IRS) began an investigation to determine the tax consequences of such payments and issued a summons pursuant to [26 U. S. C. § 7602](#) demanding production of, *inter alia*, the questionnaires and the memoranda and notes of the interviews. Petitioner refused to produce the documents on the grounds that they were protected from disclosure by the attorney-client privilege and constituted the work product of attorneys prepared in anticipation of litigation. The

United States then filed a petition in Federal District Court seeking enforcement of the summons. That court adopted the Magistrate's recommendation that the summons should be enforced, the Magistrate having concluded, *inter alia*, that the attorney-client privilege had been waived and that the Government had made a sufficient showing of necessity to overcome the protection of the work-product doctrine. The Court of Appeals rejected the Magistrate's finding of a waiver of the attorney-client privilege, but held that under the so-called "control group test" the privilege did not apply "[to] the extent that the communications [\*\*\*\*3] were made by officers and agents not responsible for directing [petitioner's] actions in response to legal advice . . . for the simple reason that the communications were not the 'client's.'" The court also held that the work-product doctrine did not apply to IRS summonses.

*Held:*

1. The communications by petitioner's employees to counsel are covered by the attorney-client privilege insofar as the responses to the questionnaires and any notes reflecting responses to interview questions are concerned. Pp. 389-397.

(a) The control group test overlooks the fact that such privilege exists to protect not only the giving of professional advice to those who can act on it but also the giving of information to the lawyer to enable him to give sound and informed advice. While in the case of the individual client the provider of information and the person who acts on the lawyer's advice are one and the same, in the corporate context it will frequently be employees beyond the control group (as defined by the Court of Appeals) who will possess the information needed by the corporation's lawyers. Middle-level -- and indeed lower-level -- employees can, by actions within the scope of their [\*\*\*\*4] employment, embroil the corporation in serious legal difficulties, and it is only natural that these employees would have the relevant information needed by corporate counsel if he is adequately to advise the client with respect to such actual or potential difficulties. Pp. 390-392.

(b) The control group test thus frustrates the very purpose of the attorney-client privilege by discouraging the communication of relevant information by employees of the client corporation to attorneys seeking to render legal advice to the client. The attorney's advice will also frequently be more significant to noncontrol employees than to those who officially sanction the advice, and the control group test makes it



more difficult to convey full and frank legal advice to the employees who will put into effect the client corporation's policy. P. 392.

(c) The narrow scope given the attorney-client privilege by the Court of Appeals not only makes it difficult for corporate attorneys to formulate sound advice when their client is faced with a specific legal problem but also threatens to limit the valuable efforts of corporate counsel to ensure their client's compliance with the law. Pp. 392-393.

(d) [\*\*\*\*5] Here, the communications at issue were made by petitioner's employees to counsel for petitioner acting as such, at the direction of corporate superiors in order to secure legal advice from counsel. Information not available from upper-echelon management was needed to supply a basis for legal advice concerning compliance with securities and tax laws, foreign laws, currency regulations, duties to shareholders, and potential litigation in each of these areas. The communications concerned matters within the scope of the employees' corporate duties, and the employees themselves were sufficiently aware that they were being questioned in order that the corporation could obtain legal advice. Pp. 394-395.

2. The work-product doctrine applies to IRS summonses. Pp. 397-402.

(a) The obligation imposed by a tax summons remains subject to the traditional privileges and limitations, and nothing in the language or legislative history of the IRS summons provisions suggests an intent on the part of Congress to preclude application of the work-product doctrine. P. 398.

(b) The Magistrate applied the wrong standard when he concluded that the Government had made a sufficient showing of necessity [\*\*\*\*6] to overcome the protections of the work-product doctrine. The notes and memoranda sought by the Government constitute work product based on oral statements. If they reveal communications, they are protected by the attorney-client privilege. To the extent they do not reveal communications they reveal attorneys' mental processes in evaluating the communications. As [Federal Rule of Civil Procedure 26](#), which accords special protection from disclosure to work product revealing an attorney's mental processes, and [Hickman v. Taylor, 329 U.S. 495](#), make clear, such work product cannot be disclosed simply on a showing of substantial need or inability to obtain the equivalent without undue

hardship. P. 401.

**Counsel:** Daniel M. Gribbon argued the cause and filed briefs for petitioners.

[\*\*\*\*7] Deputy Solicitor General Wallace argued the cause for respondents. With him on the brief were Solicitor General McCree, Assistant Attorney General Ferguson, Stuart A. Smith, and Robert E. Lindsay. \*

**Judges:** REHNQUIST, J., delivered [\*\*\*\*8] the opinion of the Court, in which BRENNAN, STEWART, WHITE, MARSHALL, BLACKMUN, POWELL, and STEVENS, JJ., joined, and in Parts I and III of which BURGER, C. J., joined. BURGER, C. J., filed an opinion concurring in part and concurring in the judgment, post, p. 402.

**Opinion by:** REHNQUIST

## Opinion

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[\*386] [\*\*\*589] [\*\*681] JUSTICE REHNQUIST delivered the opinion of the Court.

[LEdHN\[1A\]](#)<sup>[↑]</sup> [1A] [LEdHN\[2A\]](#)<sup>[↑]</sup> [2A] We granted certiorari in this case to address important questions concerning the scope of the attorney-client privilege in the corporate context and the applicability of the work-product doctrine in proceedings to enforce tax summonses. *445 U.S. 925*. With respect to the privilege question the parties and various *amici* have described our task as one of choosing between two "tests" which have gained adherents in the courts of appeals. We are acutely aware, however, that we sit to decide concrete cases and not abstract propositions of law. We decline to lay down a broad rule or series of rules to govern all conceivable future questions in this area, even were we

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\* Briefs of amici curiae urging reversal were filed by Leonard S. Janofsky, Leon Jaworski, and Keith A. Jones for the American Bar Association; by Thomas G. Lilly, Alfred F. Belcuore, Paul F. Rothstein, and Ronald L. Carlson for the Federal Bar Association; by Erwin N. Griswold for the American College of Trial Lawyers et al.; by Stanley T. Kaleczyc and J. Bruce Brown for the Chamber of Commerce of the United States; and by Lewis A. Kaplan, James N. Benedict, Brian D. Farrow, John G. Koeltl, Standish Forde Medina, Jr., Renee J. Roberts, and Marvin Wexler for the Committee on Federal Courts et al.

William W. Becker filed a brief for the New England Legal Foundation as amicus curiae.

able to do so. We can and do, however, conclude that the attorney-client privilege [\*\*\*\*9] protects the communications involved in this case from compelled disclosure and that [HNI](#)[↑] the work-product doctrine does apply in tax summons enforcement proceedings.

I

Petitioner Upjohn Co. manufactures and sells pharmaceuticals here and abroad. In January 1976 independent accountants conducting an audit of one of Upjohn's foreign subsidiaries discovered that the subsidiary made payments to or for the benefit of foreign government officials in order to secure government business. The accountants so informed petitioner Mr. Gerard Thomas, Upjohn's Vice President, Secretary, and General Counsel. Thomas is a member of the Michigan and New York Bars, and has been Upjohn's General Counsel for 20 years. He consulted with outside counsel and R. T. Parfet, Jr., Upjohn's Chairman of the Board. It was decided that the company would conduct an internal investigation of what were termed "questionable payments." As part of this investigation the attorneys prepared a letter containing a questionnaire which was sent to "All Foreign General and Area Managers" over the Chairman's signature. The letter [\*387] began by noting recent disclosures that several American companies made "possibly illegal" [\*\*\*\*10] payments to foreign government officials and emphasized that the management needed full information concerning any such payments made by Upjohn. The letter indicated that the Chairman had asked Thomas, identified as "the company's General Counsel," "to conduct an investigation for the purpose of determining the nature and magnitude of any payments made by the Upjohn Company or any of its subsidiaries to any employee or official of a foreign government." The questionnaire sought detailed information concerning such payments. Managers were instructed to treat the investigation as "highly confidential" and not to discuss it with anyone other than Upjohn employees [\*\*\*590] who might be helpful in providing the requested information. Responses were to be sent directly to Thomas. Thomas and outside counsel also interviewed the recipients of the questionnaire and some 33 other Upjohn officers or employees as part of the investigation.

On March 26, 1976, the company voluntarily submitted a preliminary report to the Securities and Exchange Commission on Form 8-K disclosing certain

questionable payments.<sup>1</sup> A copy of the report was simultaneously submitted to the Internal Revenue Service, [\*\*\*\*11] which immediately began an investigation to determine the tax consequences of the payments. Special agents conducting the investigation were given lists by Upjohn of all those interviewed and all who had responded to the questionnaire. On November 23, 1976, the Service issued a summons pursuant to [26 U. S. C. § 7602](#) demanding production of:

"All files relative to the investigation conducted under the supervision of Gerard Thomas to identify payments to employees of foreign governments and any [\*\*682] political [\*388] contributions made by the Upjohn Company or any of its affiliates since January 1, 1971 and to determine whether any funds of the Upjohn Company had been improperly accounted for on the corporate books during the same period.

"The records should include but not be limited to written questionnaires sent to managers of the Upjohn Company's foreign affiliates, and memorandums or notes of the interviews conducted in the United States and abroad with officers and employees of the Upjohn Company and its subsidiaries." App. 17a-18a.

The company declined to produce the documents specified in the second paragraph on the grounds that they [\*\*\*\*12] were protected from disclosure by the attorney-client privilege and constituted the work product of attorneys prepared in anticipation of litigation. On August 31, 1977, the United States filed a petition seeking enforcement of the summons under [26 U. S. C. §§ 7402 \(b\)](#) and [7604 \(a\)](#) in the United States District Court for the Western District of Michigan. That court adopted the recommendation of a Magistrate who concluded that the summons should be enforced. Petitioners appealed to the Court of Appeals for the Sixth Circuit which rejected the Magistrate's finding of a waiver of the attorney-client privilege, [600 F.2d 1223, 1227, n. 12](#), but agreed that the privilege did not apply "[to] the extent that the communications were made by officers and agents not responsible for directing Upjohn's actions in response to legal advice . . . for the simple reason that the communications were not the 'client's.'" [Id., at 1225](#). The court reasoned that accepting petitioners' claim for a broader application of the privilege would encourage upper-echelon management to ignore unpleasant facts and create too

<sup>1</sup> On July 28, 1976, the company filed an amendment to this report disclosing further payments.

broad a "zone of silence." Noting that [\*\*\*\*13] Upjohn's counsel had interviewed officials such as the Chairman and President, the Court of Appeals remanded to the District [\*\*\*591] Court so that a determination of who was [\*389] within the "control group" could be made. In a concluding footnote the court stated that the work-product doctrine "is not applicable to administrative summonses issued under 26 U. S. C. § 7602." *Id.*, at 1228, n. 13.

II

Federal Rule of Evidence 501 [HN2](#) [↑] provides that "the privilege of a witness . . . shall be governed by the principles of the common law as they may be interpreted by the courts of the United States in light of reason and experience." The attorney-client privilege is the oldest of the privileges for confidential communications known to the common law. 8 J. Wigmore, *Evidence* § 2290 (McNaughton rev. 1961). [HN3](#) [↑] [\*\*\*\*14] Its purpose is to encourage full and frank communication between attorneys and their clients and thereby promote broader public interests in the observance of law and administration of justice. The privilege recognizes that sound legal advice or advocacy serves public ends and that such advice or advocacy depends upon the lawyer's being fully informed by the client. As we stated last Term in Trammel v. United States, 445 U.S. 40, 51 (1980): "The lawyer-client privilege rests on the need for the advocate and counselor to know all that relates to the client's reasons for seeking representation if the professional mission is to be carried out." And in Fisher v. United States, 425 U.S. 391, 403 (1976), we recognized the purpose of the privilege to be "to encourage clients to make full disclosure to their attorneys." This rationale for the privilege has long been recognized by the Court, see Hunt v. Blackburn, 128 U.S. 464, 470 (1888) (privilege "is founded upon the necessity, in the interest and administration of justice, of the aid of persons having knowledge of the law and skilled in its practice, which assistance can only [\*\*\*\*15] be safely and readily availed of when free from the consequences or the apprehension of disclosure"). Admittedly complications in the application of the privilege arise when the client is a corporation, which in theory is an artificial creature of the [\*390] [\*\*683] law, and not an individual; but this Court has assumed that [HN4](#) [↑] the privilege applies when the client is a corporation, United States v. Louisville & Nashville R. Co., 236 U.S. 318, 336 (1915), and the Government does not contest the general proposition.

[LEdHNJ3](#) [↑] [3]The Court of Appeals, however, considered the application of the privilege in the corporate context to present a "different problem," since the client was an inanimate entity and "only the senior management, guiding and integrating the several operations, . . . can be said to possess an identity analogous to the corporation as a whole." 600 F.2d, at 1226. The first case to articulate the so-called "control group test" adopted by the court below, Philadelphia v. Westinghouse Electric Corp., 210 F.Supp. 483, 485 (ED Pa.), petition for mandamus and prohibition denied *sub nom. General Electric [\*\*\*\*16] Co. v. Kirkpatrick, 312 F.2d 742 (CA3 1962)*, cert. denied, 372 U.S. 943 (1963), reflected a similar conceptual approach:

"Keeping in mind that the question is, Is it the corporation which is seeking the lawyer's advice [\*\*\*\*592] when the asserted privileged communication is made?, the most satisfactory solution, I think, is that if the employee making the communication, of whatever rank he may be, is in a position to control or even to take a substantial part in a decision about any action which the corporation may take upon the advice of the attorney, . . . then, in effect, *he is (or personifies) the corporation* when he makes his disclosure to the lawyer and the privilege would apply." (Emphasis supplied.)

Such a view, we think, overlooks the fact that the privilege exists to protect not only the giving of professional advice to those who can act on it but also the giving of information to the lawyer to enable him to give sound and informed advice. See Trammel, supra, at 51; Fisher, supra, at 403. The first step in the resolution of any legal problem is ascertaining the factual background and sifting [\*\*\*\*17] through the facts [\*391] with an eye to the legally relevant. See ABA Code of Professional Responsibility, Ethical Consideration 4-1:

"A lawyer should be fully informed of all the facts of the matter he is handling in order for his client to obtain the full advantage of our legal system. It is for the lawyer in the exercise of his independent professional judgment to separate the relevant and important from the irrelevant and unimportant. The observance of the ethical obligation of a lawyer to hold inviolate the confidences and secrets of his client not only facilitates the full development of facts essential to proper representation of the client but also encourages laymen to seek early legal assistance."

See also [Hickman v. Taylor, 329 U.S. 495, 511 \(1947\)](#).

In the case of the individual client the provider of information and the person who acts on the lawyer's advice are one and the same. [HN5](#)<sup>↑</sup> In the corporate context, however, it will frequently be employees beyond the control group as defined by the court below - "officers and agents . . . responsible for directing [the company's] actions in response to legal advice" -- who will possess [\*\*\*\*18] the information needed by the corporation's lawyers. Middle-level -- and indeed lower-level -- employees can, by actions within the scope of their employment, embroil the corporation in serious legal difficulties, and it is only natural that these employees would have the relevant information needed by corporate counsel if he is adequately to advise the client with respect to such actual or potential difficulties. This fact was noted in *Diversified Industries, Inc. v. Meredith*, 572 F.2d 596 (CA8 1978) (en banc):

"In a corporation, it may be necessary to glean information relevant to a legal problem from middle management or non-management personnel as well as from top executives. The attorney dealing with a complex legal problem 'is thus faced with a "Hobson's choice". If he [\*\*684] interviews employees not having "the very highest authority", [\*392] their communications to him will not be privileged. If, on the other hand, he interviews *only* those employees with "the very highest authority", he may find it [\*\*\*593] extremely difficult, if not impossible, to determine what happened.'" *Id.*, at 608-609 (quoting Weinschel, [\*\*\*\*19] Corporate Employee Interviews and the Attorney-Client Privilege, 12 B. C. Ind. & Com. L. Rev. 873, 876 (1971)).

The control group test adopted by the court below thus frustrates the very purpose of the privilege by discouraging the communication of relevant information by employees of the client to attorneys seeking to render legal advice to the client corporation. The attorney's advice will also frequently be more significant to noncontrol group members than to those who officially sanction the advice, and the control group test makes it more difficult to convey full and frank legal advice to the employees who will put into effect the client corporation's policy. See, e. g., [Duplan Corp. v. Deering Milliken, Inc., 397 F.Supp. 1146, 1164 \(SC 1974\)](#) ("After the lawyer forms his or her opinion, it is of no immediate benefit to the Chairman of the Board or the President. It must be given to the corporate personnel who will apply it").

The narrow scope given the attorney-client privilege by the court below not only makes it difficult for corporate attorneys to formulate sound advice when their client is faced with a specific legal problem but also [\*\*\*\*20] threatens to limit the valuable efforts of corporate counsel to ensure their client's compliance with the law. In light of the vast and complicated array of regulatory legislation confronting the modern corporation, corporations, unlike most individuals, "constantly go to lawyers to find out how to obey the law," Burnham, *The Attorney-Client Privilege in the Corporate Arena*, 24 Bus. Law. 901, 913 (1969), particularly since compliance with the law in this area is hardly an instinctive matter, see, e. g., [United States v. United States Gypsum Co., 438 U.S. 422, 440-441 \(1978\)](#) ("the behavior proscribed by the [Sherman] Act is [\*393] often difficult to distinguish from the gray zone of socially acceptable and economically justifiable business conduct").<sup>2</sup> The test adopted by the court below is difficult to apply in practice, though no abstractly formulated and unvarying "test" will necessarily enable courts to decide questions such as this with mathematical precision. But if the purpose of the attorney-client privilege is to be served, the attorney and client must be able to predict with some degree of certainty whether particular discussions [\*\*\*\*21] will be protected. An uncertain privilege, or one which purports to be certain but results in widely varying applications by the courts, is little better than no privilege at all. The very terms of the test adopted by the court below suggest the unpredictability of its application. The test restricts the availability of the privilege to those officers [\*\*\*594] who play a "substantial role" in deciding and directing a corporation's legal response. Disparate decisions in cases applying this test illustrate its unpredictability. Compare, e. g., [Hogan v. Zletz, 43 F.R.D. 308, 315-316 \(ND Okla. 1967\)](#), aff'd in part *sub nom.* [Natta v. Hogan, 392 F.2d 686 \(CA10 1968\)](#) (control group includes managers and assistant managers of patent division and research and development department), with [Congoleum Industries,](#)

<sup>2</sup>The Government argues that the risk of civil or criminal liability suffices to ensure that corporations will seek legal advice in the absence of the protection of the privilege. This response ignores the fact that the depth and quality of any investigations to ensure compliance with the law would suffer, even were they undertaken. The response also proves too much, since it applies to all communications covered by the privilege: an individual trying to comply with the law or faced with a legal problem also has strong incentive to disclose information to his lawyer, yet the common law has recognized the value of the privilege in further facilitating communications.

*Inc. v. GAF Corp.*, 49 F.R.D. 82, 83-85 (ED Pa. 1969), aff'd, 478 F.2d 1398 (CA3 1973) (control group includes only division and corporate [\*685] vice presidents, and not two directors of research and vice president for production and research).

[\*\*\*22] [\*394] [LEdHN1B](#)<sup>[↑]</sup> [1B] The communications at issue were made by Upjohn employees<sup>3</sup> to counsel for Upjohn acting as such, at the direction of corporate superiors in order to secure legal advice from counsel. As the Magistrate found, "Mr. Thomas consulted with the Chairman of the Board and outside counsel and thereafter conducted a factual investigation to determine the nature and extent of the questionable payments *and to be in a position to give legal advice to the company with respect to the payments.*" (Emphasis supplied.) [78-1 USTC para. 9277, pp. 83,598, 83,599](#). Information, not available from upper-echelon management, was needed to supply a basis for legal advice concerning compliance with securities and tax laws, foreign laws, currency regulations, duties to shareholders, and potential litigation in each of these areas.<sup>4</sup> The communications concerned matters within the scope of the employees' corporate duties, and the employees themselves were sufficiently aware that they were being questioned in order that the corporation could obtain legal advice. The questionnaire identified Thomas as "the company's General Counsel" and referred in its [\*\*\*23] opening sentence to the possible illegality of payments such as the ones on which information was sought. App. 40a. A statement of policy accompanying the questionnaire clearly indicated the legal implications of the investigation. The policy statement was issued "in order that there be no uncertainty in the future as to the policy with respect to the practices which are the subject of this investigation." [\*395] It began "Upjohn will comply with all laws and regulations," and stated that commissions or payments "will not be used as a subterfuge for bribes or illegal payments" and that all

<sup>3</sup> Seven of the eighty-six employees interviewed by counsel had terminated their employment with Upjohn at the time of the interview. App. 33a-38a. Petitioners argues that the privilege should nonetheless apply to communications by these former employees concerning activities during their period of employment. Neither the District Court nor the Court of Appeals had occasion to address this issue, and we decline to decide it without the benefit of treatment below.

<sup>4</sup> See *id.*, at 26a-27a, 103a, 123a-124a. See also [In re Grand Jury Investigation](#), 599 F.2d 1224, 1229 (CA3 1979); [In re Grand Jury Subpoena](#), 599 F.2d 504, 511 (CA2 1979).

payments must be "proper and legal." Any future agreements with foreign distributors or agents were to be approved "by a company attorney" and any questions concerning the policy were to be referred "to the company's General Counsel." *Id.*, at 165a-166a. This statement was issued to Upjohn employees worldwide, so that even those interviewees not receiving a questionnaire were aware of the legal implications of [\*\*\*595] the interviews. Pursuant to explicit instructions from the Chairman of the Board, the communications were considered "highly confidential" when made, *id.*, at 39a, [\*\*\*24] 43a, and have been kept confidential by the company.<sup>5</sup> Consistent with the underlying purposes of the attorney-client privilege, these communications must be protected against compelled disclosure.

[\*\*\*25] [LEdHN4](#)<sup>[↑]</sup> [4]The Court of Appeals declined to extend the attorney-client privilege beyond the limits of the control group test for fear that doing so would entail severe burdens on discovery and create a broad "zone of silence" over corporate affairs. Application of the attorney-client privilege to communications such as those involved here, however, puts the adversary in no worse position than if the communications had never taken place. The privilege only protects disclosure of communications; it does not protect disclosure of the underlying facts by those who communicated with the attorney:

[HNg](#)<sup>[↑]</sup> "[The] protection of the privilege extends only to *communications* and not to facts. A fact is one thing and a communication concerning that fact is an entirely different [\*396] [\*\*686] thing. The client cannot be compelled to answer the question, 'What did you say or write to the attorney?' but may not refuse to disclose any relevant fact within his knowledge merely because he incorporated a statement of such fact into his communication to his attorney." [Philadelphia v. Westinghouse Electric Corp.](#), 205 F.Supp. 830, 831 (ED Pa. 1962). [\*\*\*26]

See also [Diversified Industries](#), 572 F.2d, at 611; [State ex rel. Dudek v. Circuit Court](#), 34 Wis. 2d 559, 580, 150 N. W. 2d 387, 399 (1967) ("the courts have noted that a party cannot conceal a fact merely by revealing it to his

<sup>5</sup> See Magistrate's opinion, [78-1 USTC para. 9277, p. 83,599](#): "The responses to the questionnaires and the notes of the interviews have been treated as confidential material and have not been disclosed to anyone except Mr. Thomas and outside counsel."

lawyer"). Here the Government was free to question the employees who communicated with Thomas and outside counsel. Upjohn has provided the IRS with a list of such employees, and the IRS has already interviewed some 25 of them. While it would probably be more convenient for the Government to secure the results of petitioner's internal investigation by simply subpoenaing the questionnaires and notes taken by petitioner's attorneys, such considerations of convenience do not overcome the policies served by the attorney-client privilege. As Justice Jackson noted in his concurring opinion in [Hickman v. Taylor, 329 U.S., at 516](#): "Discovery was hardly intended to enable a learned profession to perform its functions . . . on wits borrowed from the adversary."

Needless to say, we decide only the case before us, and do not undertake to draft a set of rules which should govern challenges to investigatory [\*\*\*\*27] subpoenas. Any such approach would violate the spirit of [Federal Rule of Evidence 501](#). See S. Rep. No. 93-1277, p. 13 (1974) ("the recognition of a privilege based on a confidential relationship . . . should be determined on a case-by-case basis"); [Trammel, 445 U.S., at 47](#); [United States v. Gillock, 445 U.S. 360, 367 \(1980\)](#). [\*\*\*596] While such a "case-by-case" basis may to some slight extent undermine desirable certainty in the boundaries of the attorney-client [\*397] privilege, it obeys the spirit of the Rules. At the same time we conclude that the narrow "control group test" sanctioned by the Court of Appeals in this case cannot, consistent with "the principles of the common law as . . . interpreted . . . in the light of reason and experience," [Fed. Rule Evid. 501](#), govern the development of the law in this area.

III

Our decision that the communications by Upjohn employees to counsel are covered by the attorney-client privilege disposes of the case so far as the responses to the questionnaires and any notes reflecting responses to interview questions are concerned. [\*\*\*\*28] The summons reaches further, however, and Thomas has testified that his notes and memoranda of interviews go beyond recording responses to his questions. App. 27a-28a, 91a-93a. To the extent that the material subject to the summons is not protected by the attorney-client privilege as disclosing communications between an employee and counsel, we must reach the ruling by the Court of Appeals that the work-product doctrine does not apply to summonses issued under [26 U. S. C.](#)

[§ 7602](#).<sup>6</sup>

The Government concedes, wisely, that the Court of Appeals erred and that the work-product doctrine does apply to IRS summonses. Brief for Respondents 16, 48. This doctrine was announced by the Court over 30 years ago in [Hickman v. Taylor, 329 U.S. 495 \(1947\)](#). [\*\*\*\*29] In that case the Court rejected "an attempt, without purported necessity or justification, to secure written statements, private memoranda and personal recollections prepared or formed by an adverse party's counsel in the course of his legal duties." [Id., at 510](#). The Court noted that "it is essential that a lawyer work with [\*398] a certain degree of privacy [\*\*687] " and reasoned that if discovery of the material sought were permitted

"much of what is now put down in writing would remain unwritten. An attorney's thoughts, heretofore inviolate, would not be his own. Inefficiency, unfairness and sharp practices would inevitably develop in the giving of legal advice and in the preparation of cases for trial. The effect on the legal profession would be demoralizing. And the interests of the clients and the cause of justice would be poorly served." [Id., at 511](#).

The "strong public policy" underlying the work-product doctrine was reaffirmed recently in [United States v. Nobles, 422 U.S. 225, 236-240 \(1975\)](#), and has been substantially incorporated in [Federal Rule of Civil Procedure 26 \(b\)\(3\)](#) [\*\*\*\*30].<sup>7</sup>

<sup>6</sup>The following discussion will also be relevant to counsel's notes and memoranda of interviews with the seven former employees should it be determined that the attorney-client privilege does not apply to them. See n. 3, *supra*.

<sup>7</sup>This provides, in pertinent part:

[HN7](#) [↑] "[A] party may obtain discovery of documents and tangible things otherwise discoverable under subdivision (b)(1) of this rule and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative (including his attorney, consultant, surety, indemnitor, insurer, or agent) only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of his case and that he is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the

[LEdHNJ5](#)<sup>[↑]</sup> [5] [\*\*\*\*31] As [\*\*\*597] we stated last Term, [HN8](#)<sup>[↑]</sup> the obligation imposed by a tax summons remains "subject to the traditional privileges and limitations." *United States v. Euge*, 444 U.S. 707, 714 (1980). 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. *Rule 26 (b)(3)* codifies the work-product doctrine, and the Federal Rules of Civil Procedure are made applicable [\*399] to summons enforcement proceedings by *Rule 81 (a)(3)*. See *Donaldson v. United States*, 400 U.S. 517, 528 (1971). While conceding the applicability of the work-product doctrine, the Government asserts that it has made a sufficient showing of necessity to overcome its protections. The Magistrate apparently so found, 78-1 USTC para. 9277, p. 83,605. The Government relies on the following language in *Hickman*:

[HN9](#)<sup>[↑]</sup> "We do not mean to say that all written materials obtained or prepared by an adversary's counsel with an eye toward litigation are necessarily free from discovery in all cases. Where relevant and nonprivileged facts remain hidden in [\*\*\*\*32] an attorney's file and where production of those facts is essential to the preparation of one's case, discovery may properly be had. . . . And production might be justified where the witnesses are no longer available or can be reached only with difficulty." *329 U.S., at 511*.

The Government stresses that interviewees are scattered across the globe and that Upjohn has forbidden its employees to answer questions it considers irrelevant. The above-quoted language from *Hickman*, however, did not apply to "oral statements made by witnesses . . . whether presently in the form of [the attorney's] mental impressions or memoranda." *Id., at 512*. As to such material the Court did "not believe that any showing of necessity can be made under the circumstances of this case so as to justify production. . . . If there should be a rare situation justifying production of these matters, petitioner's case is not of that type." *Id., at 512-513*. See also *Nobles, supra, at 252-253* (WHITE, J., concurring). Forcing an attorney to disclose notes and memoranda of witnesses' oral statements is particularly disfavored because it tends [\*\*\*\*33] to reveal the attorney's mental processes, *329 U.S., at 513* ("what he saw fit to write down regarding witnesses' remarks"); *id., at 516-517* ("\*\*688] the statement would be his [the [\*400] attorney's] language, permeated

[\*\*\*598] with his inferences") (Jackson, J., concurring).<sup>8</sup>

[LEdHNJ2B](#)<sup>[↑]</sup> [2B] *Rule 26* accords special protection to work product revealing the attorney's mental processes. The Rule permits disclosure of documents and tangible things constituting attorney work product upon a showing [\*\*\*\*34] of substantial need and inability to obtain the equivalent without undue hardship. This was the standard applied by the Magistrate, 78-1 USTC para. 9277, p. 83,604. *Rule 26* goes on, however, to state that "[in] ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions or legal theories of an attorney or other representative of a party concerning the litigation." Although this language does not specifically refer to memoranda based on oral statements of witnesses, the *Hickman* court stressed the danger that compelled disclosure of such memoranda would reveal the attorney's mental processes. It is clear that this is the sort of material the draftsmen of the Rule had in mind as deserving special protection. See Notes of Advisory Committee on 1970 Amendment to Rules, 28 U. S. C. App., p. 442 ("The subdivision . . . goes on to protect against disclosure the mental impressions, conclusions, opinions, or legal theories . . . of an attorney or other representative of a party. The *Hickman* opinion drew special attention to the need for [\*\*\*\*35] protecting an attorney against discovery of memoranda prepared from recollection of oral interviews. The courts have steadfastly safeguarded against disclosure of lawyers' mental impressions and legal theories . . .").

[\*401] Based on the foregoing, some courts have concluded that *no* showing of necessity can overcome protection of work product which is based on oral statements from witnesses. See, e. g., *In re Grand Jury Proceedings*, 473 F.2d 840, 848 (CA8 1973) (personal recollections, notes, and memoranda pertaining to conversation with witnesses); *In re Grand Jury Investigation*, 412 F.Supp. 943, 949 (ED Pa. 1976) (notes of conversation with witness "are so much a

<sup>8</sup> Thomas described his notes of the interviews as containing "what I considered to be the important questions, the substance of the responses to them, my beliefs as to the importance of these, my beliefs as to how they related to the inquiry, my thoughts as to how they related to other questions. In some instances they might even suggest other questions that I would have to ask or things that I needed to find elsewhere." 78-1 USTC para. 9277, p. 83,599.

product of the lawyer's thinking and so little probative of the witness's actual words that they are absolutely protected from disclosure"). Those courts declining to adopt an absolute rule have nonetheless recognized that such material is entitled to special protection. See, e. g., [In re Grand Jury Investigation](#), 599 F.2d 1224, 1231 (CA3 1979) ("special considerations . . . must shape any ruling on the discoverability of interview memoranda . . . ; such documents [\*\*\*\*36] will be discoverable only in a 'rare situation'"); cf. [In re Grand Jury Subpoena](#), 599 F.2d 504, 511-512 (CA2 1979).

We do not decide the issue at this time. It is clear that the Magistrate applied the wrong standard when he concluded that the Government had made a sufficient showing of necessity to overcome the protections of the work-product doctrine. The Magistrate applied the "substantial [\*\*\*599] need" and "without undue hardship" standard articulated in the first part of [Rule 26 \(b\)\(3\)](#). The notes and memoranda sought by the Government here, however, are work product based on oral statements. If they reveal communications, they are, in this case, protected by the attorney-client privilege. To the extent they do not reveal communications, they reveal the attorneys' mental processes in evaluating the communications. As [Rule 26](#) and [Hickman](#) make clear, such work product cannot be disclosed simply on a showing of substantial need and inability to obtain the equivalent without undue hardship.

While we are not prepared at this juncture to say that such material is always protected by the work-product rule, we [\*402] [\*\*689] think a far stronger [\*\*\*\*37] showing of necessity and unavailability by other means than was made by the Government or applied by the Magistrate in this case would be necessary to compel disclosure. Since the Court of Appeals thought that the work-product protection was never applicable in an enforcement proceeding such as this, and since the Magistrate whose recommendations the District Court adopted applied too lenient a standard of protection, we think the best procedure with respect to this aspect of the case would be to reverse the judgment of the Court of Appeals for the Sixth Circuit and remand the case to it for such further proceedings in connection with the work-product claim as are consistent with this opinion.

Accordingly, the judgment of the Court of Appeals is reversed, and the case remanded for further proceedings.

*It is so ordered.*

**Concur by:** BURGER (In Part)

## Concur

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CHIEF JUSTICE **BURGER**, concurring in part and concurring in the judgment.

I join in Parts I and III of the opinion of the Court and in the judgment. As to Part II, I agree fully with the Court's rejection of the so-called "control group" test, its reasons for doing so, and its ultimate holding that the communications at issue are [\*\*\*\*38] privileged. As the Court states, however, "if the purpose of the attorney-client privilege is to be served, the attorney and client must be able to predict with some degree of certainty whether particular discussions will be protected." *Ante*, at 393. For this very reason, I believe that we should articulate a standard that will govern similar cases and afford guidance to corporations, counsel advising them, and federal courts.

The Court properly relies on a variety of factors in concluding that the communications now before us are privileged. See *ante*, at 394-395. Because of the great importance of the issue, in my view the Court should make clear now that, as a [\*403] general rule, a communication is privileged at least when, as here, an employee or former employee speaks at the direction of the management with an attorney regarding conduct or proposed conduct within the scope of employment. The attorney must be one authorized by the management to inquire into the subject and must be seeking information to assist counsel in performing any of the following functions: (a) evaluating [\*\*\*600] whether the employee's conduct has bound or would bind the corporation; [\*\*\*\*39] (b) assessing the legal consequences, if any, of that conduct; or (c) formulating appropriate legal responses to actions that have been or may be taken by others with regard to that conduct. See, e. g., [Diversified Industries, Inc. v. Meredith](#), 572 F.2d 596, 609 (CA8 1978) (en banc); [Harper & Row Publishers, Inc. v. Decker](#), 423 F.2d 487, 491-492 (CA7 1970), *aff'd* by an equally divided Court, 400 U.S. 348 (1971); [Duplan Corp. v. Deering Milliken, Inc.](#), 397 F.Supp. 1146, 1163-1165 (SC 1974). Other communications between employees and corporate counsel may indeed be privileged -- as the petitioners and several *amici* have suggested in their proposed formulations \* -- but the need for certainty does not

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\* See Brief for Petitioners 21-23, and n. 25; Brief for American



compel us now to prescribe all the details of the privilege in this case. [Fed 771](#).

[\*\*\*\*40] Nevertheless, to say we should not reach all facets of the privilege does not mean that we should neglect our duty to provide guidance in a case that squarely presents the question in a traditional adversary context. Indeed, because [Federal Rule of Evidence 501](#) provides that the law of privileges "shall be governed by the principles of the common law as they may be interpreted by the courts of the United States in the light of reason and experience," this Court has a special duty to clarify aspects of the law of privileges properly [\*404] before us. Simply asserting that this failure "may to some slight extent undermine desirable certainty," [ante, at 396](#), neither minimizes the consequences [\*\*690] of continuing uncertainty and confusion nor harmonizes the inherent dissonance of acknowledging that uncertainty while declining to clarify it within the frame of issues presented.

Attorney-client privilege in federal courts: under what circumstances can corporation claim privilege for communications from its employees and agent corporation's attorney. [9 ALR Fed 685](#).

Development, since *Hickman v Taylor*, of "work product" doctrine , [35 ALR3d 412](#).

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[\*\*\*\*41] RIA Federal Tax Coordinator 2d T-1135 et seq.

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L Ed Index to Annos, Attorney and Client; Income Taxes

ALR Quick Index, Discovery; Income Taxes; Privileged and Confidential Matters

Federal Quick Index, Privileged Communications; Tax Enforcement; Work Product Doctrine

Annotation References:

What matters are protected by attorney-client privilege or are proper subject of inquiry by Internal Revenue Service where attorney is summoned in connection with taxpayer-client under federal tax examination . [15 ALR](#)

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Bar Association as *Amicus Curiae* 5-6, and n. 2; Brief for American College of Trial Lawyers and 33 Law Firms as *Amici Curiae* 9-10, and n. 5.

## [McDaniel v. Freightliner Corp.](#)

United States District Court for the Southern District of New York

March 22, 2000, Decided ; March 23, 2000, Filed

99 Civ. 4292 (RMB)(FM)

### Reporter

2000 U.S. Dist. LEXIS 3497 \*; 2000 WL 303293

CYNTHIA McDANIEL, Individually and as the Administratrix of the Estate of Joseph B. McDaniel, Plaintiff, -v.- FREIGHTLINER CORPORATION and TIRSA ROSARIO, Defendants.

**Subsequent History:** [\*1] As Amended April 6, 2000.

**Disposition:** Plaintiff's motion to modify Stipulation and Protective Order ("Protective Order") previously entered in this case denied without prejudice to its renewal at later date.

### Core Terms

documents, discovery, disclosure, work product, attorneys, protective order, deposition, materials, cases, work product protection, parties, work product doctrine, preparation, sharing, issues, prior statement, discoverability, confidential, admissible, employees, fuel-fed, vehicles, mental impressions, witnesses, modify, files, magistrate judge, anticipation, plaintiffs', compiled

### Case Summary

#### Procedural Posture

Defendant filed a motion seeking to prevent the discoverability of defendant's documents and statements obtained by plaintiff's counsel from third parties. Plaintiff filed a motion to amend protective order to permit plaintiff to retain documents produced by defendant after resolution of this action.

#### Overview

Two parties to this wrongful death action asked the court to address interrelated discovery issues

concerning information sharing among similarly-situated plaintiffs. The court held documents obtained by plaintiff from a third party were entitled to work product protection under [Fed. R. Civ. P. 26\(b\)\(3\)](#) because their disclosure could reveal plaintiff's counsel's mental impressions, conclusions, opinions or legal theories. To the extent those documents contained statements which would be admissible against defendant the court required their production by plaintiff. Plaintiff's motion to modify the protective order to permit information sharing with other, similarly-situated counsel was denied without prejudice to its renewal at a later date. The limited record before the court did not permit a determination as to whether the cases against defendant involved factual issues sufficiently similar to those likely to arise in this case to warrant modifying the protective order.

#### Outcome

Plaintiff's motion to retain documents after case resolved denied without prejudice to its renewal at later date because court could not determine if other cases were sufficiently similar. Plaintiff's counsel not required to disclose documents obtained by plaintiff from third parties since they were entitled to work product protection.

### LexisNexis® Headnotes

Civil Procedure > Attorneys > General Overview

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > Opinion Work Product

Civil Procedure > ... > Discovery > Methods of  
Discovery > General Overview

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

[HN1](#) [↓] The Hickman work product doctrine subsequently was codified in [Fed. R. Civ. P. 26\(b\)\(3\)](#), which recognizes two categories of attorney work product. Under the Rule, materials prepared by an attorney in anticipation of litigation or for trial may be discovered only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. Even then, however, the court must protect against the disclosure of opinion work product -- the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > Opinion Work Product

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

### [HN2](#) [↓] **Opinion Work Product**

There are rare and extraordinary cases where weighty considerations of public policy and proper administration of justice militate against nondiscovery of documents selected and compiled by counsel which might otherwise constitute opinion work product.

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > Opinion Work Product

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

### [HN3](#) [↓] **Opinion Work Product**

It is settled law that materials produced or information possessed by an attorney's agent, such as an

investigator, may also be protected as work product, particularly when disclosure of such information would reveal the attorney's thinking and strategy, i.e., opinion work product.

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > Opinion Work Product

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

### [HN4](#) [↓] **Opinion Work Product**

Although the materials other than witness statements obtained by counsel reflect opinion work product, they may be subject to disclosure upon a showing of substantial need and an inability to secure the substantial equivalent of the information through other means. [Fed. R. Civ. P. 26\(b\)\(3\)](#).

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

[HN5](#) [↓] Any documents obtained by plaintiff's counsel from a third party that constitute prior statements by defendant concerning the instant action or its subject matter are subject to [Fed. R. Civ. P. 26\(b\)\(3\)](#), which allows a party to obtain such statements without the required showing otherwise applicable to work product.

Criminal Law & Procedure > Trials > Jencks  
Act > General Overview

Civil Procedure > Discovery &  
Disclosure > Disclosure > Mandatory Disclosures

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

[HN6](#) [↓] For purposes of [Fed. R. Civ. P. 26\(b\)\(3\)](#), a statement is either a written statement signed or otherwise adopted by its maker or a recording, or a transcription thereof, which is a substantially verbatim recital of an oral statement by the person making it and which was contemporaneously recorded. In effect,

parties to a civil suit in federal court may therefore obtain from their adversaries as of right any statements which would constitute Jencks Act material in a criminal case.

Criminal Law & Procedure > Trials > Jencks Act > General Overview

Civil Procedure > Discovery & Disclosure > Disclosure > Mandatory Disclosures

[HN7](#) See [18 U.S.C.S. § 3500\(b\)](#).

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > General Overview

Civil Procedure > Discovery & Disclosure > Disclosure > Mandatory Disclosures

Civil Procedure > Discovery & Disclosure > General Overview

Civil Procedure > ... > Discovery > Methods of Discovery > General Overview

[HN8](#) A corporate party is also entitled to discover its prior statements.

Civil Procedure > Discovery & Disclosure > Disclosure > Mandatory Disclosures

Civil Procedure > Discovery & Disclosure > Discovery > Protective Orders

[HN9](#) **Mandatory Disclosures**

Under [Fed. R. Civ. P. 26\(c\)\(2\)](#), the court retains the discretion to delay the disclosure of a party's statements -- individual or corporate -- until some later time.

Civil Procedure > Discovery & Disclosure > Discovery > Protective Orders

[HN10](#) **Protective Orders**

Protective orders which do not restrict the use of a

party's documents to a particular case are frequently employed so that each plaintiff in every similar action need not run the same gauntlet over and over again.

**Counsel:** For CYNTHIA MCDANIEL, plaintiff: Terence E. McCartney, Rheingold, Valet & Rheingold, P.C., New York, NY.

For FREIGHTLINER CORPORATION, defendant: Samuel Goldblatt, Nixon Peabody LLP, New York, NY.

For TIRSA ROSARIO, defendant: Michael Dan Abneri, Kelly, Rode & Kelly, Mineola, NY.

For FREIGHTLINER CORPORATION, cross-claimant: Samuel Goldblatt, Nixon Peabody LLP, New York, NY.

For TIRSA ROSARIO, cross-claimant: Michael Dan Abneri, Kelly, Rode & Kelly, Mineola, NY.

For FREIGHTLINER CORPORATION, third-party plaintiff: Samuel Goldblatt, Nixon Peabody LLP, New York, NY.

For OLD DOMINION FREIGHT LINE, INC., third-party defendant: Elias Abilheira, Schoenfeld & Abilheira, P.C., New York, NY.

For OLD DOMINION FREIGHT LINE, INC., cross-defendant: Elias Abilheira, Schoenfeld & Abilheira, P.C., New York, NY.

**Judges:** FRANK MAAS, United States Magistrate Judge.

**Opinion by:** FRANK MAAS

## Opinion

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### OPINION AND ORDER

**FRANK MAAS**, United States Magistrate Judge.

Two of the parties to this wrongful [\*2] death action, by motion, ask this Court to address several interrelated discovery issues concerning information sharing among similarly-situated plaintiffs and the consequences thereof. As set forth below, the Court concludes that the documents obtained by plaintiff Cynthia McDaniel ("Plaintiff") from third parties are entitled to work product protection. To the extent that those documents contain statements which would be admissible at trial against defendant Freightliner Corporation, however, the Court will require that they be produced by the deadline for fact discovery. Finally, Plaintiff's motion to modify the

Stipulation and Protective Order ("Protective Order") previously entered in this case is denied without prejudice to its renewal at a later date.

### I. Background

The Plaintiff's decedent, Joel B. McDaniel, was a truck driver employed by Old Dominion Freight Lines. On September 14, 1998, while he was driving a tractor trailer on Interstate 95 in Westchester County, McDaniel was involved in a fatal collision with a vehicle driven by defendant Tirsa Rosario. The tractor was manufactured by Freightliner. Plaintiff contends that McDaniel died at the accident scene as [\*3] a result of a fire in the cab of the tractor caused by a defectively-designed diesel fuel system. Among other things, Plaintiff claims that the fuel tanks were too large, were mounted outside the frame rails, and were not of sufficient strength.

In June 1999, Plaintiff instituted the present action against Freightliner and Rosario. Two months later, in August 1999, Rosario brought her own suit in Supreme Court, Bronx County, against the Plaintiff and McDaniel's employer, Old Dominion Freight Line, Inc. That suit subsequently was removed to this Court and the two actions were consolidated before the Honorable Richard M. Berman, United States District Judge. Thereafter, Freightliner brought a third-party complaint and Rosario cross-claimed against Old Dominion.

Despite the number of parties, and the potential for significant damages should one of the corporate defendants be found principally liable, discovery in this action has apparently proceeded with reasonable dispatch and professional collegiality. Two disputes have nevertheless arisen regarding certain Freightliner documents. First, in late December, Plaintiff's counsel moved for an order modifying the Protective Order previously [\*4] entered in this case to permit him to retain the fruits of discovery in this action, and share them with plaintiffs' counsel in other similar cases. The Plaintiff notes that her counsel has obtained helpful information from lawyers in closed Freightliner cases in other jurisdictions and wants to be able to reciprocate "to promote judicial efficiency, economy, justice and accountability." (Aff. of Terrence E. McCartney, Esq., sworn to December 23, 1999 ("McCartney I"), PP 6-13). The Protective Order specifically reserves the Plaintiff's right to make such an application. (*Id.* Ex. A at 3 n.1, 8 n.2)

Second, on the eve of several depositions of Freightliner employees, Freightliner complained to the Court, by letter dated January 3, 2000, that the Plaintiff had

secured certain Freightliner documents "through 'information sharing' with other plaintiff[s]' counsel around the country," but was refusing to make those materials available in response to Freightliner's document request "based upon unfounded claims of work product protection." (Jan. 3, 2000, letter from Samuel Goldblatt, Esq., to the Court ("Goldblatt Letter") at 1).

The Court postponed several previously-scheduled depositions [\*5] to permit these two issues to be more fully addressed. In particular, at the request of the Court, Mr. McCartney submitted a detailed affidavit setting forth his efforts to secure documents from other plaintiffs' counsel relating to fuel-fed fires involving Freightliner vehicles. (*See* Aff. of Terrence E. McCartney, Esq., sworn to February 9, 2000 ("McCartney II")).

As his affidavit explains, Mr. McCartney's firm, Rheingold, Valet, Rheingold & Shkolnick, has for many years been a member of the Attorney's Information Exchange Group ("AIEG"), a nonprofit organization comprised of plaintiffs' products liability counsel who seek to share information and materials regarding similar cases. (*See* McCartney II P 5 and Ex. A (AIEG Bylaws)). Each member attorney has access to documents compiled in an AIEG "Work Product Document Banking System" database and a related computerized index. (*Id.* Ex. B (AIEG Membership Agreement) § 1(c)). The database consists of two categories of documents: (a) documents deposited by member attorneys (referred to as the "Document Owners") who have selected them because they relate to issues common to a certain category of cases (referred to as "Select [\*6] Documents"); and (b) memoranda reflecting the "legal analysis, opinions, mental impressions and conclusions" of these attorneys (referred to as "Attorney Memos"). (*See id.* Ex. A, Art. V(2)(b); Ex. C PP 5, 6). AIEG member attorneys agree to maintain such materials as confidential. (*Id.* Ex. A, Art. V(2)(c)). In addition, member attorneys who are given access to AIEG materials agree to take whatever legal action is necessary "to preserve both the work product status and confidentiality of the identity and contents of the materials compiled in [its] database[] and the computerized index." (*Id.* Ex. B § 2(f)(ii)).

After his firm was retained in this action, Mr. McCartney contacted AIEG, which provided him with some Freightliner documents, as well as the names of several AIEG members who either presently or previously were prosecuting fuel-fed fire cases involving Freightliner

trucks. (McCartney II P 6). Mr. McCartney then traveled to the offices of several such members to review their files and cull the documents that he "believed would assist [him] in the preparation and trial" of this case. (*Id.* P 7). In total, he obtained from other AIEG members documents comprising [\*7] a "stack of letter size paper approximately ten inches thick." (*Id.* P 8). Mr. McCartney claims that the process of selecting these documents from the more numerous ones that he reviewed was "based upon and reflects [his] legal analysis, opinions and mental impressions" concerning this case. (*Id.* P 7). He therefore urges that the Plaintiff should not be required to disclose these documents to Freightliner because they are "entitled to work product protection" and "further protected by a binding Confidentiality Agreement." (*Id.* P 11).<sup>1</sup>

## II. Discussion

### A. The AIEG Documents

#### 1. Scope of [\*8] Work Product Protection

The attorney work product doctrine first was recognized by the Supreme Court in [Hickman v. Taylor, 329 U.S. 495, 67 S. Ct. 385, 91 L. Ed. 451 \(1947\)](#). There, the Court considered whether the recent inclusion of pretrial deposition discovery methods in the Federal Rules of Civil Procedure required an attorney to disclose to his adversary witness statements which were the fruits of the attorney's own pretrial investigation. Although it acknowledged that the Rules were intended to make trial by ambush a thing of the past, [id. at 500, 67 S. Ct. at 389](#), the Court determined that even the most liberal view of discovery still required that "a lawyer work with a certain degree of privacy, free from unnecessary intrusion by opposing parties and their counsel." [Id. at 510, 67 S. Ct. at 393](#). The Court recognized that this zone of privacy was not inviolate and could be invaded where "relevant and non-privileged facts remain hidden in an attorney's file and where production of those facts is essential to the preparation of one's case." [Id. at 511, 67 S. Ct. at 394](#).

**HN1** [↑] The *Hickman* work product doctrine [\*9] subsequently was codified in [Rule 26\(b\)\(3\) of the](#)

<sup>1</sup> Member attorneys seeking the production of documents from the AIEG database evidently are required to execute a separate "Joint Prosecution and Confidentiality Agreement" for each allegedly defective item, which requires them to take whatever steps are "necessary and appropriate to preserve both the work products [*sic*] status and confidentiality" of the AIEG documents. (*Id.* Ex. D P 3(b)).

[Federal Rules of Civil Procedure](#), which recognizes two categories of attorney work product. Under the Rule, materials prepared by an attorney "in anticipation of litigation or for trial" may be discovered "only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. [FED. R. CIV. P. 26\(b\)\(3\)](#). Even then, however, the court must protect against the disclosure of "opinion work product" -- the "mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation." *Id.*

In recent years, a number of federal courts have been asked to consider whether a party can refuse to respond to discovery requests which do not seek the production of documents and things that traditionally would constitute attorney work product, but nevertheless might reveal an attorney's thought processes regarding a lawsuit. As here, such materials are not necessarily ones which were created "in anticipation of [\*10] litigation or for trial" of the case in which the disclosure is sought. The majority of cases addressing this issue have recognized a limited work product protection in such circumstances.

[Sporck v. Peil, 759 F.2d 312 \(3d Cir. 1985\)](#), is the leading case. There, a defendant sought to invoke the work product doctrine to avoid identifying the specific documents that his attorney previously had provided to him during the course of his preparation for a deposition. Those documents had been culled by defense counsel from a substantially larger group of documents which previously had been produced by the defendant during discovery. Although it was stipulated that none of the documents at issue contained defense counsel's own work product, the defendant contended that his counsel's process of grouping certain documents together was itself work product entitled to protection under *Hickman* and [Rule 26\(b\)\(3\)](#). Accepting this argument, the Third Circuit held that "the selection and compilation of documents by counsel" not only constituted work product, but fell "within the highly-protected category of opinion work product." [Sporck, 759 F.2d at 316](#). In addition, [\*11] the court rejected any suggestion that [Federal Rule of Evidence 612](#) required that the documents be produced notwithstanding the work product claim, because the plaintiff failed to show that they had been used to refresh the defendant's recollection for the purpose of

testifying. <sup>2</sup> *Id. at 317-18.* (The deposition questioner in *Sporck* was not deprived of access to any documents as a result of this extension of the work product doctrine because the documents had been culled by his adversary from a larger collection which had previously been produced.)

[\*12] Similarly, in *Shelton v. American Motors Corp.*, 805 F.2d 1323, 1325-26 (8th Cir. 1986), the plaintiffs in a products liability action took several depositions of corporate representatives pursuant to FED. R. CIV. P. 30(b)(6) which they deemed inadequate. Accordingly, they sought to depose defendant's in-house counsel to ensure that the defendant had, in fact, responded fully to their document requests. At the deposition, however, the witness repeatedly refused to answer questions, stating that any knowledge that she had regarding those documents was acquired in her capacity as in-house counsel assisting the company in connection with litigation. Despite a magistrate judge's directive to respond, defense counsel repeatedly instructed her not to answer based upon the attorney-client privilege, the work product doctrine, or both -- depending upon the specific question. After the magistrate judge recommended that the witness be held in contempt and that a default judgment be entered against the defendant, the district court entered a default judgment on the issue of liability.

On appeal, the Eighth Circuit held that the work product doctrine protected against the plaintiff's [\*13] attempted inquiry because "the mere acknowledgment" that the deponent attorney was familiar with certain documents that she had selected in connection with litigation "from among voluminous files" would necessarily reveal her "mental impressions, which are protected as work product." *Shelton*, 805 F.2d at 1326. As the Court explained, counsel's acknowledgment of the mere existence of a document "would indicate to her opponent that she had reviewed the document and that, since it was important enough to remember, she may be relying on it in preparing her client's case." *Id. at 1329*. The order entering a default judgment consequently was

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<sup>2</sup>The Court went on to suggest that Rule 612 need never conflict with the protections accorded attorney work product if a witness is simply asked about any documents that the witness has reviewed and relied upon in connection with his testimony, rather than being asked about documents shown to him by his counsel. In that manner, the questioner will learn about the relevant documents "through his own wit, and not through the wit of his adversary." *Sporck*, 759 F.2d at 318-19.

reversed.

Many lower courts in this circuit and elsewhere have similarly concluded that discovery requests which seek to pry into counsel's selection of certain documents as particularly important or relevant violate the attorney work product doctrine in the absence of a showing of compelling need. *E.g.*, *James Julian, Inc. v. Raytheon Co.*, 93 F.R.D. 138, 144 (D. Del. 1982)(protecting binder of key documents selected by counsel from disclosure because "the process of selection and distillation is often [\*14] more critical than pure legal research"); *Berkey Photo, Inc. v. Eastman Kodak Co.*, 74 F.R.D. 613, 615-17 (S.D.N.Y. 1977)(Frankel, J.)(denying discovery of counsel's subject matter notebooks, but cautioning future litigants to withhold such work product from prospective witnesses if they wish to avoid disclosure under FED. R. EVID. 612); *United States v. District Council, 1992 U.S. Dist. LEXIS 12307*, \*37, No. 90 Civ. 5722, 1992 WL 208284, at \*12 (S.D.N.Y. Aug. 18, 1992)(Katz, M.J.)(investigator for United States Attorney's Office called as Rule 30(b)(6) witness need not testify about knowledge of documents previously provided to defendants because her testimony would likely "reveal how they are preparing to prove and try their case").

The reasoning of *Sporck* has not been adopted by every court. For example, in *Hendrick v. Avis Rent A Car Sys., Inc.*, 916 F. Supp. 256 (W.D.N.Y. 1996), Magistrate Judge Feldman rejected the plaintiff's conclusory assertion that the production of a list of statements by GM personnel pursuant to FED. R. CIV. P. 26(b)(3) would reveal his attorney's strategy and mental thoughts. *Id. at 259*. Other cases have acknowledged [\*15] the reasoning of *Sporck*, but have found that the objecting party failed to establish that the documents were selected or compiled in anticipation of litigation, or that disclosure would reveal some litigation strategy. *See, e.g.*, *Bartley v. Isuzu Motors Ltd.*, 158 F.R.D. 165, 167 (D. Colo. 1994)(Borchers, M.J.)(("documents obtained from a litigation group, such as [the American Trial Lawyers Association ("ATLA")], are not subject to the work product doctrine"); *Bohannon v. Honda Motor Co.*, 127 F.R.D. 536, 539 (D. Kan. 1989)(directing disclosure of documents received from a plaintiffs' litigation group because there was no showing that the plaintiff's counsel had grouped or synthesized them in anticipation of litigation and documents received from a third party are not entitled to work product protection).

The Second Circuit has considered the applicability of

work product protection to documents prepared by a third party only briefly in [Gould, Inc. v. Mitsui Mining & Smelting Co.](#), 825 F.2d 676, 680 (2d Cir. 1987). In that case, the plaintiff sought to secure a law firm's files regarding its client in an effort to show that the [\*16] client and another company were, in fact, alter egos. After hearing oral argument on a motion to compel, the district judge denied the requested relief in a memorandum endorsement which simply stated: "Enforcement denied. Subpoena quashed. Question of sanctions deferred . . . ." [Id. at 678](#). On these facts, the Second Circuit vacated the order below and remanded the case for further proceedings because it could not determine on the limited record presented whether the district court had abused its discretion. [Id. at 680](#). Notwithstanding its decision to remand, the Court went on to caution that the narrow exception to the discoverability of third-party documents noted in *Sporck* required a showing of a "real, rather than a speculative, concern that the thought processes of [] counsel in relation to pending or anticipated litigation would be exposed" if adverse counsel were to learn which documents had been selected and compiled. [Gould](#), 825 F.2d at 680; accord, *In re Grand Jury Subpoenas Dated October 22, 1991 and November 1, 1991*, 959 F.2d 1158, 1166-67 (2d Cir. 1992). As the court observed, however, disclosure [\*17] might be warranted even if that showing were made if the documents could not otherwise be obtained by the party seeking discovery.<sup>3</sup> *Id.*

In sum, notwithstanding *Sporck* and its progeny, [HN2](#) [ ] there are "rare and extraordinary cases . . . where weighty considerations of public policy and proper administration of justice militate against nondiscovery" of documents selected and compiled by counsel which might otherwise constitute opinion work product. [Minebea Co. v. Minebea Co.](#), 143 F.R.D. 494, 499 (S.D.N.Y. 1992)(Sweet, J.)(quoting *P. & B. Marina, Ltd. Partnership v. Logrande*, 136 F.R.D. 50, 57 (E.D.N.Y. 1991)(Weinstein, J., adopting order of Azrack, M.J.)); see also [In re San Juan Dupont Plaza Hotel Fire Litig.](#), 859 F.2d 1007, 1015-19 (1st Cir. 1988) [\*18] (declining to apply *Sporck* to documents which will be used as deposition exhibits when case management order in complex case involving more than two million documents simply requires their earlier disclosure);

<sup>3</sup>The Second Circuit also suggested that *in camera* inspection might be necessary to resolve the various considerations bearing upon production of specific documents. [Gould](#), 825 F.2d at 680.

[Alpex Computer Corp. v. Nintendo Co.](#), 1991 U.S. Dist. LEXIS 13260, \*2-3, [No. 86 Civ. 1749](#), 1991 WL 195939, at \*1 (S.D.N.Y. Sept. 23, 1991)(Wood, J.)(work product protection for counsel's selection and compilation of documents may be overcome if adverse party "can show a substantial need . . . and that it is unable to obtain the substantial equivalent of the documents by other means").

## 2. Freightliner Documents

In this case, the Court has not inspected *in camera* the documents for which Freightliner seeks work product protection. See [Gould](#), 825 F.2d at 680. Nevertheless, it seems evident that those documents would likely fall into three broad categories: (i) analyses of factual and legal issues by plaintiff's counsel in other lawsuits; (ii) pleadings, discovery responses, and other documents furnished by Freightliner in those suits; and (iii) affidavits and deposition transcripts reflecting statements made by Freightliner, and its officers, employees, and experts.

[\*19] Freightliner's letter motion does not seek discovery concerning any analyses that counsel may have prepared in related litigation. Accordingly, the narrow issue before this court is the discoverability of Freightliner documents and statements obtained by the Plaintiff's counsel from third parties. As to these types of documents, Freightliner advances essentially three arguments. First, Freightliner contends that it may no longer have access to the documents in Plaintiff's possession which will be used to confront its witnesses because Freightliner and its counsel may have purged their files in the ordinary course. Second, Freightliner says that the documents obtained through AIEG may contain confidential information or trade secrets which are entitled to protection. Finally, Freightliner maintains that any statements that its present or former employees may have made are discoverable as of right pursuant to [Rule 26\(b\)\(3\) of the Federal Rules of Civil Procedure](#). (See Goldblatt Letter at 2-4).

Since the discoverability of any Freightliner statements is governed by a specific rule, the Court will turn first to the other documents, if any, in the Plaintiff's possession. In his affidavit, [\*20] Mr. McCartney states that he obtained certain materials directly from AIEG and others by visiting the offices of AIEG members to review their files and select documents which might assist him in the preparation and trial of this case. (McCartney II at PP 6-7). Accordingly, he contends that the "selection process was based upon and reflects [his] legal analysis, opinions and mental impressions." (*Id.* P 7).



Significantly, in its Response to Plaintiff's Second Request for Production of Documents, Freightliner forcefully makes the point that its vehicles are not comparable to the mass-produced vehicles that typically are the subject of information sharing by litigation groups such as ATLA. Rather, as Freightliner notes, the truck that McDaniel was operating on the date of his death was an "FLD 112," one of only twenty vehicles manufactured for Old Dominion. (Aff. of Samuel Goldblatt, Esq., sworn to January 12, 1999 ("Goldblatt Aff."), Ex. A). In objecting to the Plaintiff's efforts to discover every document regarding accidents in which an "unguarded, side-mounted, aluminum, bladderless fuel tank" ruptured during a side or frontal oblique impact, Freightliner further observes that [\*21] the FLD 112 differs significantly from the "many thousands of other trucks that Freightliner has produced over the past 50 years," arguing that the performance of the fuel system in an accident consequently "will vary from accident sequence to accident sequence, from model to model and from vehicle to vehicle." (*Id.*). If so, however, Mr. McCartney's inspection and copying of certain AIEG members' files regarding Freightliner fuel-fed fire incidents necessarily would reveal his views as to the types of vehicles that are similar to the FLD 112. Moreover, because Freightliner concedes that there are significant differences in the configuration of its various models, this does not appear to be information which would be self-evident. For this reason, the Plaintiff plainly has made a sufficient showing that the disclosure of the documents selected by Mr. McCartney would improperly reveal information which is entitled to work product protection under *Sporck* and *Gould*.

Somewhat more troubling is the proper characterization of the documents produced to Mr. McCartney by AIEG itself. With respect to these documents it appears that AIEG, rather than McCartney, determined which accidents [\*22] were sufficiently similar to warrant review. Nevertheless, [HN3](#) it is settled law that materials produced or information possessed by an attorney's agent, "such as an investigator, may [also] be protected as work product, particularly when disclosure of such information would reveal the attorney's thinking and strategy, i.e., opinion work product." [District Council, 1992 U.S. Dist. LEXIS 12307](#), \*26, [1992 WL 208284](#), at \*9 (citing [United States v. Nobles, 422 U.S. 225, 238-39, 95 S. Ct. 2160, 2170, 45 L. Ed. 2d 141 \(1975\)](#)). Applying that rationale, Magistrate Judge Boyle of the Eastern District of New York recently has accorded work product protection to documents that plaintiffs' counsel obtained from AIEG in a case involving an allegedly defective General Motors vehicle.

See *Somerville v. General Motors Corp.*, No. CV-97-7366, slip op. at 4-5 (E.D.N.Y. July 7, 1999). In arriving at his decision, Judge Boyle equated AIEG's efforts to those of any other agent assisting counsel in the preparation of the case. *Id.* at 5. Since this case is virtually indistinguishable, the Court adopts Judge Boyle's reasoning and finds that any documents selected for Plaintiff's counsel by AIEG fall [\*23] within the *Sporck* exception to the discoverability of third-party documents.

[HN4](#) Although the materials other than witness statements obtained by Mr. McCartney reflect opinion work product, they may be subject to disclosure upon a showing of substantial need and an inability to secure the substantial equivalent of the information through other means. [Hickman, 329 U.S. at 512-13](#); [Gould, 825 F.2d at 680](#); [FED. R. CIV. P. 26\(b\)\(3\)](#). As noted above, Freightliner seeks to meet this standard by arguing, in part, that "it is possible" because of its routine destruction policies that the documents in the possession of counsel for the Plaintiff may be the only copies extant. (Goldblatt Letter at 3). Freightliner further surmises that the documents "may contain confidential information and/or trade secrets" which Freightliner is entitled to protect. (*Id.*). Such rank speculation plainly does not constitute a showing of substantial need and inability to secure the materials elsewhere sufficient to warrant the disclosure at this time of any items obtained by the Plaintiff from AIEG or its member attorneys which do not constitute Freightliner's own statements. [\*24] Freightliner may, of course, renew its application should further proceedings establish that there is, in fact, some basis for its fears.

### 3. Freightliner Statements

Finally, [HN5](#) any documents that Mr. McCartney may have obtained from AIEG or its members that constitute prior statements by Freightliner concerning this action or its subject matter are subject to [Rule 26\(b\)\(3\) of the Federal Rules of Civil Procedure](#), which allows a party to obtain such statements without the required showing otherwise applicable to work product. [HN6](#) For purposes of the Rule, a statement is either "a written statement signed or otherwise adopted" by its maker or a "recording, or a transcription thereof, which is a substantially verbatim recital of an oral statement by the person making it and which was contemporaneously recorded." [FED. R. CIV. P. 26\(b\)\(3\)](#). In effect, parties to a civil suit in federal court may therefore obtain from their adversaries as of right any statements which would

constitute Jencks Act material in a criminal case.<sup>4</sup>

[\*25] [HN8](#)<sup>↑</sup>

A corporate party is also entitled to discover its prior statements. See [FED. R. CIV.P. 26\(b\)\(3\)](#) advisory committee's note to 1970 Amendment. Accordingly, any statement of an individual, such as an officer, agent, or employee, is discoverable if it would be admissible in evidence against the corporation as a vicarious admission. [United States ex rel. O'Keefe v. McDonnell Douglas Corp.](#), 961 F. Supp. 1288, 1291 (E.D. Mo. 1997); [Thornton v. Continental Grain Co.](#), 103 F.R.D. 605 (S.D. Ill. 1984). It follows that Freightliner is entitled as of right to the pretrial disclosure of any statements made by its officers, employees, or agents concerning the subject matter of this lawsuit which would be binding against it at trial. See [Hendrick](#), 916 F. Supp. at 259 (requiring such disclosure to General Motors); [Bohannon](#), 127 F.R.D. at 540-41 (requiring disclosure of any prior deposition transcripts of employees notwithstanding plaintiff's argument that they were equally accessible to Honda).

[HN9](#)<sup>↑</sup> Under [FED. R. CIV. P. 26\(c\)\(2\)](#), the Court retains the discretion to delay the disclosure of a party's statements -- individual or corporate [\*26] -- until some later time. See, e.g., [Hendrick](#), 916 F. Supp. at 260 (requiring that the disclosure of statements by General

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<sup>4</sup> See 8 CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE § 2027, at 412 (2d ed. 1994); [FED. R. CIV. P. 26\(b\)\(3\)](#) advisory committee's note to 1970 Amendment.

[HN7](#)<sup>↑</sup> Title 18, [United States Code, Section 3500\(b\)](#) requires the Government to turn over to a defendant after a witness has testified on direct any statement which relates to the subject matter of the witness's testimony. For these purposes, a statement is defined as:

- (1) a written statement made by said witness and signed or otherwise adopted or approved by him;
- (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantially verbatim recital of an oral statement made by said witness and recorded contemporaneously with the making of such oral statement; or
- (3) a statement, however taken or recorded, or a transcription thereof, if any, made by said witness to a grand jury.

[18 U.S.C. § 3500\(e\)](#).

Motors be made after the author of each statement has been deposed). In this case, the Plaintiff argues that the Court, at a minimum, should delay the production of any prior statements made by Freightliner until she is required to disclose her trial exhibit list. The Plaintiff maintains that any earlier disclosure would enable Freightliner's deponents to tailor their testimony to conform to their prior statements. (See Jan. 7, 2000, letter from Mr. McCartney to the Court at 6-7).

One of the central problems that the 1970 amendments to [Rule 26\(b\)\(3\)](#) were intended to address was the dilemma of the personal injury plaintiff who gave a statement before retaining counsel. See 8 WRIGHT, *supra*, § 2027, at 407-08. Prior to the change, such plaintiffs often were deposed before their counsel had an opportunity to review their prior statements with them. See, e.g., [Diniero v. United States Lines Co.](#), 21 F.R.D. 316 (S.D.N.Y. 1957).

Here, by comparison, any statements by Freightliner officers, employees, or agents that the Plaintiff [\*27] may have obtained were, in all likelihood, made in the presence of, if not in fact drafted by, Freightliner's counsel. Accordingly, Freightliner's wholly unsubstantiated fear that the documents containing its prior statements may no longer be available to its counsel is considerably less compelling than the plight of a party who makes a statement shortly after an accident without benefit of counsel and then seeks to obtain it prior to being deposed to refresh his or her recollection. In such circumstances, unless the statement is disclosed, there is a serious risk that the plaintiff may be sandbagged. That risk is substantially reduced here since Freightliner's prior statements were presumably made in the presence of counsel.

More importantly, many, if not all, of the documents that the Plaintiff obtained from AIEG or its member attorneys may be affidavits or deposition transcripts of Freightliner employees. Requiring that these statements be turned over to Freightliner at this juncture would therefore disclose the very information that Mr. McCartney seeks to protect -- namely, the types of incidents that he considers comparable to the fuel-fed fire at issue here.

The Court therefore [\*28] will not require Plaintiff's counsel to turn over to Freightliner any documents which constitute or contain statements of Freightliner, within the meaning of [FED. R. CIV. P. 26\(b\)\(3\)](#), until the date that fact discovery in the case is scheduled to end.

B. *Amendment of the Protective Order*

The remaining issue before the Court is the Plaintiff's application to amend the Protective Order to permit the Plaintiff to retain documents produced by Freightliner even after this action has been resolved and, further, to share those documents with AIEG and its members. Two principal arguments are advanced in support of this application. First, the Plaintiff contends that Freightliner has not complied with [FED. R. CIV. P. 26\(c\)](#) by showing good cause for the restrictive order previously entered. Second, the Plaintiff maintains that document retention and sharing is commonplace in products liability litigation, helps level a playing field in which corporate defendants often have significant advantages, and furthers the "just, speedy and inexpensive determination of every action." See [FED. R. CIV. P. 1](#).

Freightliner's opposes the application to amend the Protective Order because the company [\*29] allegedly is involved in only four lawsuits which involve fuel system design issues relating to the FLD-112 tractor. (Goldblatt Aff. P 5). Freightliner argues that a modification which would permit the Plaintiff's counsel to share the discovery documents in this case with *any* plaintiff's attorney involved in *any* Freightliner suit involving *any* model truck, provided only that a fuel-fed fire was alleged to have caused the plaintiff's injury, is impermissibly overbroad. Indeed, according to Freightliner, such broad information sharing is justified only in cases involving mass-produced products of substantially uniform design. In its view, such cases are a far cry from the situation in this case, in which the product allegedly was produced in limited quantities and "there is not significant, ongoing national litigation." (See Freightliner's Mem. in Opposition to Plaintiff's Motion to Modify Protective Order at 6-7).

Freightliner also makes the point that the amendments sought by Plaintiff would require this Court to monitor compliance with the Protective Order in perpetuity. Finally, on a more technical note, Freightliner objects because the proposed modifications would [\*30] not afford it an opportunity to contest particular instances of information sharing before they occurred.

As the Plaintiff correctly observes, [HN10](#) [↑] protective orders which do not restrict the use of a party's documents to a particular case are frequently employed so that "each plaintiff in every similar action [need not] run the same gauntlet over and over again." [Cipollone v. Liggett Group, Inc., 113 F.R.D. 86, 87 \(D.N.J. 1986\)](#). Moreover, two vehicles plainly need not be identical for evidence of other similar incidents to be discoverable. Cf. [Hyde v. County of Rensselaer, 51 N.Y.2d 927, 415](#)

[N.E.2d 972, 434 N.Y.S.2d 984 \(1980\)](#)(proof of prior accident admissible to show dangerous condition where relevant circumstances of both accidents are "substantially similar"); [Sawyer v. Dreis & Krump Mfg. Co., 67 N.Y.2d 328, 336, 493 N.E.2d 920, 925, 502 N.Y.S.2d 696, 701 \(1986\)](#)("evidence could have been admissible [to establish dangerous condition and prior notice of it] if plaintiff established that the prior accidents were similar"). At some point, however, the differences become sufficiently pronounced that discovery concerning one of them [\*31] is not reasonably calculated to lead to the discovery of admissible evidence regarding another one. See [Bertocci v. Fiat Motors of N. Am., Inc., 76 A.D.2d 779, 429 N.Y.S.2d 1 \(1st Dep't 1980\)](#)(disclosure with respect to vehicles not shown or alleged to be "identical or substantially similar" to vehicle causing accident is overly expansive); [FED. R. CIV. P. 26\(b\)\(1\)](#) (parties may seek discovery of evidence which, although inadmissible at trial, appears reasonably calculated to lead to the discovery of admissible evidence).

The limited record presently before the Court does not permit a determination as to whether the other fuel-fed fire cases against Freightliner involve factual issues sufficiently similar to those likely to arise in this case to warrant modifying the Protective Order. Presumably, as this case moves forward, the Plaintiff will be able to gather additional information in this regard. Moreover, Judge Berman, to whom this case is assigned, will also become considerably more knowledgeable about the degree of similarity among the various fuel-fed fire cases if this matter proceeds to trial. For these reasons, the Court believes that the Plaintiff's motion to modify [\*32] the Protective Order should be denied without prejudice to its renewal at a later date.

In deciding to postpone the determination of this question, the Court is mindful that the Plaintiff's counsel has already obtained from AIEG and its member attorneys the documents that seem relevant to its case. While it is understandable that counsel would like to reciprocate by promptly sharing the documents that it has obtained from Freightliner, there is no indication that the prosecution of this case will in any way be impeded if the disclosure of that information is delayed or, indeed, even if it never takes place. Moreover, the Plaintiff has not shown that the progress of discovery in any other case against Freightliner would be adversely affected. Accordingly, in the absence of any compelling need, the Court exercises its discretion not to resolve this issue at this early stage.

III. *Conclusion*

In sum, the documents obtained by the Plaintiff from AIEG or its members are entitled to work product protection under [FED. R. CIV. P. 26\(b\)\(3\)](#) because their disclosure might reveal her counsel's "mental impressions, conclusions, opinions or legal theories." To the extent that those documents [\*33] contain statements which would be admissible against Freightliner, however, the Court will require their production by the Plaintiff by no later than the scheduled date for fact discovery to be completed. Finally, the Plaintiff's motion to modify the protective order to permit information sharing with other, similarly-situated counsel is denied without prejudice to its renewal at a later date.

In view of these rulings, Plaintiff's depositions of Freightliner witnesses should now be able to proceed, if they have not already taken place. Since the original discovery schedule did not contemplate a hiatus while the work product issues were being briefed and resolved, the Court will consider any appropriate changes to the prior Rule 16 order in this case on April 6, 2000, at 2 p.m., when the parties previously were scheduled to appear for a settlement conference. At that time, the Court will also address any other discovery issues that remain outstanding.

Dated: New York, New York

March 22, 2000

SO ORDERED.

FRANK MAAS

United States Magistrate Judge

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End of Document

## *Gucci Am., Inc. v. Guess?, Inc.*

United States District Court for the Southern District of New York

September 23, 2010, Decided; September 23, 2010, Filed

09 Civ. 4373 (SAS) (JLC)

### Reporter

271 F.R.D. 58 \*; 2010 U.S. Dist. LEXIS 101219 \*\*

GUCCI AMERICA, INC., Plaintiff, -v- GUESS?, INC., et al., Defendants.

**Prior History:** [Gucci Am., Inc. v. Guess?, Inc., 2010 U.S. Dist. LEXIS 78421 \(S.D.N.Y., July 28, 2010\)](#)

### Core Terms

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communications, documents, e-mail, attorney-client, work product doctrine, privileged, work product, trademarks, patent, in-house, advice, attorneys, discovery, outside counsel, privilege log, disclosure, Declaration, infringing, investigators, intellectual property, Revised, legal advice, products, redacted, confidential, withheld, post-October, pre-October, attach, touch

### Case Summary

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#### Procedural Posture

In a trademark infringement case, plaintiff sought a protective order against the disclosure of the communications of its former in-house counsel and the in-house intellectual property counsel for an affiliate, non-party. At issue was whether certain documents were protected by the attorney-client and/or the work product privilege pursuant to [Fed. R. Civ. P. 26\(b\)](#).

#### Overview

Plaintiff alleged trademark infringement and related claims against several defendants. During the course of discovery, plaintiff submitted a privilege log that included communications its former in-house counsel and the in-house intellectual property counsel, who was not a licensed attorney, for an affiliate, non-party. One of the

defendants demanded production of the communications. After an in camera review, the court made the following rulings: First, while many of the communications arose in Italy, the communications "touched base" with the United States, and therefore the applicability of the attorney-client privilege was governed by American law. Second, the attorney-client privilege extended to the post-October, 2008 communications of the non-attorney because he acted as an agent of a licensed attorney during this time period. These documents were also eligible for protection from disclosure pursuant to the work product doctrine because the documents were in anticipation of litigation. Finally, neither the attorney-client privilege nor the work product doctrine extended to the pre-October, 2008 communications, because they did not appear to anticipate litigation.

#### Outcome

Plaintiff's application for an order protecting certain communications was granted in part and denied in part.

### LexisNexis® Headnotes

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Evidence > Burdens of Proof > Allocation

Civil Procedure > Discovery &  
Disclosure > Discovery > Protective Orders

#### [HN1](#) [↓] Allocation

[Fed. R. Civ. P. 26\(c\)](#) provides that a federal district court may issue an order to protect a party or person from whom discovery is sought from annoyance,

embarrassment, oppression, or undue burden or expense. The rule serves in part to protect parties' privacy interests. The district court has broad discretion to decide when a protective order is appropriate and what degree of protection is required. The party seeking a protective order bears the burden of establishing that good cause for the order exists. Good cause is established by demonstrating a particular need for protection.

Civil Procedure > ... > Federal & State  
Interrelationships > Federal Common  
Law > Applicability

Evidence > Privileges > General Overview

Business & Corporate Compliance > ... > Dispute  
Resolution > Conflict of Law > Choice of Law

### [HN2](#) **Applicability**

Pursuant to [Fed. R. Evid. 501](#), questions of privilege are governed by the principles of common law. The common law includes "choice of law" questions. In determining which country's law applies to claims of privilege involving foreign documents, courts in the Second Circuit have adopted the "touch base" approach applied in the Golden Trade decision. In Golden Trade, the defendant sought production of communications between a non-party Italian corporation and its patent agents located in Norway, Germany, and Israel, each of whom had rendered advice regarding patent law in their respective countries. Applying traditional principles of comity, the court found that the communications did not "touch base" with the United States because they related to matters solely involving foreign countries, and therefore the communications were governed by the laws of Norway, Germany, and Israel. The court reasoned that the country with the predominant interest in whether the communications should remain confidential was the place where the allegedly privileged relationship was entered into.

Business & Corporate Compliance > ... > Dispute  
Resolution > Conflict of Law > Choice of Law

Evidence > Privileges > Attorney-Client  
Privilege > General Overview

### [HN3](#) **Choice of Law**

With respect to choice of law for purposes of privilege questions, the "touch base" analysis hinges on a determination as to which country has the most compelling or predominant interest in whether the communications should remain confidential: Where alleged privileged communications took place in a foreign country or involved foreign attorneys or proceedings, the court should defer to the law of the country that has the predominant or the most direct and compelling interest in whether those communications should remain confidential, unless that foreign law is contrary to the public policy of this forum.

Business & Corporate Compliance > ... > Dispute  
Resolution > Conflict of Law > Choice of Law

Evidence > Privileges > General Overview

### [HN4](#) **Choice of Law**

For purposes of determining privilege issues, communications relating to legal proceedings in the United States, or that reflect the provision of advice regarding American law, "touch base" with the United States and, therefore, are governed by American law, even though the communication may involve foreign attorneys or a foreign proceeding. Such communications have a more than incidental connection to the United States. Conversely, communications regarding a foreign legal proceeding or foreign law "touch base" with the foreign country.

Business & Corporate Compliance > ... > Dispute  
Resolution > Conflict of Law > Choice of Law

Evidence > Privileges > General Overview

### [HN5](#) **Choice of Law**

For purposes of choice of law pertaining to privilege issues, the "touch base" analysis must not necessarily be focused on where particular documents are located, or even where a particular person is situated at the time the communication is sent or received. While these factors may be relevant, they are not dispositive. Rather, the analysis is fact-specific and focuses on whether documents have a more than incidental connection with the United States.

Business & Corporate Compliance > ... > Dispute  
Resolution > Conflict of Law > Choice of Law

Evidence > Privileges > Attorney-Client  
Privilege > General Overview

### [HN6](#) **Choice of Law**

It is unsettled whether Italian attorney-client confidentiality provisions are comparable to the attorney-client privilege in the United States. Italian statutes clearly impose a secrecy obligation on attorneys not to disclose confidential client information. But a professional secrecy obligation is not an evidentiary privilege - a critical distinction. Simply because a foreign statute requires a party to keep clients' affairs secret does not mean that a privilege exists. A foreign tribunal may compel disclosure if it determines the need for the information is sufficient to outweigh the secrecy obligation, while the privilege, in contrast, is absolute and inviolate.

Business & Corporate Compliance > ... > Dispute  
Resolution > Conflict of Law > Choice of Law

Evidence > Privileges > Attorney-Client  
Privilege > General Overview

### [HN7](#) **Choice of Law**

Article 200 of the Italian Code of Criminal Procedure prohibits a court from compelling attorneys, private investigators, expert witnesses and notaries from testifying in court with respect to the confidential information they have knowledge of due to their office or profession. Although the statute permits outside lawyers to refuse to testify regarding confidential information received from their clients, there is no indication that the same testimonial immunity extends to a client in either a civil or criminal context - a key element of the privilege under American law.

Business & Corporate Compliance > ... > Dispute  
Resolution > Conflict of Law > Choice of Law

### [HN8](#) **Choice of Law**

The scope of discovery in the foreign country is also a valid consideration in resolving choice of law issues pertaining to privileges.

Business & Corporate Compliance > ... > Dispute  
Resolution > Conflict of Law > Choice of Law

Civil Procedure > Discovery & Disclosure > General  
Overview

### [HN9](#) **Choice of Law**

The Italian Supreme Court has construed provisions of the Italian Code of Civil Procedure (CPC) governing document production to mean that a court may direct a party to produce a document about which the requesting party knows, or purports to know, the specific content, which must be relevant and material for the resolution of the dispute. Thus, an Italian court likely would not grant categorical requests for the production of documents as known in Common Law countries. The threshold requirement that a litigant demonstrate to the court the existence and relevancy of a specific document prior to obtaining its disclosure is contrary to the liberal discovery permitted by the Federal Rules of Civil Procedure.

Business & Corporate Compliance > ... > Dispute  
Resolution > Conflict of Law > Choice of Law

Trademark Law > Causes of Action Involving  
Trademarks > Infringement Actions > Discovery

### [HN10](#) **Choice of Law**

Under Articles 121.2 and 121.1 bis of the Italian Intellectual Property Code (IPC), an Italian court may direct a defendant to produce information, including documents and other tangible evidence, regarding the allegedly infringing activity. But the IPC appears to be more narrowly tailored than the Italian Code of Civil Procedure (CPC). A party seeking discovery pursuant to the IPC must identify to the court each document request by referencing its precise date, author and subject matter, and by demonstrating that the documents are relevant and necessary to the outcome of the action. Moreover, it appears that only a plaintiff may avail itself of the IPC, as only the alleged infringer has the ability to supply the elements for the identification of the persons involved in the production and distribution of the products or services alleged to infringe the industrial property right. IPC Article 121.1 bis. Finally, as with Articles 118 and 210 of the CPC, an

order compelling discovery under the IPC is not coercible and, as such, imposes no enforceable obligation on the party to which it is addressed.

Evidence > Privileges > Attorney-Client  
Privilege > Elements

[HN11](#) [↓] **Elements**

The attorney-client privilege is one of the oldest recognized privileges for confidential communications. By assuring confidentiality, the privilege encourages clients to make full and frank disclosures to their attorneys, who are then better able to provide candid advice and effective representation. Nevertheless, the privilege is construed narrowly because it renders relevant information undiscoverable. It is well-settled that the privilege only protects disclosure of communications; it does not protect disclosure of the underlying facts by those who communicated with the attorney. A party invoking the attorney-client privilege must demonstrate that there was (1) a communication between client and counsel that (2) was intended to be and was in fact kept confidential, and (3) was made for the purpose of obtaining or providing legal advice.

Evidence > Privileges > Attorney-Client  
Privilege > Scope

[HN12](#) [↓] In a corporate context, in-house counsel can serve as the client when communicating with outside counsel, or as "attorney-legal advisor" when communicating with personnel within the organization. Communications with in-house counsel in the role of attorney-advisor are afforded the same attorney-client privilege protection as outside counsel, although communications conveying business (as opposed to legal) advice are excluded from the privilege.

Evidence > Privileges > Attorney-Client  
Privilege > Scope

[HN13](#) [↓] In *Kovel*, the United States Court of Appeals for the Second Circuit extended the attorney-client privilege to communications between a client and an accountant hired to assist the attorney in representing the client. *Kovel* recognized a privilege derivative of the attorney-client privilege where a third party clarifies or

facilitates communication between attorney and client in confidence for the purpose of obtaining legal advice from the attorney. The caveat to the *Kovel* rule, however, is that the advice rendered must be that of the attorney, not the agent. *Kovel* has been construed broadly to include individuals who assist attorneys in providing legal services, such as secretaries and law clerks, investigators, interviewers, technical experts, accountants, physicians, patent agents, and other specialists in a variety of social and physical sciences.

Evidence > Privileges > Attorney-Client  
Privilege > Scope

[HN14](#) [↓] Factual investigations conducted by an agent of the attorney, such as gathering statements from employees, clearly fall within the attorney-client rubric. Thus, courts have frequently extended the attorney-client privilege to communications made to investigators who have provided necessary assistance to attorneys.

Evidence > Privileges > Attorney-Client  
Privilege > Scope

[HN15](#) [↓] Communications among non-attorneys in a corporation may be privileged if they are made at the direction of counsel, to gather information to aid counsel in providing legal services.

Evidence > Privileges > Attorney-Client  
Privilege > Scope

[HN16](#) [↓] With respect to whether the attorney-client privilege extends to communications by an individual who is a third party agent, the fact that the individual is not a licensed professional is not outcome determinative. The standard is whether the third-party agent is supervised directly by an attorney and whether the communications were intended to remain confidential.

Evidence > Privileges > Attorney-Client  
Privilege > Scope

[HN17](#) [↓] The attorney-client privilege extends to an agent proceeding autonomously, including gathering information from the client without involving the attorney



every step of the way. This approach is consistent with the rationale of the privilege and reflects the reality that adequate legal representation often necessitates the assistance of skilled practitioners in various fields.

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

[HN18](#) [↓] The work product doctrine is codified in [Fed. R. Civ. P. 26\(b\)\(3\)](#) and exempts from discovery documents and tangible things that are prepared in anticipation of litigation. [Fed. R. Civ. P. 26\(b\)\(3\)\(A\)](#). Because the doctrine is procedural in nature, the rules of the forum court apply and it is therefore not subject to a choice of law analysis.

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Scope  
of Protection

#### [HN19](#) [↓] **Scope of Protection**

The work product doctrine is intended to preserve a zone of privacy in which a lawyer can prepare and develop legal theories and strategies with an eye toward litigation, free from unnecessary intrusion by his adversaries. Thus, opinion work product, including an attorney's interviews, statements, memoranda, correspondence, briefs, and mental impressions receives a heightened degree of protection. Although factual material, including the result of a factual investigation, falls within the ambit of the work product doctrine, it does not receive the heightened protection afforded opinion work product.

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Scope  
of Protection

#### [HN20](#) [↓] **Scope of Protection**

The work product doctrine applies to (1) a document or tangible thing, (2) that was prepared in anticipation of litigation, and (3) was prepared by or for a party, or by or for his representative. The party asserting the privilege bears the burden of demonstrating that the documents or materials were prepared in anticipation of litigation.

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Scope  
of Protection

#### [HN21](#) [↓] **Scope of Protection**

The mere possibility of litigation is insufficient to obtain work-product protection. Instead, the party seeking such protection must demonstrate that, in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation. Accordingly, documents prepared in the ordinary course of business, or that otherwise would have been prepared absent the prospect of litigation, do not receive work product protection.

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Scope  
of Protection

#### [HN22](#) [↓] **Scope of Protection**

Unlike the attorney-client privilege, the work product doctrine does not require that the documents be prepared at the behest of counsel, only that they be prepared because of the prospect of litigation. The Supreme Court has recognized that attorneys often must rely on the assistance of investigators and other agents in the compilation of materials in preparation for trial, and therefore the doctrine protects material prepared by agents for the attorneys as well as those prepared by the attorney for himself. Indeed, the doctrine has been held to protect work performed by those enlisted by legal counsel to perform investigative or analytical tasks to aid counsel in preparation for litigation.

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Scope  
of Protection

#### [HN23](#) [↓] **Scope of Protection**

Because the work product doctrine is a qualified privilege, the protection can be overcome with respect to fact work product if the party seeking such discovery shows that it (1) has substantial need for the materials,

and (2) cannot obtain the substantial equivalent without undue hardship. [Fed. R. Civ. P. 26\(b\)\(3\)\(A\)\(ii\)](#). A substantial need exists where the information sought is essential to the party's defense, is crucial to the determination of whether the defendant could be held liable for the acts alleged, or carries great probative value on contested issues.

Civil Procedure > ... > Discovery > Privileged Communications > Attorney-Client Privilege

#### [HN24](#) **Attorney-Client Privilege**

A draft document prepared for the purpose of obtaining legal advice and/or containing information a client considered but decided not to include in the final version may be considered privileged.

Civil Procedure > ... > Discovery > Privileged Communications > Attorney-Client Privilege

#### [HN25](#) **Attorney-Client Privilege**

How a party, its counsel, and agents choose to prepare their case, the efforts they undertake, is not factual information to which an adversary is entitled.

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > Scope of Protection

#### [HN26](#) **Scope of Protection**

Generally, public relations advice, even if it bears on anticipated litigation, falls outside the ambit of the work product doctrine. Press-related communications may be protected by the work product doctrine if drafted by counsel.

Civil Procedure > ... > Discovery > Privileged Communications > Attorney-Client Privilege

#### [HN27](#) **Attorney-Client Privilege**

Scheduling communications are privileged if they reveal confidential communication between attorney and client. But the fact that a meeting or conference call took place,

even if it was with outside counsel, is not privileged.

Civil Procedure > ... > Discovery > Privileged Communications > Attorney-Client Privilege

#### [HN28](#) **Attorney-Client Privilege**

Transmittal documents themselves are not attorney-client privileged unless they reveal client confidences.

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > Scope of Protection

#### [HN29](#) **Scope of Protection**

With respect to the work product doctrine, no substantial need exists where a party can obtain the information it seeks through discovery devices such as interrogatories or deposition testimony.

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > Scope of Protection

#### [HN30](#) **Scope of Protection**

While undue hardship does not require the party seeking discovery of work product to show that it is absolutely impossible to obtain the information elsewhere, it must demonstrate that it is likely to be significantly more difficult, time-consuming or expensive to obtain the information from another source than from factual work product of the objecting party.

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For Signal Products, Inc., Defendant: Robert Craig Welsh, LEAD ATTORNEY, O'Melveny & Myers, LLP(C'tyCity), Los Angeles, CA; John T. Williams, Hinkhouse Williams Walsh LLP, Chicago, IL.

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For Signal Products, Inc., Counter Claimant: Robert Craig Welsh, LEAD ATTORNEY, O'Melveny & Myers, LLP(C'tyCity), Los Angeles, CA.

**Judges:** JAMES L. COTT, United States Magistrate Judge.

**Opinion by:** JAMES L. COTT

## Opinion

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[\*61] MEMORANDUM AND ORDER

**JAMES L. COTT, United States Magistrate Judge.**

### I. INTRODUCTION

In this trademark infringement action. Plaintiff Gucci America, Inc. ("Gucci") seeks a protective order against the disclosure of the communications of its former in-house counsel Jonathan Moss ("Moss"), and non-party Guccio Gucci S.p.A.'s ("GG") in-house intellectual property counsel Vanni Volpi ("Volpi"), pursuant to [Rule](#)

[26\(c\) of the Federal Rules of Civil Procedure](#) (Dckt. 71-77). Gucci alleges trademark infringement and related claims against several defendants, including Guess?, Inc. ("Guess"). [\*\*3] During the course of discovery, Gucci submitted a privilege log that included the e-mail communications of Moss and Volpi. See Declaration of Robert C. Welsh in Support of Guess?, Inc.'s Opposition to Plaintiff Gucci America's Motion for a Protective Order Against the Disclosure of the Privileged Communications of Non-Party Guccio Gucci S.p.A.'s In-House Intellectual Property Counsel Vanni Volpi dated April 16, 2010 ("Welsh Decl."), P 8, Ex. G (Dckt. 83). Guess subsequently demanded production of both the Moss and Volpi communications.

On March 26, 2010, this matter was referred to me by United States District Judge Shira A. Scheindlin for the limited purpose of resolving the dispute regarding Gucci's invocation of the attorney-client privilege (Dckt. 59). On April 2, 2010, Gucci filed two motions pursuant to [Rule 26\(c\) of the Federal Rules of Civil Procedure](#), seeking protective orders against the disclosure of the Moss and Volpi communications (Dckt. 71-77). Guess filed opposition papers on April 16 (Dckt. 82-85), and Gucci filed its reply papers on April 27 (Dckt. 92-95). By Memorandum and Order dated June 29, 2010, familiarity with which is assumed, I denied Gucci's motion for a [\*\*4] protective order against the disclosure of the Moss communications, finding, inter alia, that as an inactive member of the California bar, Moss was not an attorney for attorney-client privilege purposes and therefore his communications were not protected by the privilege (Dckt. 112).

After reviewing the parties' submissions with respect to the Volpi communications, however, I determined that I could not resolve the motion related to the Volpi communications because Gucci's privilege log lacked sufficient information for the Court to conduct a choice of law analysis. Accordingly, in [\*62] a separate Memorandum and Order dated June 29, 2010, I directed Gucci to submit a revised amended privilege log (i) identifying which of the Volpi communications relate to the instant litigation and which communications relate to a parallel litigation pending in Italy; and (ii) providing a detailed description, beyond the subject matter of the document, sufficient to indicate Gucci's basis for designating each of the Volpi communications as protected from disclosure pursuant to the work-product doctrine (Dckt. 111). In addition, the parties were permitted to make further submissions addressing the application, [\*\*5] if any, of the work product doctrine to both the Moss and Volpi communications. Id. Finally,

I directed the parties to meet and confer, consistent with [Fed. R. Civ. P. 37\(b\)](#), in an effort to reduce the number of documents in dispute. [Id.](#)

By letter dated July 16, 2010, following the parties' meet and confer, counsel for Gucci represented that Guess had agreed to withdraw its challenge to Gucci's designation of Document Nos. 40, 42-56, 66, 76-77, 82-83, 121, 123, and 125-126 as work product, but continued to seek production on "substantial need" grounds. [See](#) Declaration of Louis S. Ederer in Support of Plaintiff Gucci America, Inc.'s Motions for Protective Order Against the Disclosure of Work Product, dated July 23, 2010 ("Ederer Suppl. Decl."), PP 5, 13 (Dckt. 121).

On July 19, 2010, Gucci produced the Further Revised Amended Privilege Log (the "Revised Privilege Log"), [Id.](#), Ex. B (Revised Privilege Log). On July 23, 2010, the parties submitted supplemental memoranda of law and supporting materials addressing the applicability of the work product doctrine to both the Moss and Volpi communications (Dckt. 117-121). Although Gucci and Guess substantially reduced the number of disputed communications [\[\\*\\*6\]](#) following their meet-and-confer, significant issues remained regarding the application of the attorney-client privilege and the work product doctrine to the Volpi communications, and the application of the work product doctrine to the Moss communications. Accordingly, by Memorandum and Order dated July 28, 2010, I directed Gucci to submit the documents in the Revised Privilege Log for [in camera](#) review to enable the Court to address the objections raised by Guess on a full record (Dckt. 122).

By the Court's count, 102 documents remain in dispute, nine of which reflect communications pre-dating October, 2008 involving a review by Volpi and others at Gucci and/or GG of Guess products allegedly infringing upon several Gucci trademarks (some of which are the subject of this lawsuit). The remaining 93 documents reflect communications that took place between November, 2008 and April, 2009 involving an investigation Volpi and others conducted concerning the alleged trademark violations giving rise to this lawsuit.

## **II. FACTUAL BACKGROUND**

### **A. Volpi's Background and Role at GG**

GG, an Italian affiliate of Gucci (together with other

Gucci affiliates, the "Gucci companies"), is a multi-national company [\[\\*\\*7\]](#) owning trademarks in approximately 70 countries. Declaration of Daniella Delia Rosa dated March 30, 2010 ("Delia Rosa Decl."), P 14 (Dckt. 74). Although GG does not own any trademarks in the United States, it ensures that its protection and enforcement efforts are coordinated with those in the United States. Declaration of Vanni Volpi dated March 31, 2010 ("Volpi Decl."), P 5 (Dckt. 73). In the summer of 2006, GG hired Volpi to fill the newly-created position of Intellectual Property Counsel. [Id.](#), P 6; Delia Rosa Decl., P 19; Declaration of Cheryl Solomon dated March 30, 2010 ("Solomon Decl."), P 8 (Dckt. 75); Deposition of Vanni Volpi ("Volpi Dep."), attached as Exhibit A to the Declaration of Louis S. Ederer dated April 2, 2010 ("Ederer Decl."), at 13:7-13 (Dckt. 72).

Volpi, who despite his title as counsel is not an attorney, considers himself to be a "trained legal professional" in the field of intellectual property. Volpi Decl., P 8. Prior to joining GG, he worked as an intellectual property specialist for approximately ten years in the legal departments of other high-end fashion designers. Volpi Decl., P 6; Solomon Decl., P 8. In May, 2009, Volpi received the In-House Counsel [\[\\*\\*8\]](#) of the Year award by World Trade Review, an international, intellectual [\[\\*63\]](#) property trade publication. Welsh Decl., P 6, Ex. E. Although he does not hold a law degree, Volpi studied law for five years at the University of Pisa and the University of Paris. Volpi Decl., P 7.

In his role as Intellectual Property Counsel, Volpi assists in managing GG's trademark protection and enforcement efforts in every country in which GG owns trademarks. Ederer Decl., Ex. A (Volpi Dep. at 17:2-17); Volpi Decl, PP 4-5; Delia Rosa Decl., PP 18, 20. As part of this effort, he communicates with legal professionals and personnel at GG affiliates around the world, customs and border patrol agencies, law enforcement, and outside counsel in an effort to coordinate global enforcement of GG's trademark portfolio. Volpi Decl., PP 4-5; Delia Rosa Decl, P 18.

GG's in-house legal department is comprised of "legal professionals and paralegals" who are directly supervised by general counsel Daniella Delia Rosa ("Delia Rosa"). Delia Rosa Decl., P 15. Delia Rosa is admitted to the bar of New York and has been a member of the Italian and Belgian bars. [Id.](#), P 11. Delia Rosa describes GG's in-house legal department as organized [\[\\*\\*9\]](#) similar to a law firm, except for one critical distinction. [Id.](#), P 15. Of the approximately 20

individuals comprising GG's in-house legal department, Delia Rosa is the only bar-admitted attorney. *Id.*, PP 4, 15, 17. Notwithstanding the dearth of licensed attorneys in its legal department, GG relies heavily on its in-house staff to provide substantive advice regarding intellectual property matters. *Id.*, PP 14, 16. Although Volpi provides advice regarding intellectual property matters, Gucci submits that he neither makes important legal decisions nor provides legal advice without first consulting Delia Rosa. Ederer Decl., Ex. A (Volpi Dep. at 55:3-5); Volpi Decl., P 11; Delia Rosa Decl., PP 17, 20-21, 27.

Although GG does not own any trademarks in the United States, products bearing GG marks are sold in the United States. Ederer Decl., Ex. A (Volpi Dep. at 17:2-17). Accordingly, Volpi's responsibilities necessitate that he interact with his United States counterparts at Gucci in an effort to protect GG trademarks in the United States. Volpi also reports to and frequently communicates with Cheryl Solomon, General Counsel for Gucci Group in London,<sup>1</sup> regarding intellectual property issues. *[\*\*10]* Solomon Decl, PP 8-9. Solomon is an attorney admitted to the bars of New York and the District of Columbia. *Id.*, P 3.

Although Volpi reports directly to Delia Rosa and communicates with her on an almost daily basis, he performs certain functions autonomously. Delia Rosa Decl., P 21. In April, 2007, for example, Volpi sent a cease-and-desist letter to Guess and GUESS Watches Inc. in the United States arising from Guess's allegedly infringing use of the Twirl mark, a trademark owned by GG. *See* Reply Declaration of Louis Ederer dated April 27, 2010 ("Ederer Reply Decl."), Ex. C (Dckt. 96). Volpi testified at his deposition that the letter was reviewed and edited, though minimally, by Moss. Ederer Decl, Ex. B (Volpi Dep. at 71:3-9, 79:13-80:11).

## B. The Investigation Leading Up to this Action

In March, 2008, Delia Rosa instructed Volpi to commence an investigation into Guess's alleged infringement of certain trademarks. Delia Rosa Decl, PP 23-25; Volpi Decl, P 13. As part of his investigation, Volpi communicated with *[\*\*11]* outside counsel in the United States and Italy, and with personnel at Gucci affiliates around the world. Delia Rosa Decl, PP 23-25;

Volpi Decl, P 13. After meeting with Volpi in late 2008 regarding the results of his investigation, Delia Rosa determined that GG should coordinate with its affiliates around the world, including Gucci in the United States, to commence a trademark infringement action against Guess in Italy. Delia Rosa Decl, P 25; Volpi Decl, P 15.

Accordingly, Volpi traveled to New York in November, 2008 to participate in a meeting with Gucci Group general counsel Solomon, Gucci's outside United States counsel Louis Ederer ("Ederer"), and other individuals at Gucci to discuss the findings of Volpi's investigation *[\*64]* and to consider filing a parallel infringement action in the United States (the "November 2008 meeting"). Solomon Decl, P 12; Volpi Decl, P 17. As a result of the November 2008 meeting, the Gucci companies decided to conduct a more in-depth, factual investigation into Guess's activities in an effort to file suit against Guess in the United States. Solomon Decl., P 13; Volpi Decl., P 17. Between November, 2008 and April, 2009, Volpi communicated with outside counsel *[\*\*12]* in the United States and Italy, and worked with personnel at Gucci affiliates worldwide, including in the United States, Italy, Great Britain, Japan, Hong Kong, and France. Delia Rosa Decl. PP 23-25; Volpi Decl., P 13; Suppl. Ederer Decl., Ex. B (Revised Privilege Log). Volpi also supervised other members of GG's in-house intellectual property department as they assisted with the investigation. Ederer Decl., Ex. B (Volpi Dep. at 82:22-24).

On May 5, 2009, GG sued Guess and its Italian affiliate in Milan for trademark infringement and related claims. *See* Welsh Decl., Ex. A (English-language translation of Complaint filed by Guccio Gucci S.p.A. against Guess?, Inc and Guess Italia S.r.L.). Four days later, Gucci filed the complaint in this action concerning the same trademarks that are the subject of the Italian litigation (Dckt. 1).

## III. ANALYSIS

### A. Legal Standard for Protective Orders

*HNI*<sup>[↑]</sup> [Rule 26\(c\) of the Federal Rule of Civil Procedure](#) provides that a federal district court may issue "an order to protect a party or person [from whom discovery is sought] from annoyance, embarrassment, oppression, or undue burden or expense." The rule serves in part to protect parties' privacy interests. [Seattle Times Co. v. Rhinehart, 467 U.S. 20, 35 n.21.](#)

<sup>1</sup> Gucci Group is based in London, England. Solomon Decl., P 1. Gucci Group, N.V. is the holding company of Gucci Group and is the parent company of GG and plaintiff Gucci. *Id.*

[104 S. Ct. 2199, 81 L. Ed. 2d 17 \(1984\)](#). [\*\*13] The district court has "broad discretion . . . to decide when a protective order is appropriate and what degree of protection is required." *Id. at 36*; see also [Dove v. Atl. Capital Corp., 963 F.2d 15, 20 \(2d Cir. 1992\)](#) ("[T]he grant or denial of a protective order lies within the sound discretion of the district court.").

"The party seeking a protective order bears the burden of establishing that good cause for the order exists." [Duling v. Gristede's Operating Corp., 266 F.R.D. 66, 71 \(S.D.N.Y. 2010\)](#). See [Gambale v. Deutsche Bank AG, 377 F.3d 133, 142 \(2d Cir. 2004\)](#); [Penn Group, LLC v. Slater, No. 07 Civ. 729 \(MHD\), 2007 U.S. Dist. LEXIS 50651, 2007 WL 2020099, at \\*13 \(S.D.N.Y. June 13, 2007\)](#); [Condit v. Dunne, 225 F.R.D. 113, 115 \(S.D.N.Y. 2004\)](#). Good cause is established by "demonstrating a particular need for protection." [Cipollone v. Liggett Grp., Inc., 785 F.2d 1108, 1121 \(3d Cir. 1986\)](#); see [In re Terrorist Attacks on Sept. 11, 2001, 454 F. Supp. 2d 220, 222 \(S.D.N.Y. 2006\)](#) ("Ordinarily, good cause [for a protective order] exists when a party shows that disclosure will result in a clearly defined, specific and serious injury.") (internal citations omitted).

## B. The Attorney-Client Privilege

### 1. Choice of Law Analysis

**HN2**<sup>↑</sup> Pursuant [\*\*14] to [Rule 501 of the Federal Rules of Evidence](#), questions of privilege are "governed by the principles of common law." [Golden Trade S.r.L. v. Lee Apparel Co., 143 F.R.D. 514, 521 \(S.D.N.Y. 1992\)](#) (citing [Fed. R. Evid. 501](#)). The common law includes "choice of law" questions. [Astra Aktiebolag v. Andrx Pharms., Inc., 208 F.R.D. 92, 97 \(S.D.N.Y. 2002\)](#) ("*Astra*"). The parties agree that the Volpi communications implicate foreign law. They disagree, however, on which country's law should be applied, with Gucci advocating for American law and Guess contending that Italian law governs. Accordingly, the Court must conduct a choice of law analysis.

In determining which country's law applies to claims of privilege involving foreign documents, courts in the Second Circuit have adopted the "touch base" approach applied in [Golden Trade, 143 F.R.D. at 522](#). In *Golden Trade*, the defendant sought production of communications between a non-party Italian corporation and its patent agents located in Norway, Germany, and Israel, each [\*\*65] of whom had rendered advice regarding patent law in their respective countries. *Id. at*

[517, 520-22](#). Applying traditional principles of comity, Magistrate Judge Dolinger found that [\*\*15] the communications did not "touch base" with the United States because they "related to matters solely involving" foreign countries, and therefore the communications were governed by the laws of Norway, Germany, and Israel. *Id. at 520-22*. He reasoned that the country with the "predominant interest in whether [the] communications should remain confidential" was "the place where the allegedly privileged relationship was entered into." *Id. at 521*.

**HN3**<sup>↑</sup> In *Astra*, Judge Jones emphasized that the "touch base" analysis hinges on a determination as to which country has the most compelling or predominant interest in whether the communications should remain confidential:

Where, as here, alleged privileged communications took place in a foreign country or involved foreign attorneys or proceedings, this court defers to the law of the country that has the "predominant" or "the most direct and compelling interest" in whether those communications should remain confidential, unless that foreign law is contrary to the public policy of this forum.

*Astra, 208 F.R.D. at 98* (citing [Golden Trade, 143 F.R.D. at 522](#); [Bayer AG and Miles, Inc. v. Barr Labs., Inc., No. 92 Civ. 0381 \(WK\), 1994 U.S. Dist. LEXIS 17988, 1994 WL 705331, at \\*4 \(S.D.N.Y. Dec. 16, 1994\)](#); [\*\*16] [In re Ampicillin Antitrust Litig., 81 F.R.D. 377, 391 \(D.D.C. 1978\)](#); [McCook Metals LLC v. Alcoa Inc., 192 F.R.D. 242, 256 \(N.D. Ill. 2000\)](#)). In resolving the choice of law issue before her, Judge Jones applied American law to communications between Swedish employees and outside American counsel, and between Swedish in-house counsel and other Swedish employees "relating to the prosecution of patent applications or the conduct of litigation in the United States." *Astra, 208 F.R.D. at 99*.

**HN4**<sup>↑</sup> The principles of *Astra* and *Golden Trade* instruct that communications relating to legal proceedings in the United States, or that reflect the provision of advice regarding American law, "touch base" with the United States and, therefore, are governed by American law, even though the communication may involve foreign attorneys or a foreign proceeding. See, e.g., [In re Philip Services Corp. Sec. Litig., No. 98 Civ. 0835, 2005 U.S. Dist. LEXIS 22998, 2005 WL 2482494, at \\*2 \(S.D.N.Y. Oct. 7, 2005\)](#) (American law applies to opinion letters authored by

American and Canadian attorneys concerning securities offering in United States); *Johnson Matthey, Inc. v. Research Corp., No. 01 Civ. 8115, 2002 U.S. Dist. LEXIS 13560, 2002 WL 1728566, at \*9 (S.D.N.Y. July 24, 2002)* [\*\*17] (British law applies to communications between British patent agent and American client regarding British proceeding; New York law governed communications concerning obligations arising under United States contract). Such communications have a "more than incidental" connection to the United States. *VL Corp. v. Unitrode Corp., 194 F.R.D. 8, 16 (D. Mass. 2000)*.

Conversely, communications regarding a foreign legal proceeding or foreign law "touch base" with the foreign country. See, e.g., *Kiobel v. Royal Dutch Petroleum Co., No. 02 Civ. 7618 (KMW) (HBP), 2005 U.S. Dist. LEXIS 16514, 2005 WL 1925656, at \*3 (S.D.N.Y. Aug. 11, 2005)* (applying British law to documents relating to prospective litigation in England); *Tulip Computers Int'l B.V. v. Dell Computer Corp., Civ. A. 00-981 (MPT), 2002 WL 31556497, at \*3 (D. Del. Nov. 18, 2002)* (applying Dutch law to documents containing legal advice regarding Dutch law and Dutch patents); *VL Corp., 194 F.R.D. at 17-19* (applying Japanese law to letter concerning Japanese law; British law to letter pertaining to British patent); *Stryker Corp. v. Intermedics Orthopedics, Inc., 145 F.R.D. 298, 306 (E.D.N.Y. 1992)* (applying British law to communications between British patent agent [\*\*18] and American attorney regarding European patent application).

Gucci argues that the Volpi communications "touch base" with the United States because Volpi participated in a global litigation strategy that resulted in the filing of parallel lawsuits in Italy and the United States. Gucci April 2, 2010 Mem. of Law, at 6 (Dckt. 77). Gucci opposes the application of Italian law to the instant litigation, arguing that applying Italian law would offend the public policy of this forum because Italy [\*66] does not recognize attorney-client confidentiality as a *privilege*. *Id.*, at 12-14. Gucci argues, in the alternative, that even if the Court were to apply Italian law, the Volpi communications would not be discoverable in an Italian litigation. *Id.* at 12. In support of its position, Gucci submits expert testimony in the form of the Declaration of Fausto Pocar, a professor of international law at the University of Milan, dated March 31, 2010 ("Pocar Decl.") (Dckt. 76); the Reply Declaration of Fausto Pocar, dated April 25, 2010 ("Pocar Reply Decl.") (Dckt. 93); and the Reply Declaration of Adriano Vanzetti, an emeritus professor of intellectual property law at the Università Cattolica of Milan, dated [\*\*19] April 23, 2010

("Vanzetto Reply Decl.") (Dckt. 94).

In contrast, Guess urges the Court to apply Italian law because Volpi is located in Italy, his e-mails are maintained on a server in Italy, and his communications relate to the Italian litigation. Guess April 16, 2010 Mem. of Law, at 4 (Dckt. 82). Guess asserts that, under Italian law, the attorney-client privilege does not extend to in-house counsel (or their agents) such as Volpi and Delia Rosa, and consequently such communications would be subject to disclosure in an Italian litigation. *Id.*, at 6. In support of its position, Guess also submits expert testimony in the form of the Declaration of Silvia Giudici, a professor of industrial law at the University of Milan, dated April 14, 2010 ("Guidici Decl.") (Dckt. 84), and the Declaration of Franco Ferrari, a professor of international law at Verona University School of Law and at New York University School of Law, dated April 15, 2010 ("Ferrari Decl.") (Dckt. 85). In the alternative, Guess argues that even under American law the Volpi communications are not privileged because GG had no reasonable expectation of privacy in its communications with him. Guess April 16, 2010 Mem. of Law, [\*\*20] at 2.

Applying the principles of *Golden Trade, Astra*, and the other cases set forth above, I conclude that for choice of law purposes the Volpi communications "touch base" with the United States. The Volpi communications arise from two investigations in which he participated. The first, involving communications that took place before October, 2008 (the "pre-October, 2008 communications"), relates to GG and Gucci's investigation into Guess's allegedly infringing activity concerning the "Twirl," "repeating Guess Quattro G pattern," and "interlocking G" trademarks in 2007, as is reflected in the Revised Privilege Log. Ederer Suppl. Decl., Ex. B (Revised Privilege Log). Although the dispute regarding the Twirl mark was resolved, the repeating Guess Quattro G pattern and interlocking G trademarks are the subject of the instant lawsuit. See Complaint filed May 6, 2009 (Dckt. 1). Indeed, the Revised Privilege Log reflects myriad communications among Gucci's outside United States counsel, Gucci employees in the United States, and Volpi. That the communications "touch base" with the United States is further evidenced by the Twirl cease-and-desist letter sent to Guess in the United States and [\*\*21] in Italy, to which Guess responded from its United States office. Ederer Reply Decl., PP 27-28, Exs. C-D.

The second investigation, conducted by Volpi and others, concerns the alleged trademark violations giving

rise to this lawsuit. The communications took place between November, 2008 and April, 2009 (the "post-October, 2008 communications"). The Court's in camera review of the documents, together with the declarations of Volpi, Delia Rosa, and Solomon, demonstrate that GG and Gucci engaged in a joint litigation strategy beginning in November, 2008. As attested to by Delia Rosa, litigating against Guess in the United States was essential to Gucci's overall litigation strategy because it would not be able to obtain injunctive relief in Italy. Reply Declaration of Daniella Delia Rosa dated April 23, 2010 ("Delia Rosa Reply Decl."), PP 4-5 (Dckt. 95). Thus, Gucci and GG embarked on a common endeavor: to commence parallel trademark infringement actions against Guess in the United States and Italy.

Accordingly, Volpi attended the November, 2008 meeting in the United States to share the results of GG's preliminary investigation regarding Guess's activities with Gucci and its outside United States counsel. Volpi Decl., P 17; Solomon Decl., P 12. The documents reviewed in camera demonstrate that [67] from November, 2008 to April, 2009, GG and Gucci communicated regularly regarding the joint effort to prepare for litigation; collected evidence on a global basis that would provide support for claims in both actions; and drafted a joint press statement reviewed by outside counsel in both the United States and in Italy. The documents also reflect that in early 2009, GG budgeted monies for both litigations, including the cost of Gucci's outside United States counsel. Ederer Suppl. Decl., Ex. B (Revised Privilege Log). Ultimately, the United States action was commenced within days of the Italy action. Welsh Decl., Ex. A (Italian Complaint). Indeed, it is undisputed that the same marks are the subject of both the Italian litigation and this litigation.

Contrary to Guess's contention, [HN5](#) [↑] the "touch base" analysis must not necessarily be focused on where particular documents are located, or even where a particular person is situated at the time the communication is sent or received. Guess April 16, 2010 Mem. of Law, at 4. While these factors may be relevant, they are not dispositive. Rather, [\*\*23] the analysis is fact-specific and focuses on whether documents have a "more than incidental" connection with the United States. [VLT Corp., 194 F.R.D. at 16; Accord Bayer AG and Miles, Inc., 1994 U.S. Dist. LEXIS 17988, 1994 WL 705331, at \\*5](#) ("touch base" analysis is "fact-specific"). To that end, the Court cannot ignore that the pre-October, 2008 communications concern United States trademarks, and that the post-October, 2008 communications concern the conduct of litigation in the

United States regarding trademarks registered in the United States. Compl., PP 13, 18.

Although Italy may have an interest in the communications, none of the documents reflect that advice was requested or rendered regarding Italian law. At best, Italy's interest in the Volpi communications may be considered equal to that of the United States. Such interest does not trump that of the United States in applying its laws to communications concerning the conduct of an action pending in a United States court, the subject of which notably involves trademarks registered in the United States Patent & Trademark Office. Compl., PP 13, 18.

Moreover, applying the law of this forum to the Volpi communications does not offend principles of comity. As [\*\*24] evidenced by the declarations submitted by the parties' experts, [HN6](#) [↑] it is unsettled whether Italian attorney-client confidentiality provisions are comparable to the attorney-client privilege in the United States. Italian statutes clearly impose a secrecy obligation on attorneys not to disclose confidential client information. Pocar Decl., at PP 17, 18 (citing Article 9.1 of the Attorneys' Code of Conduct - Duties of Secrecy and Confidentiality). But a professional secrecy obligation is not an evidentiary privilege - a critical distinction. As Judge Patterson has observed, simply because "a [foreign] statute requires a party to keep clients' affairs secret does not mean that a privilege exists." [Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc., No. 95 Civ. 8833 \(RPP\), 1998 U.S. Dist. LEXIS 4213, 1998 WL 158958, at \\*3 \(S.D.N.Y. Apr. 2, 1998\)](#). A foreign tribunal may compel "disclosure if it determines the need for the information is sufficient to outweigh the secrecy obligation, while the privilege, in contrast, is absolute and inviolate." [In re Rivastigmine Patent Litig., 237 F.R.D. 69, 75 \(S.D.N.Y. 2006\)](#) ("Rivastigmine II").

Guess cites Article 200 of the Italian Code of Criminal Procedure as providing such a [\*\*25] privilege. Guidici Decl., PP 18-19. [HN7](#) [↑] Article 200 prohibits a court from compelling "attorneys, private investigators, expert witnesses and notaries" from "testify[ing] in court with respect to the confidential information they have knowledge of due to their [ . . . ] office or profession." Pocar Decl., P 12. Although the statute permits "outside lawyers [to] refuse to testify regarding confidential information received from their clients," Guidici Decl., P 26, there is no indication that the same testimonial immunity extends to a client in either a civil or criminal context - a key element of the privilege under American law. See [Astra, 208 F.R.D. at 100-01](#) (fact that Korean



attorney may not testify in court regarding confidential communications received from client does not demonstrate existence of privilege held by client); Bayer, 1994 U.S. Dist. LEXIS 17988, 1994 WL 705331, at \*5 (communications with professional cannot be deemed privileged under foreign law "simply because" provision of [\*68] foreign law grants professional "the right not to testify about information she obtains in the course of her duties"); Alpex Comp. Corp. v. Nintendo Co., No. 86 Civ. 1749 (KMW), 1992 U.S. Dist. LEXIS 3129, 1992 WL 51534, at \*2 (S.D.N.Y. Mar. 10, 1992) (no [\*\*26] privilege for communications with patent agents under Japanese law simply because Japanese statute grants patent agents right not to testify).

HNS [↑] The scope of discovery in the foreign country is also a valid consideration in resolving choice of law issues. In Astra, Judge Jones found that a specific set of documents "touched base" with Korea, but declined to apply the law of that country because the documents would not have been discoverable in a Korean litigation. Id. at 102. She reasoned that an analysis of "Korean privilege law, or the lack thereof, in a vacuum - without taking account of the very limited discovery provided in Korean civil cases - would offend the very principles of comity that choice-of-law rules were intended to protect." Id. In finding that the application of Korean law would offend the public policy of this forum, she stated that "[u]nder these circumstances, where virtually no disclosure is contemplated, it is hardly surprising that Korea has not developed a substantive law relating to attorney-client privilege and work product that is co-extensive with our own law." Id.

The analysis of Astra is instructive. Although Guess urges the Court to apply Italian law to [\*\*27] the Volpi communications, it is unclear whether such communications would be discoverable in an Italian lawsuit. While the parties' experts disagree as to the scope of permissible discovery in Italy, they agree that Italian civil procedure statutes provide limited discovery powers. See Guidici Decl., P 12 ("It has, thus, to be concluded that discovery powers provided to the [Italian] Court by general rules of civil procedure are not particularly strong."); Ferrari Decl., P 4 ("discovery powers in the Italian system are less extensive than in the U.S. system"); Pocar Decl., P 7 ("in civil litigation in Italy, the rules of disclosure are such that only minimal pretrial discovery is allowed"). Civil discovery in Italy is by court order,<sup>2</sup> and even then a party may refuse to

comply with such order, the penalty for non-compliance being either an adverse inference instruction or the payment of a nominal fee. Guidici Decl., PP 9, 11-12 (citing Articles 118 and 210 of the Code of Civil Procedure); Pocar Decl., PP 8, 10 (same).

Moreover, HNS [↑] the Italian Supreme Court has construed provisions of the CPC governing document production to mean that a court may direct a party to produce a document "about which the requesting party 'knows, or purports to know, the *specific content*, which must be relevant and material for the resolution of the dispute." Pocar Decl., P 9 n.1 (citing Corte di Cassazione, September 8, [\*69] 2003, No. 13072; Corte de Cassazione, May 25, 2004, No. 10043 and December 20, 2007, No. 26943) (emphasis added). Thus, an Italian court likely would not grant categorical

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Articles 118 and 210 of the Code of Civil Procedure (the "CPC"), which provide as follows:

*Article 118 cpc - Order [\*\*28] for inspection of persons and things.*

1. The Court may order a party to the proceedings or a third party to consent to the inspection of their body or a thing in their possession insofar as the inspection is necessary for the ascertainment of the facts of the case, and provided that the inspection is carried out without causing serious harm to the requested party or the third party, and enforcement thereof does not result in a breach of one of the duties of secrecy set forth by Articles [200] and [201] of the Code of Criminal Procedure.
2. If the requested party refuses to comply with an order of inspection without cause, the Court may draw adverse inferences against that party pursuant to Article 116.2.
3. If the requested third party refuses to comply with an order for inspection, that third party shall be ordered to pay a fine varying from Euro 250.00 to Euro 1.500.


*Article 210 cpc - Order for production of documents to a party to the proceedings or to a third party.*

1. Upon request of a third party to the proceedings, the Court may order the other party or a third party to produce a document or a thing which the court regards as necessary for the outcome of the case, provided that the [\*\*29] requirements set forth in article 118 with respect to the inspection of things in the possession of a party or a third party are complied with.
2. In ordering the production of a document or a thing, the court shall give the directions with respect to the time, place and mechanics of the production.
3. In any event the requesting party shall advance any

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<sup>2</sup>The Italian statutes governing document production are

requests for the production of documents "*as known in Common Law countries.*" Pocar Decl., P 9 (citing The Hague Convention of 18 March 1970 on the Taking of Evidence Abroad [<sup>\*\*30</sup>] in Civil or Commercial Matters) (emphasis in original). The threshold requirement that a litigant demonstrate to the court the existence and relevancy of a specific document prior to obtaining its disclosure is contrary to the liberal discovery permitted by the Federal Rules of Civil Procedure. See [Retail Brand Alliance, Inc. v. Factory Mut. Ins. Co., No. 05 Civ. 1031 \(RJH\) \(HBP\), 2008 U.S. Dist. LEXIS 17746, 2008 WL 62280, at \\*5 \(S.D.N.Y. Mar. 7, 2008\)](#) ("Federal Rules set very liberal limits on the scope of discovery").

Guess's expert, Professor Guidici, cites the Italian Intellectual Property Code (the "IPC") as expanding the scope of pre-trial discovery in intellectual property actions such as the instant case. Guidici Decl., P 16. [HN10](#)  Under Articles 121.2 <sup>3</sup> and 121.1 *bis* <sup>4</sup> of the

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costs that may be incurred by the other party or the third party in connection with the production.

Guidici Decl., P 9.

<sup>3</sup>The full text of Article 121.2 provides:

When a party has provided a series of circumstantial evidence establishing its requests and has identified documents, elements or information held by the other party confirming such circumstantial evidence, it may obtain an order that the other party disclose the documents or provide the information. Furthermore, it may also obtain an order that the other party provide data for the identification of subjects involved in the production and distribution of the products or [<sup>\*\*32</sup>] of the services constituting violation of the industrial property rights.

Guidici Decl., P 14.

<sup>4</sup>The full text of Article 121.1 *bis* provides:

[T]he competent judicial authorities may order that information on the origin and distribution networks of the goods and services which infringe an intellectual property right be provided by the infringer and or any other person who:

- (a) was found in possession of the infringing goods on a commercial scale;
- (b) was found to be using the infringing services on a commercial scale;
- (c) was found to be providing on a commercial scale services used in infringing activities.

The information in paragraph hereinabove may also include names and addresses of the manufacturers and producers, retailers, suppliers and prior holders of the

IPC, an Italian court may direct a defendant to produce information, including documents and other tangible evidence, regarding the allegedly infringing activity. Guidici, PP 14-15. But the IPC appears to be more narrowly tailored than the CPC. A party seeking discovery pursuant to the IPC must identify to the court each document request by referencing its "precise date, author and subject matter," and by demonstrating that the documents [<sup>\*\*31</sup>] are "relevant and necessary to the outcome of the action." Vanzetti Reply Decl., PP 10, 11. Moreover, as noted by Professor Vanzetti, it appears that only a plaintiff may avail itself of the IPC, as only the alleged infringer has the ability to "supply the elements for the identification of the persons involved in the production and distribution of the products or services alleged to infringe the industrial property right." *Id.*, PP 7, 15 (citing IPC Article 121.1 *bis*). Finally, as with Articles 118 and 210 of the CPC, an order compelling discovery under the IPC "is not coercible and, as such, imposes no enforceable obligation on the party to which it is addressed." *Id.*, P 13.

Finally, Guess argues that the Court need not consider the scope of discovery in Italy, and should instead follow the analysis employed by Magistrate Judge Francis in [Rivastigmine II, 237 F.R.D. 69](#). Guess April [<sup>\*\*33</sup>] 16, 2010 Mem. of Law, at 8-9 (Dckt. 82). In that case, however, the parties agreed that Swiss law governed, and therefore no choice of law analysis was conducted. *Id.* at 75. Here, absent definitive evidence that Italy recognizes an attorney-client privilege scheme analogous to the evidentiary privilege recognized by federal common law -- that is, a privilege held by the *client* - application of Italian law would violate the public policy of this forum (just as application of Korean law in [Astra](#) would have offended principles of comity that choice of law rules were designed to protect). In any case, it is not clear that the Volpi communications would be discoverable [<sup>\*70</sup>] in an Italian litigation. <sup>5</sup> Accordingly, I will look to American law to resolve the privilege dispute.

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products or services, wholesalers, distributors as well as information on the quantities produced, manufactured, delivered, received or ordered and on the price of the products and services in questions.

Guidici Decl. P 15.

<sup>5</sup>Neither party disputes that Italian confidentiality provisions exempt in-house counsel such as Delia Rosa and Solomon. Pocar Decl., P 15; Guidici Decl., P 8. Nonetheless, the issue remains that a professional confidentiality obligation is not the equivalent of an evidentiary privilege.

## 2. Application of American Attorney-Client Privilege Law

### a. General Principles

[HN11](#)<sup>[↑]</sup> The attorney-client privilege "is one of the oldest recognized [<sup>\*\*34</sup>] privileges for confidential communications." *Swidler & Berlin v. United States*, 524 U.S. 399, 403, 118 S. Ct. 2081, 141 L. Ed. 2d 379 (1998). "By assuring confidentiality, the privilege encourages clients to make 'full and frank' disclosures to their attorneys, who are then better able to provide candid advice and effective representation." *Mohawk Indus., Inc. v. Carpenter*, 130 S. Ct. 599, 606, 175 L. Ed. 2d 458 (2009) (quoting *Upjohn Co. v. United States*, 449 U.S. 383, 389, 101 S. Ct. 677, 66 L. Ed. 2d 584 (1981)). See also *In re Omeprazole Patent Litig., M-21-81 (BSJ), MDL 1291, 2005 U.S. Dist. LEXIS 6112, 2005 WL 818821, at \*7 (S.D.N.Y. Feb. 18, 2005)* ("The attorney-client privilege is intended to encourage clients to be forthcoming and candid with their attorneys so that the attorney is sufficiently well-informed to provide sound legal advice."). Nevertheless, the privilege is construed "narrowly because it renders relevant information undiscoverable." *In re Cnty. of Erie*, 473 F.3d 413, 418 (2d Cir. 2007).

It is well-settled that "[t]he privilege only protects disclosure of communications; it does not protect disclosure of the underlying facts by those who communicated with the attorney." *Upjohn*, 449 U.S. at 396; *In re Six Grand Jury Witnesses*, 979 F.2d 939, 944 (2d Cir. 1992). A party invoking [<sup>\*\*35</sup>] the attorney-client privilege must demonstrate that there was "(1) a communication between client and counsel that (2) was intended to be and was in fact kept confidential, and (3) was made for the purpose of obtaining or providing legal advice." *In re Cnty. of Erie*, 473 F.3d at 419. See *United States v. Adlman*, 68 F.3d 1495, 1500 (2d Cir. 1995) ("*Adlman I*") ("The party claiming the benefit of the attorney-client privilege has the burden of establishing all the essential elements.").<sup>6</sup>

<sup>6</sup>The three-part test cited herein is a "truncated" version, *Schanfield v. Sojitz Corp. of Am.*, 258 F.R.D. 211, 213 n.3 (S.D.N.Y. 2010), of the eight-part test that originated with Professor Wigmore and has been cited by the Second Circuit. See, e.g., *In re Grand Jury Subpoena Duces Tecum Dated September 15, 1983*, 731 F.2d 1032, 1036 (2d Cir. 1984) ("(1) where legal advice of any kind is sought (2) from a professional legal advisor in his capacity as such, (3) the communications relating to that purpose, (4) made in confidence (5) by the client, (6) are at his instance permanently protected (7) from disclosure by himself or by the

[HN12](#)<sup>[↑]</sup> In a corporate context, in-house counsel can serve as the client when communicating with outside counsel, or as "attorney-legal advisor" when communicating with personnel within the organization. *United States v. Chevron Texaco Corp.*, 241 F. Supp. 2d 1065, 1073-74 (N.D. Cal. 2002). See *Ovesen v. Mitsubishi Heavy Indus. of Am. Inc., No. 04 Civ. 2849 (JGK) (FM), 2009 U.S. Dist. LEXIS 9762, 2009 WL 195853, at \*3 (S.D.N.Y. Jan. 23, 2009)*. Communications with in-house counsel in the role of attorney-advisor are afforded the same protection as outside counsel, although communications conveying business (as opposed to legal) advice are excluded from the privilege. See *Upjohn*, 449 U.S. at 394; *In re Grand Jury Subpoena Duces Tecum Dated Sept. 15, 1983*, 731 F.2d 1032, 1037 (2d Cir. 1984) ("[T]he privilege is triggered only by a client's request for legal, as contrasted with business advice.").

[HN13](#)<sup>[↑]</sup> In *United States v. Kovel*, 296 F.2d 918 (2d Cir. 1961), the Second Circuit extended the attorney-client privilege to communications between a client and an accountant hired to assist the attorney in representing the client. *Id.*, at 922. *Kovel* recognized a privilege [<sup>\*\*37</sup>] derivative of the attorney-client privilege where a third party clarifies or facilitates communication between attorney and client in confidence "for the purpose of obtaining legal [<sup>\*71</sup>] advice" from the attorney. *Id.* at 922. The caveat to the *Kovel* rule, however, is that the advice rendered must be that of the attorney, not the agent. See, e.g., *United States v. Ackert*, 169 F.3d 136, 139-40 (2d Cir. 1999) (communications between attorney and investment banker who provided attorney with factual client information held not privileged); *Orbit One Commc'n, Inc. v. Numerex Corp.*, 255 F.R.D. 98, 104 (S.D.N.Y. 2008) ("the privilege operates to protect confidential communications made by corporate agents who supply needed information to the corporation's counsel"); *Chevron Texaco Corp.*, 241 F. Supp. 2d at 1071 (applying *Kovel* to find no privilege where accountant hired "to give additional legal advice about complying with the tax code").

*Kovel* has been construed broadly to include individuals who assist attorneys in providing legal services, such as "secretaries and law clerks," *In re Grand Jury Subpoenas Dated March 24, 2003*, 265 F. Supp. 2d 321, 325 (S.D.N.Y. 2003), "investigators, interviewers,

legal advisor, (8) except the protection be waived." (quoting 8 John Henry [<sup>\*\*36</sup>] Wigmore, *Wigmore on Evidence* § 2292 at 554 (McNaughton rev. 1961)).

[\*\*38] technical experts, accountants, physicians, patent agents, and other specialists in a variety of social and physical sciences." Louisiana Mun. Police Emp's. Ret. Sys. v. Sealed Air Corp., 253 F.R.D. 300, 311 (D.N.J. 2008) (citations omitted). See also United States v. Schwimmer, 892 F.2d 237, 243 (2d Cir. 1989) (accountant); United States v. Alvarez, 519 F.2d 1036, 1045-46 (3d Cir. 1975) (psychiatrist); Rivastigmine II, 237 F.R.D. at 81-82 (patent agent).

**HN14** [↑] Factual investigations conducted by an agent of the attorney, such as "gathering statements from employees, clearly fall within the attorney-client rubric." Lugosch v. Congel, 1:00-CV-0784, 2006 U.S. Dist. LEXIS 53116, 2006 WL 931687, at \*14 (N.D.N.Y. Mar. 7, 2006) (citing Upjohn, 449 U.S. at 390-91). Thus, courts have frequently extended the attorney-client privilege to communications made to investigators who have provided necessary assistance to attorneys, as Volpi provided to Delia Rosa here. See, e.g., United States v. McPartlin, 595 F.2d 1321, 1335-36 (7th Cir. 1979) (statements made to investigator acting as attorney's agent); Sanchez v. Matta, 229 F.R.D. 649, 660 (D.N.M. 2004) (employee communications to investigator acting as agent of employer's counsel); [\*\*39] Welland v. Trainer, No. 00 Civ. 0738 (JSM), 2001 U.S. Dist. LEXIS 15556, 2001 WL 1154666, at \*3 (S.D.N.Y. Oct. 1, 2001) (employee serving as investigator was attorney's agent); Carter v. Cornell Univ., 173 F.R.D. 92, 95 (S.D.N.Y. 1997) (communications to employee whose duties normally did not include conducting investigations for in-house counsel specifically asked to conduct investigation), aff'd 159 F.3d 1345 (2d Cir. 1998) (summary order). As one commentator has noted, were an attorney required to exclude investigators from the circle of confidentiality in order to maintain the privilege, providing legal advice to clients would be difficult, if not in some cases impossible. Paul R. Rice, Attorney-Client Privilege in the United States § 3:3 (2d ed. 2010). See generally 24 Charles Alan Wright & Kenneth W. Graham, Jr., Federal Practice and Procedure, Evidence § 5482 (1986) (discussing "representatives of the lawyer," including investigators, for privilege purposes).

#### b. Post-October, 2008 Communications

The Court finds that Volpi acted as an agent of Delia Rosa with respect to the post-October, 2008 communications for attorney-client privilege purposes. The documents reviewed in camera by the Court confirm that Volpi, [\*\*40] during the course of his investigation, acted at the direction of Delia Rosa to

assist in-house and outside counsel to prepare for litigation against Guess in the United States and in Italy. Specifically, Volpi coordinated Gucci and GG's global efforts to assemble evidence supporting claims in both jurisdictions. He communicated with Delia Rosa at every step of his investigation and continued each phase solely at Delia Rosa's instruction. Delia Rosa Decl., P 24; Volpi Decl., P 14. As the Delia Rosa declaration makes clear, Volpi was deputized to gather information from Gucci employees to assist in the litigation, and the Court's in camera review of the documents confirms this arrangement. See Alexander Grant & Co. Litig., 110 F.R.D. 545, 547 (S.D. Fla. 1986) (information collected by "deputized employee" acting at behest of in-house counsel privileged because obtained to provide legal advice from counsel).

[\*72] Guess argues that Volpi does not satisfy the standard set forth in Kovel because he neither possesses "highly specialized knowledge" that assists the attorney in representing the client, nor did he perform ministerial tasks as might a stenographer or legal secretary. Guess April 16, [\*\*41] 2010 Mem. of Law, at 11. But Guess proposes too rigid an application of Kovel. **HN15** [↑] "[C]ommunications among non-attorneys in a corporation may be privileged if made at the direction of counsel, to gather information to aid counsel in providing legal services." Rivastigmine II, 237 F.R.D. at 80. See In re Copper Mkt. Antitrust Litig., 200 F.R.D. 213, 218 (S.D.N.Y. 2001) (communications "between an attorney and the agent or employee of a corporation may be privileged where the agent 'possessed the information needed by the corporation's attorneys in order to render informed legal advice'"). Indeed, the documents demonstrate that Volpi played an integral role in providing hands-on assistance to in-house and outside counsel in gathering evidence from Gucci affiliates around the world.

Guess further argues that the attorney-client privilege should not extend to Volpi because he is not a licensed patent agent or other similarly licensed professional. Guess April 16, 2010 Mem. of Law, at 11. **HN16** [↑] The fact that he is not a licensed professional is not outcome determinative. The standard is whether the third-party agent is supervised directly by an attorney and whether the communications were intended [\*\*42] to remain confidential. See Cargill, Inc. v. Sears Petroleum & Transport. Corp., No. 03 Civ 0530 (DEP), 2003 U.S. Dist. LEXIS 27543, 2003 WL 22225580, at \*4 (N.D.N.Y. Sept. 17, 2003) (communications of patent agent supervised by patent attorney found to be privileged); In re Rivastigmine Patent Litig., No. 05 MD 1661 (JCF)

(HB), slip op. (S.D.N.Y. Jan. 5, 2006) ("Rivastigmine I") (communications of client's in-house patent agent supervised by attorney privileged); Rivastigmine II, 237 F.R.D. at 82 (privilege may extend to non-attorney employee of client "if directly supervised by a licensed attorney or patent agent"); Byrnes v. Empire Blue Cross Blue Shield, No. 98 Civ. 8520 (BSJ) (MHD), 1999 U.S. Dist. LEXIS 17281, 1999 WL 1006312, at \*4 (S.D.N.Y. Nov. 4, 1999) (no privilege for work of consultant "undertaken without a request by the attorney to assist her"). Volpi's attendance at the November, 2008 meeting in New York indicates an expectation by Gucci that its communications with him would remain confidential and that he was an essential part of the litigation team.

Neither party disputes that Volpi is not an attorney under American law. Guess suggests, however, that Volpi acted as a *de facto* attorney. Guess April 16, 2010 Mem. of Law, at [\*\*43] 11. The documents do not reflect that Volpi conveyed any independent legal advice. Although his responsibilities clearly extended beyond ministerial tasks, it is not necessary that Delia Rosa and Solomon have "observ[ed] and approv[e]d] every minute aspect of [his] work." Rivastigmine II, 237 F.R.D. at 81. HN17 [↑] The privilege extends to an agent proceeding autonomously, including "gathering information from the client without involving the attorney every step of the way." *Id.* See also Rivastigmine I, slip op at 6 ("supervision cannot mean that, in order to preserve the privilege, counsel must direct each individual act of a professional from whom the attorney is receiving assistance"). This approach is consistent with the rationale of the privilege and reflects the reality that adequate legal representation often necessitates the assistance of skilled practitioners in various fields. As observed by Magistrate Judge Dolinger:

Communications to an administrative practitioner or to a patent agent who is not a lawyer, though not in themselves privileged[,] should be protected if they were made in confidence at the direction of a lawyer who is employing the practitioner to assist him in the rendition [\*\*44] of legal services.

Golden Trade, 143 F.R.D. at 518 (quoting 2 Jack B. Weinstein & Margaret A. Berger, Weinstein's Federal Evidence § 503(a)(3)[01] at 503-26 to 27 (1990)).

The documents demonstrate that Gucci and GG personnel - as the client - engaged in, what they believed to be, confidential communications with Volpi, GG's in-house Intellectual Property Counsel acting at

the direction of, and reporting to, Delia Rosa, General [\*\*73] Counsel of GG and a member of the New York bar. Delia Rosa Decl., P 5. Thus, the attorney-client privilege extends to Volpi's post-October, 2008 communications.

### c. Pre-October, 2008 Communications

The pre-October, 2008 documents, however, are a different matter. Four of the pre-October, 2008 documents, each dated June 4, 2007, are Volpi communications. The Court is not persuaded that Volpi acted as an agent of an attorney during this time period. Gucci proffers little evidence demonstrating that Volpi acted at the behest of an attorney during the Twirl investigation and prior to Delia Rosa's September, 2007 arrival at GG. Delia Rosa Decl., P 7. Indeed, Volpi's deposition testimony indicates that he may not have been involved in the investigative aspect of the Twirl [\*\*45] matter:

Q. Did you personally do any investigation into this Twirl watch issue? MR. EDERER: You can answer that yes or no.

A. No.

Ederer Decl., P 3, Ex. B (Volpi Dep. at 70:15-19).

Solomon sheds little light on the organizational structure of GG's in-house intellectual property group during this period. She merely states that Delia Rosa's predecessor at GG was Carlo Imo ("Imo"), with whom Solomon was "in near daily e-mail contact regarding various legal issues that concerned GG." Solomon Decl., PP 5-7. Without Gucci conclusively saying as much, the Court is left to speculate whether Volpi reported directly to Imo prior to September, 2007. Notably absent from the Volpi and Solomon declarations, however, is information evidencing direct supervision by Imo of Volpi, a fact essential to the attorney-agent analysis. In this regard, Guess's argument that Volpi acted as a *de facto* attorney has some merit, as Volpi declares that, prior to his hiring in 2006, GG "did not have a member of the legal department experienced in handling intellectual property matters." Volpi Decl., P 10. Accordingly, the Court finds that Volpi did not act as an attorney-agent with respect to the pre-October, 2008 communications, [\*\*46] and the attorney-client privilege does not apply to these communications.

## C. The Work Product Doctrine

### 1. General Principles

Gucci also invokes the work product doctrine as to each

of the communications in the Revised Privilege Log. [HN18](#)<sup>[↑]</sup> The work product doctrine is codified in [Rule 26\(b\)\(3\)](#) and exempts from discovery "documents and tangible things that are prepared in anticipation of litigation." [Fed. R. Civ. P. 26\(b\)\(3\)\(A\)](#). Because the doctrine is procedural in nature, the rules of the forum court apply and it is therefore not subject to a choice of law analysis.<sup>7</sup> See [Astra, 208 F.R.D. at 103-04, 105](#) (applying [Rule 26\(b\)\(3\)](#) standard to foreign documents). See also [Byrnes, 1999 U.S. Dist. LEXIS 17281, 1999 WL 1006312, at \\*1](#) (work product doctrine "is always assessed under federal law in the federal courts").

[HN19](#)<sup>[↑]</sup> The work product doctrine "is intended to preserve a zone of privacy in which a lawyer can prepare and develop legal theories and strategies 'with an eye toward litigation,' free from unnecessary intrusion by his adversaries." [United States v. Adlman, 134 F.3d 1194, 1196 \(2d Cir. 1998\)](#) [**\*\*47**] ("[Adlman II](#)") (quoting [Hickman v. Taylor, 329 U.S. 495, 511, 67 S. Ct. 385, 91 L. Ed. 451 \(1947\)](#)). Thus, opinion work product, including an attorney's "interviews, statements, memoranda, correspondence, briefs, [and] mental impressions" receives a heightened degree of protection. [Hickman, 329 U.S. at 510](#). Although "factual material, including the result of a factual investigation," falls within the ambit of the work product doctrine, [In re Initial Pub. Offering Sec. Litig., 249 F.R.D. 457, 459 \(S.D.N.Y. 2008\)](#), it does not receive the heightened protection afforded opinion work product. [Adlman II, 134 F.3d at 1197](#).

[HN20](#)<sup>[↑]</sup> The work product doctrine applies to "(1) a document or tangible thing, (2) that was prepared in anticipation of litigation, and (3) was prepared by or for a party, [**\*\*74**] or by or for his representative." [In re Omeprazole Patent Litig., 2005 U.S. Dist. LEXIS 6112, 2005 WL 818821, at \\*8](#) (citing [In re Grand Jury Subpoenas Dated Dec. 18, 1981 & Jan. 4, 1982, 561 F. Supp. 1247, 1257 \(E.D.N.Y. 1982\)](#)). See also 2 Michael C. Silberberg, Edward M. Spiro, [Civil Practice in the Southern District of New York](#), § 15.04 at 15-11 (2d ed. 2009). The party asserting the privilege bears the burden of demonstrating that the documents or materials were prepared [**\*\*48**] in anticipation of litigation. [United States v. Constr. Prods. Research, 73 F.3d 464, 473 \(2d Cir. 1996\)](#); [Adlman II, 134 F.2d at 1202](#); [In re Grand Jury Subpoena Dated July 6, 2005,](#)

[510 F.3d 180, 184 \(2d Cir. 2007\)](#).


[HN21](#)<sup>[↑]</sup> The mere "possibility of litigation is insufficient to" obtain work-product protection. [Kingsway Fin. Servs., Inc. v. Pricewaterhouse-Coopers LLP, No. 03 Civ. 5560 \(RMB\) \(HBP\), 2007 U.S. Dist. LEXIS 11349, 2007 WL 473726, at \\*5 \(S.D.N.Y. Feb. 14, 2007\)](#) (citing cases). Instead, the party seeking such protection must demonstrate that, "in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained *because of* the prospect of litigation." [Adlman II, 134 F.3d at 1202](#) (quoting Charles Alan Wright, Arthur R. Miller, and Richard L. Marcus, 8 [Federal Practice & Procedure](#) § 2024, at 343 (2d ed. 1994)) (emphasis in original). Accordingly, documents prepared in the ordinary course of business, or that otherwise would have been prepared absent the prospect of litigation, do not receive work product protection. See [Adlman II, 134 F.3d at 1202](#); see also [William A. Gross Constr. Assocs., Inc. v. Am. Mfr. Mut. Ins. Co., 262 F.R.D. 354, 360 \(S.D.N.Y. 2009\)](#).

[HN22](#)<sup>[↑]</sup> Unlike [**\*\*49**] the attorney-client privilege, the work product doctrine does not require that the documents be prepared at the behest of counsel, only that they be prepared "because of the prospect of litigation." [Adlman, 134 F.3d at 1202](#). In [United States v. Nobles, 422 U.S. 225, 238-39, 95 S. Ct. 2160, 45 L. Ed. 2d 141 \(1975\)](#), the Supreme Court recognized that "attorneys often must rely on the assistance of investigators and other agents in the compilation of materials in preparation for trial," and therefore "the doctrine protect[s] material prepared by agents for the attorneys as well as those prepared by the attorney for himself." [Id. at 238-39](#). Indeed, the doctrine has been held to protect work performed by those "enlisted by legal counsel to perform investigative or analytical tasks to aid counsel in preparation for litigation." [Costabile v. Westchester, New York, 254 F.R.D. 160, 164 \(S.D.N.Y. 2008\)](#) (private investigator retained by counsel to prepare report in anticipation of litigation). See also [Sec. & Exch. Comm'n v. Strauss, No. 09 Civ. 4150 \(RMB\) \(HBP\), 2009 U.S. Dist. LEXIS 101227, 2009 WL 3459204, at \\*6 \(S.D.N.Y. Oct. 28, 2009\)](#) (interview notes prepared by non-attorney SEC employees acting at direction of attorneys found to be work product).

[Nobles](#) [**\*\*50**] is consistent with the core purpose of the doctrine, which is to "prevent exploitation of a party's efforts in preparing for trial" by precluding the adversary from obtaining such material absent substantial need. [Admiral Ins. Co. v. United States Dist. Court for the Dist.](#)

<sup>7</sup> Even if a choice of law analysis were required, the Court's finding that the Volpi communications "touch base" with the United States precludes application of Italian law.

[of Ariz., 881 F.2d 1486, 1494 \(9th Cir. 1988\)](#). As a result, judges in this district have extended the doctrine to work product produced by a client at the direction of counsel in anticipation of litigation. See, e.g., [Kayata v. Foote, Cone & Belding Worldwide, LLC, No. 99 Civ. 9022 \(VM\) \(KNF\), 2000 U.S. Dist. LEXIS 5314, 2000 WL 502859, at \\*2-3 \(S.D.N.Y. Apr. 26, 2000\)](#) (documents prepared by client during independent investigation at direction of outside counsel upon learning of EEOC charge filed against company); [Allied Irish Banks v. Bank of Am., N.A., 240 F.R.D. 96, 107-09 \(S.D.N.Y. 2007\)](#) (denying work product protection to documents related to investigation conducted by attorney for business reasons).

**HN23**  Because the work product doctrine is a qualified privilege, [Nobles, 422 U.S. at 237-38](#), the protection can be overcome with respect to fact work product if the party seeking such discovery shows that it (1) has "substantial need for the materials," **[\*\*51]** and (2) cannot obtain the substantial equivalent "without undue hardship." [Fed. R. Civ. P. 26\(b\)\(3\)\(A\)\(ii\)](#). A substantial need exists "where the information sought is 'essential' to the party's defense, is 'crucial' to the determination of whether the defendant could be held liable for the acts alleged, or **[\*75]** carries great probative value on contested issues." [Nat'l Congress for Puerto Rican Rights v. City of New York, 194 F.R.D. 105, 110 \(S.D.N.Y. 2000\)](#) (substantial need demonstrated where data compiled by defendants was "directly probative on many of the issues in the case" and same information could not be obtained absent undue hardship). See [Weber v. Paduano, No. 02 Civ. 3392 \(GEL\), 2003 U.S. Dist. LEXIS 858, 2003 WL 161340, at \\*14 \(S.D.N.Y. Jan. 22, 2003\)](#) (substantial need for reports prepared by insurance company shortly after fire where "plaintiff had no means of obtaining" substantially equivalent information).

## 2. Pre-October, 2008 Communications

The Court finds that none of the pre-October, 2008 documents are protected by the work product doctrine. There is no evidence that GG or Gucci took affirmative steps in anticipation of litigation during this time period beyond sending the Twirl cease-and-desist letter **[\*\*52]** to Guess. According to Volpi, such cease-and-desist letters are "standard," and therefore issued in the ordinary course of GG's business as a luxury goods company. Ederer Decl., P 3, Ex. B (Volpi Dep. 77:17-24). Thus, to find that the Twirl cease-and-desist letter was sent "because of the prospect of litigation would effectively mean that Gucci and GG are in a perpetual

state of anticipated litigation. To the extent the documents reflect that GG and Gucci considered the possibility of litigation had Guess responded negatively to the warning letter, such possibility is insufficient to trigger the protection of the work product doctrine within the scope of [Rule 26\(b\)\(3\)](#). [Kingsway Fin. Servs., Inc., 2007 U.S. Dist. LEXIS 11349, 2007 WL 473726, at \\*5](#). See [In re Application Pursuant to 28 U.S.C. Section 1782, 249 F.R.D. 96, 102-03 \(S.D.N.Y. Apr. 1, 2008\)](#); [Bovis Lend Lease, LMB, Inc. v. Seasons Contracting Corp., No. 00 Civ. 9212 \(DF\), 2002 U.S. Dist. LEXIS 23322, 2002 WL 31729693, at \\*10 \(S.D.N.Y. Dec. 5, 2002\)](#).<sup>8</sup>

## 3. Post-October, 2008 Communications

Unlike the earlier set of communications, the post-October, 2008 communications are eligible for work product protection because they were prepared by Gucci and GG, their agents, or attorneys in anticipation of litigation. Specifically, the documents were created between November, 2008 - after Gucci set out to collect evidence supporting its claims against Guess - and April, 2009 - weeks before the complaints were filed in the United States and Italy litigations. The Court finds no evidence that these documents were prepared in the ordinary course of business, or that they would have been created for any reason other than "because of the prospect of litigation." [Adlman II, 134 F.3d at 1202](#).

The documents, together with the declarations of Volpi, Delia Rosa, and Solomon, provide a chronology supporting November, 2008 as the date by which the Gucci companies transitioned from a posture of preliminary investigation to one of anticipated litigation. See [In re Veeco Instruments, Inc. Sec. Litig., No. 05 MD 01695 \(CM\) \(GAY\), 2007 U.S. Dist. LEXIS 16922, 2007 WL 724555, at \\*8 \(S.D.N.Y. Mar. 9, 2007\)](#) (affirming magistrate judge's finding of work **[\*\*54]** product protection based, in part, on affidavits of defendant's CFO and outside counsel providing "extensive background on their own personal knowledge"). Given the time frame in which the documents were created, there is little doubt they were generated "with an eye toward litigation." [Adlman II, 134 F.3d at 1196](#). See [Sanchez, 229 F.R.D. at 657-58](#) (report prepared revealing "investigator's mental processes while he was acting as the attorney's agent" found to be work

<sup>8</sup> Gucci itself acknowledges that "[t]he October[,] 2008 date coincides with the time GA and GG began to prepare for the simultaneous filing of parallel infringement actions in the U.S. and Italy." **[\*\*53]** Ederer Suppl. Decl., P 12 (emphasis added).

product). The fact that litigation ensued soon thereafter, though not dispositive, supports this conclusion.

With this background in mind, the Court next considers whether Gucci has properly invoked the attorney-client privilege or the work product doctrine as to each document still in dispute in the Revised Privilege Log.

## D. Analysis of Specific Communications

### 1. Pre-October 2008 Communications

The pre-October, 2008 Communications consist of Document Nos. 1, 3-5, and 34-38. [\*76] As discussed previously, supra, in section III(C)(b), these documents do not qualify for work-product protection. Moreover, the Court has already determined that neither the Moss communications nor the Volpi pre-October, 2008 communications are protected [\*\*55] by the attorney-client privilege. See Memorandum and Order dated June 29, 2010, at 16, and supra, at section 111(B)(2)(c). Thus, Gucci's invocation of the attorney-client privilege with respect to communications by GG or Gucci non-attorneys with Moss and/or Volpi are not privileged, unless they make reference to confidential communications with counsel.

Document No. 1 is a September, 2004 e-mail from Gucci paralegal Jessica Murray ("Murray") to Moss. In the e-mail, Murray opines that a particular Guess product may infringe on a Gucci trademark, and requests Moss's opinion regarding the same. The communication does not seek the advice of counsel (as Moss is not an attorney for attorney-client privilege purposes), and a paralegal's opinion that a product may infringe on a trademark does not meet the standard contemplated by the privilege. Accordingly, Document No. 1 should be produced.

Document No. 5 is not covered by the attorney-client privilege for the same reasons that the privilege does not extend to Document No. 1. Specifically, Document No. 5 is a May, 2006 e-mail from Imo, then-General Counsel of GG, asking Moss's opinion as to whether Gucci should pursue action against Guess. [\*\*56] GG's Italian outside counsel, Patrizia Franceschina ("Franceschina") of Jacobacci & Partners, is copied on the e-mail. Imo directs Franceschina to forward a copy of certain legal opinions to Moss. Gucci has submitted no information to the Court as to whether Imo is an attorney in any jurisdiction, and therefore it has failed to establish that an attorney participated in the communication. The fact that Franceschina is copied on

the e-mail does not cloak the communication with privilege, as Imo neither requests advice from Franceschina, nor is there any reference to advice she has provided. Although the e-mail refers to "legal opinions," it reveals no substantive information about the opinions. Accordingly, Document No. 5 should be produced.

Document Nos. 3 and 4 are April and May, 2006 e-mails from Gucci's outside attorneys to Moss and Murray regarding a Guess product bearing the "repeating Guess Quattro G pattern," the "elongated G," and the "interlocking G's." The first two paragraphs of each e-mail appear to be irrelevant to the claims in this action, and for that reason need not be produced. The third paragraph in each document is privileged because it contains the advice of outside [\*\*57] counsel. Accordingly, Document Nos. 3 and 4 are privileged from disclosure.

Document Nos. 34-38 are a series of June 4, 2007 e-mails among Moss, Murray, and Volpi concerning the Twirl mark and Guess products containing the "repeating Guess Quattro G pattern." Reference to these products is initially made in a June 3, 2007 e-mail among Gucci's outside counsel, Moss, and Volpi, which is listed on Gucci's Amended Privilege Log.<sup>9</sup> See Welsh Decl., Ex. G (Dckt. 83).

Document No. 34 is an e-mail from Moss thanking Volpi for forwarding to him Guess's response to the Twirl cease-and-desist letter. The communication is not privileged and should be produced.

Document No. 35 is an e-mail from Volpi to Moss discussing Guess's response to the Twirl cease-and-desist letter, which is apparently attached to the e-mail (though not produced for in camera inspection). The third full paragraph beginning "Regarding Lou's memo" should be redacted, as it implicates the advice of outside counsel. The balance of the document should be produced, as it contains neither the advice of counsel nor a request for such advice. The redacted e-mail and the attachment [\*\*58] should be produced.

Document No. 37 is nearly identical to Document No. 35, except that it does not contain the paragraph beginning "Regarding Lou's memo."<sup>10</sup> Thus, Document

<sup>9</sup> Guess does not seek access to the June 3, 2007 e-mail.

<sup>10</sup> There are also different times noted on the two e-mails. Document No. 35 was sent at 11:48 a.m., while Document No. 37 was sent at 7:48 a.m.



No. 37 [\*77] should be produced in its entirety (as essentially a duplicate of redacted No. 35).

Document No. 36 is an e-mail from Moss to Volpi, as clients, discussing the advice of Gucci's outside United States counsel and is therefore privileged in its entirety.

Document No. 38, an e-mail from Moss to Murray with copy to Volpi, is privileged in part. The sentence beginning "Also, Lou Ederer raised . . ." should be redacted because it implicates the advice of outside counsel. The remaining portion of the e-mail relating to the Twirl cease-and-desist letter should be produced.

## 2. Post-October 2008 Communications

I have broken down the post-October, 2008 communications into 12 categories, which I discuss *seriatim*:

a. As previously noted, Document Nos. 40, 42-56, 66, 76-77, 82-83, 121, 123, and 125-126 are documents to which Guess has withdrawn its challenge to Gucci's designation as [\*59] work product. Ederer Suppl. Decl., PP 5, 13. Guess maintains it is entitled to production of some or all of these documents under Rule 26(b)(3) because it has substantial need for them. As discussed below, infra, section III(D)(3), Guess has not demonstrated "substantial need" for any documents that the Court finds are covered by the work product doctrine. Accordingly, these documents have been properly withheld.

b. Document Nos. 62, 65, 67-70, 79-81, 84-85, 114, 116, 145-147, and 152-153 consist of communications involving Volpi and (i) GG employees, including members of the legal department; (ii) Gucci personnel in the United States; (iii) Gucci's outside counsel; or (iv) personnel at Gucci affiliates in other foreign countries, regarding the collection of evidence and development of a legal strategy for the Italy and United States lawsuits. The attorney-client privilege does not extend to these communications because they do not contain the advice of counsel, nor do they contain a request for such advice. However, the documents are protected from disclosure by the work product doctrine because they reflect work performed by Gucci, GG, and their agents in anticipation of litigation [\*60] against Guess in both the United States and Italy. Accordingly, Document Nos. 62, 65, 67-70, 79-81, 84-85, 114, 116, 145-147, and 152-153 have been properly withheld as work product.

c. Document Nos. 107, 108, and 113 are communications among GG non-attorneys, copying

Volpi and GG paralegal Claudia Pelli ("Pelli"), in February and March, 2009. These e-mails are not protected by the attorney-client privilege because they are not communications with counsel. Document Nos. 107 and 108 purportedly attach confidential documents related to the litigation against Guess. Document No. 107 is an e-mail from Ilaria Fumigalli ("Fumigalli") of GG's Corporate Image Department, to GG paralegal Laura Ceccherini ("Ceccherini"). In the e-mail, Fumigalli states that she has attached a confidential document regarding the Guess action, but it is impossible to discern the specific content of the attachment because it has not been provided for in camera inspection.

Similarly, Document No. 108, an e-mail from Ceccherini to Silvia Crescioli ("Crescioli") of GG's WW Footwear Business Unit, attaches a section of a PowerPoint presentation regarding footwear products. Both Document Nos. 107 and 108 indicate that [\*61] the files were attached at some point, but eventually eliminated as attachments.<sup>11</sup> Specifically, each file name is preceded by a notation stating "eliminated by," followed by the name of the individual who apparently eliminated the attachment, thus indicating that the attachments are no longer available (and presumably the reason they were not provided for in camera inspection). Nonetheless, the e-mails themselves constitute work product because the individuals discuss the gathering of evidence in anticipation of litigation. Accordingly, Document Nos. 107 and 108 are [\*78] covered by the work product doctrine and have been properly withheld.

Document No. 113 is a March, 2009 e-mail from Ceccherini to Crescioli, copying Volpi and Pelli, wherein Ceccherini proposes an in-person meeting the following day. The communication reveals no substantive information regarding work performed in preparation for the lawsuit or any attorney-client information. [\*62] Accordingly, Document No. 113 should be produced.

d. Document No. 160 is an April 28, 2009 e-mail from Volpi to Patrizio DiMarco ("DiMarco"), President and CEO of GG, enclosing draft complaints in the United States and Italy litigations, and the Guess Financial

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<sup>11</sup> Several communications reviewed in camera attach files that appear to have been "eliminated." Gucci's submissions fail to shed light on this issue, including whether the attachments were purged automatically by GG's servers and no longer exist.

Report for the 2008 fiscal year, for DiMarco's review. [HN24](#) [↑] A draft document "prepared for the purpose of obtaining legal advice and/or contain[ing] information a client considered but decided not to include in the final version" may be considered privileged. [Renner v. Chase Manhattan Bank, No. 98 Civ. 926 \(CSH\), 2001 U.S. Dist. LEXIS 17920, 2001 WL 1356192, at \\*8 \(S.D.N.Y. Nov. 1, 2001\)](#) (quoting [United States Postal Serv. v. Phelps Dodge Ref. Co., 852 F. Supp. 156, 163 \(E.D.N.Y. 1994\)](#)). The draft complaints, presumably drafted by GG and Gucci's outside attorneys, are privileged from disclosure. The Guess Financial Report, however, is not the work product of Gucci or its outside counsel. Accordingly, the first four paragraphs of the e-mail should be redacted, but the sentence beginning "Finally, I attach . . ." and everything beneath it should be disclosed. Gucci should produce the redacted version of Document No. 160 and the Guess 2008 Financial Report.

e. [Document](#) [[\\*\\*63](#)] Nos. 61, 105-106, and 117-118 are December, 2008 e-mails regarding a Powerpoint presentation prepared by Volpi comparing Gucci and Guess products. The e-mail communications enclose the presentation as an attachment and discuss the substance of the presentation in connection with Gucci's overall litigation strategy. Gucci's selection and classification of Guess products as potentially infringing on Gucci trademarks represents Volpi's mental impressions regarding the strength of Gucci and GG's claims - information to which their adversaries are not entitled. See [United States v. Dist. Council of New York City and Vicinity of the United Brhd. of Carpenters and Joiners of Am., No. 90 Civ. 5722 \(CSH\), 1992 WL 208284, at \\* 10 \(S.D.N.Y. Aug. 18, 1992\)](#) ([HN25](#) [↑]) "How a party, its counsel and agents choose to prepare their case, the efforts they undertake . . . is not factual information to which an adversary is entitled."). The presentation itself is protected by the work product doctrine, as are the e-mail communications discussing its substance. These documents are properly withheld as work product.

f. [Document](#) Nos. 129-132, 136-138, 140-143, 154, 156-158, 161, and 166-167 relate to a press statement [[\\*\\*64](#)] prepared by GG's in-house corporate communications department. The communications are between Volpi and members of GG's communications and marketing departments, including Niccolo Moschini ("Moschini"). Specifically, the documents concern a joint communications strategy relating to the United States and Italy litigations, but do not reflect litigation strategy, the advice of counsel, or attorney mental impressions.

Instead, the discussions focus on anticipated press coverage, potential media outlets, and draft press statements.

Several documents in this category refer to statements made by counsel regarding press coverage that the lawsuits could attract and how press calls should be handled. [HN26](#) [↑] Generally, "public relations advice, even if it bears on anticipated litigation, falls outside the ambit" of the work product doctrine. [Calvin Klein Trademark Trust v. Wachner, 198 F.R.D. 53, 55 \(S.D.N.Y. 2000\)](#). See [Rivastigmine II, 237 F.R.D. at 82](#) (communications regarding media and business matters must be disclosed). Press-related communications may be protected by the work product doctrine if drafted by counsel. See [Haugh v. Schroder Inv. Mgmt. N. Am. Inc., No. 02 Civ. 7955 \(DLC\), 2003 U.S. Dist. LEXIS 14586, 2003 WL 21998674, at \\*4 \(S.D.N.Y. Aug. 25, 2003\)](#) [[\\*\\*65](#)] (documents drafted by counsel and sent to public relations consultant not privileged but subject to work product protection). The documents reviewed *in camera* demonstrate that Gucci's publicity strategy was treated as a business concern and was handled almost exclusively by its in-house corporate communications department. Although the draft [[\\*\\*79](#)] press statement may have been reviewed by Gucci's outside counsel, there is no indication that counsel drafted the statement or rendered legal advice in connection with such review. With the exception of a portion of Document No. 156, Guess's objection to the withholding of these documents is sustained, and therefore Gucci should produce Document Nos. 129-132, 136-138, 140-143, 154, 157-158, 161, 166-167. As to Document No. 156, the portion of the first sentence beginning "as I fear" through the end of the paragraph should be redacted because it implicates the advice of outside counsel. The balance of the document should be produced.<sup>12</sup>

<sup>12</sup> Document Nos. 131 and 132 are internal communications among GG and Gucci personnel scheduling a conference call related to the press statement. [HN27](#) [↑] Such communications are privileged if they reveal confidential communication [[\\*\\*66](#)] between attorney and client. [AIU Ins. Co. v. TIG Ins. Co., No. 07 Civ. 7052 \(SHS\) \(HBP\), 2008 U.S. Dist. LEXIS 66370, 2008 WL 4067437, at \\*5 \(S.D.N.Y. Aug. 28, 2008\)](#) (e-mails scheduling conference call with outside counsel privileged where references made to document reviewed in preparation for meeting with witness). But the documents herein reveal no underlying legal advice, and the fact that a conference call took place, even if it were with outside counsel, is not privileged. See [Softview Comp. Prods. Corp. v. Haworth, Inc., No. 97 Civ. 8815 \(KMW\) \(HBP\), 2000 U.S. Dist. LEXIS 4254, 2000 WL 351411, at \\*14 \(S.D.N.Y.](#)

g. Document Nos. 98 and 99 are e-mails between Volpi and Moschini that include what appear to be draft statements prepared by GG's corporate communications department regarding the protection of Gucci trademarks and the threat of counterfeit products generally. Nothing in these e-mails suggests that they are related to either the United States or Italy litigations. Instead, they were drafted by GG's corporate communications department, and appear to have been prepared in the ordinary course of business. Accordingly, they are covered [\*\*67] by neither the attorney-client privilege nor the work product doctrine and should be disclosed.

h. Document Nos. 87 and 111 are covered by the attorney-client privilege and the work product doctrine. Document No. 87 is a February 4, 2009 e-mail from Volpi to several GG executives, including Delia Rosa and Solomon, discussing litigation strategy and the strength of the evidence against Guess. Similarly, Document No. 111 is a March 1, 2009 e-mail from Volpi to DiMarco discussing the strength of the evidence against Guess, and Gucci and GG's litigation strategy. The e-mails are privileged because they are communications with Volpi (an agent of an attorney), and reflect his opinion regarding Guess' infringement and the dilution of Gucci trademarks. The communications are also protected by the work product doctrine because they discuss, in specific detail, action to be taken in preparation for litigation against Guess. The e-mails also enclose the presentation comparing Gucci and Guess products, a document which I have already determined is protected by the work product doctrine. Accordingly, Document Nos. 87 and 111 have been properly withheld.

i. Document Nos. 109 and 110 are March 1, 2009 [\*\*68] e-mails between DiMarco's assistant, Angela Turnbull ("Turnbull"), and Volpi requesting an update on the status of litigation. The e-mails reveal no confidential client information, nor do they contain work product. For these reasons, Document Nos. 109 and 110 should be produced.

j. Document Nos. 64, 72, 73, 75, 101-104, 120, and 127 are transmittal e-mails attaching Powerpoint files that appear to have been created by Gucci or GG, but are no longer attached to the e-mails. [HN28](#) [↑] "Transmittal documents themselves are not privileged unless they reveal the client's confidences." [Renner, 2001 U.S. Dist.](#)

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[Mar. 31, 2000](#)) ("fact that counsel had a conference with the patent examiner" not privileged).

[LEXIS 17920, 2001 WL 1356192, at \\*5](#). With the exception of certain portions of Document Nos. 64 and 73, the e-mails in this category do not reflect the provision of, or request for, legal advice, nor do they include attorney mental impressions or facts prepared in anticipation of litigation. Accordingly, they are neither privileged nor protected by the work product doctrine. See [Retail Brand Alliance, Inc., 2008 U.S. Dist. LEXIS 17746, 2008 WL 622810, at \\*4](#) ("The email itself is just a transmittal document. It does not disclose client confidences, does not seek legal advice and does not disclose any litigation strategy. It contains [\*80] nothing protectable [\*\*69] under either the attorney-client privilege or the work-product doctrine."). Accordingly, Document Nos. 72, 75, 101 -104, 120, and 127 should be produced. The last sentence of Document No. 64 (beginning "I must point out") should be redacted, and the portion of the last sentence of Document No. 73 beginning "regarding," through the end, should be redacted. The remaining portions of Document Nos. 64 and 73 should be produced.

k. Document Nos. 88, 92 and 148-150 are budget-related documents and have been properly withheld. Document Nos. 88 and 92 are February, 2009 e-mails between Volpi and GG Global Financial Director Micaela Le Divelec regarding the allocation of a budget for the United States and Italy litigations. Document Nos. 148-150 are April 17, 2009 e-mails between Volpi and Crescioli, with copy to Pelli, Ceccherini, and Rigucci, regarding the billing of work performed by Crescioli. A review of these e-mails demonstrates that they were prepared in anticipation of litigation, and they are work product protected. See [LaSalle Bank N.A. v. Mobile Hotel Props., LLC, Civ. A.03-2225, 2004 U.S. Dist. LEXIS 7293, 2004 WL 902169, at \\*7 \(E.D. La. Apr. 23, 2004\)](#) (budget document found protected under work product doctrine). [\*\*70] In addition, these documents do not relate to any claims or defenses. Accordingly, they may be withheld.

1. Document No. 63 is a December 15, 2008 e-mail from Volpi to Massimo Rigucci ("Rigucci"), Gucci WW Shoe Business Unit Director. The communication consists of a two-sentence e-mail thanking Rigucci for performing certain work. Accordingly, neither the attorney-client privilege nor the work product doctrine extends to Document No. 63 and it should be produced.

### 3. Substantial Need

As to the documents which the Court has identified as covered by the work product doctrine, on the present record Guess has failed to show substantial need and

that it cannot obtain the substantial equivalent absent undue hardship. Guess argues that the documents support its defenses of "laches, estoppel, acquiescence, and trademark misuse," and seeks discovery as to when the Gucci companies "first learned of Guess's use of any of the [d]esigns". that are the subject of this litigation. Guess July 23, 2010 Mem. of Law, at 2; Ederer Decl., Ex. D (Transcript of May 2, 2010 hearing before Hon. Shira A. Scheindlin), at 37-38. Guess is already in possession of such information, however, and can obtain additional [\*71] facts supporting its defenses through deposition discovery.

First, the Revised Amended Privilege Log itself provides the dates Gucci learned of specific Guess products bearing the marks at issue. The log plainly demonstrates that in as early as 2004, the Gucci companies investigated Guess products that appeared to infringe on Gucci trademarks, including the "repeating Guess Quattro G pattern," which is "the subject of this suit" and "believed to be Guess SKU # SI502290." Ederer Suppl. Decl., Ex. B (Revised Privilege Log). As reflected in the Revised Privilege Log, Gucci again investigated the "repeating Guess Quattro G pattern" in 2007. *Id.* at Doc. No. 1. Indeed, counsel for Guess has declared that "upon receipt of the [Revised] Privilege Log," he was able to "put together what we believe, based on the information available to us, are the products referenced in the 2007 communications between Moss, Volpi, and [Gucci's counsel]." Welsh Suppl. Decl., P 8. The Court understands Guess's concern regarding the incomplete descriptions in previous versions of Gucci's privilege log, but the Revised Privilege Log now describes accurately and with specificity the subject of the communications [\*72] reviewed *in camera* by the Court.

Guess's argument that it cannot obtain substantially comparable evidence is belied by the fact that Guess has subpoenaed the deposition testimony of Murray, and has subpoenaed Moss for a continued deposition. Guess July 23, 2010 Mem. of Law, at 10; Ederer Suppl. Decl., Exs. F, H. [HN29](#) [↑] No substantial need exists where a party can obtain the information it seeks through discovery devices such as interrogatories or deposition testimony. [Costabile, 254 F.R.D. at 167](#). See [Horn & Hardart Co. v. Pillsbury Co., 888 F.2d 8, 12 \(2d Cir. 1988\)](#) (no substantial need for attorney notes where plaintiff could obtain underlying factual information from [\*81] deposition testimony of persons present at meeting); [Weist v. E.I. DuPont De Nemours and Co., No. 05 Civ. 0534A \(SR\), 2010 U.S. Dist. LEXIS 21350, 2010 WL 891007, at \\*3 \(W.D.N.Y. Mar. 9, 2010\)](#)

(substantial need shown "where witnesses are no longer available or can be reached only with difficulty"); [In re Veeco Instruments. Inc. Sec. Litig., No. 05 MD 01695 \(CM\) \(GAY\), 2007 U.S. Dist. LEXIS 16922, 2007 WL 724555, at \\*11 \(S.D.N.Y. Mar. 9, 2007\)](#) (no substantial need shown where witnesses interviewed still available for deposition); [Sec. & Exch. Comm'n v. Treadway, 229 F.R.D. 454, 456 \(S.D.N.Y. 2005\)](#) [\*73] (no substantial need for attorney interview notes where information could be obtained from depositions); [Xerox v. I.B.M. Corp., 64 F.R.D. 367, 382 \(S.D.N.Y. 1974\)](#) (plaintiff required to depose witness to show inability to obtain substantial equivalent of information sought prior to obtaining work product). Although Guess's statute of limitations and laches defenses relate to events that may have taken place some time ago, this case does not present a scenario in which the lapse in time makes it impossible for Guess to obtain the facts from other sources.

Finally, Guess has not shown undue hardship. [HN30](#) [↑] While undue hardship does not require the party seeking discovery of work product to show that it is "absolutely impossible" to "obtain[] the information elsewhere," it must demonstrate "that it is likely to be significantly more difficult, time-consuming or expensive to obtain the information from another source than from factual work product of the objecting party." [Weiss v. Nat'l Westminster Bank, PLC, 242 F.R.D. 33, 67 \(E.D.N.Y. 2007\)](#) (citation omitted). Guess has not met this burden, and ordering production of the documents will reveal the details of the steps taken by Gucci to initiate [\*74] this action. Accordingly, Document Nos. 40, 42-56, 66, 16-11, 82-83, 121, 123, and 125-126, to which Guess has withdrawn its objection of work product, need not be disclosed, as Guess has not established a substantial need for them.

#### IV. CONCLUSION

To summarize, the Court has made the following rulings. First, the communications of Vanni Volpi "touch base" with the United States, and therefore the applicability of the attorney-client privilege is governed by American law. Second, the attorney-client privilege extends to the post-October, 2008 communications of Vanni Volpi because he acted as an agent of attorney Daniella Delia Rosa during this time period. Third, the post-October, 2008 communications of Vanni Volpi and Jonathan Moss are eligible for protection from disclosure pursuant to the work product doctrine because the documents reflect that Gucci and GG

performed work "because of the prospect of litigation between November, 2008 and April, 2009. Fourth, neither the attorney-client privilege nor the work product doctrine extends to the pre-October, 2008 communications of Vanni Volpi or Jonathan Moss, and therefore these documents (with the exception of Document Nos. 3, 4, 36 and [\*\*75] a portion of Document No. 38) should be produced. Finally, the Court finds that Guess has not demonstrated substantial need as to the post-October, 2008 documents which the Court has identified as containing work product.

Accordingly, Gucci's application for an order protecting the Volpi communications in Docket No. 71 is GRANTED IN PART AND DENIED IN PART, and its application for an order protecting the Moss communications in Docket No. 62 is GRANTED IN PART AND DENIED IN PART. Gucci is directed to produce the documents identified in the attached Schedule "A" in accordance with the instructions therein by no later than the expiration of the 14-day period under [Rule 72\(a\)](#), if no objections are filed. If either side files objections, any requests for further relief, including any stay applications, should be made to Judge Scheindlin.

SO ORDERED.

Dated: New York, New York

September 23, 2010

/s/ James L. Cott

JAMES L. COTT

United States Magistrate Judge

SCHEDULE "A"



[Go to table 1](#)

[\*82]

**Table1** ([Return to related document text](#))

<b>Document Nos.</b>	<b>Instructions</b>
*2*Pre-October, 2008 Communications 1, 5, 34, 37 3, 4, 36 35	Produce. Properly withheld as privileged. Redact third full paragraph beginning "Regarding Lou's memo" and produce remaining portions.
38	Redact sentence beginning "Also . . ." and produce remaining portions.
*2*Post-October, 2008 Communications 40, 42-56, 66, 76-77,  82-83, 121, 123, 125-126 62, 65, 67-70, 79-81, 84-85, 114, 116, 145-147, 152-153 107, 108 113 160	No challenge to work product; substantial need not demonstrated; properly withheld. Properly withheld as work product.  Properly withheld as work product. Produce. Redact first four paragraphs, but sentence beginning "Finally, I attach . . ." and everything beneath it should be produced, along with the Guess 2008 Financial Report.
61, 105-106, 117, 118 129-132, 136-138,  156	Properly withheld as work product. Produce. 140-143, 154, 157-158, 161, 166-167 Redact portion of first sentence beginning "as I fear . . ." through the end. Remaining portions should be produced.
98, 99 87, 111	Produce. Properly withheld as privileged and work product.
109, 110 72, 75, 101-104, 120, 127 64	Produce. Produce  Redact last sentence beginning "I must point out . . ." Remaining portions should be produced.
73	Redact portion of last sentence beginning "regarding . . ." Remaining portions should be produced.
88, 92, 148-150 63	Properly withheld as work product. Produce.

**Table1** ([Return to related document text](#))

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End of Document

## [Jewel Cos. v. GranJewel Jewelers & Distribs., Inc.](#)

United States District Court for the Middle District of Florida, Orlando Division

Mar. 26, 1975

No. 74-167-Orl-Civ-Y

### Reporter

1975 U.S. Dist. LEXIS 13160 \*; 185 U.S.P.Q. (BNA) 504 \*\*

Jewel Companies, Inc. v. GranJewel Jewelers &amp; Distributors, Inc., et al.

### Core Terms

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defendants', witnesses, interviewees, identities, interviews, discovery, pre-trial, parties, reasons, motion to compel discovery, names and addresses, further order, trial docket, rescheduled, overturn, motions

### Case Summary

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#### Procedural Posture

Corporate defendants filed a motion to transfer the action to another district and to compel discovery of certain information held by plaintiff company. Both parties moved jointly to remove the case from the trial court docket until such time as discovery could be completed.

#### Overview

Corporate defendants moved to transfer the action against them to another district. The court noted that plaintiff company's choice of forum for filing suit was not easily overturned, there had to be a persuasive reason for granting a transfer on defendants' motion. As defendants had not adduced any such reason, with the exception of some slight inconveniences, the court denied defendants' motion. Plaintiff company brought the suit in the Middle District of Florida because the stores of all three corporate defendants were operated there. Furthermore, the probability of the existence of witnesses to the alleged confusion between plaintiff and defendants' business names was greater. Thus, the court refused to overturn plaintiff's choice of forum since it appeared to be logical and legitimate. The court

denied defendants' motion to compel plaintiff to produce the identities of all the interviewees in a survey in the Middle District by plaintiff's attorney. Such information, the court felt was protected by the work product doctrine.


#### Outcome

The court denied corporate defendants' motion to transfer plaintiff company's action against it, as defendants adduced no persuasive reasons for a transfer, except that plaintiff's choice of forum was slightly inconvenient. The court also denied defendants' request to compel discovery, as the requested information was protected by the work product doctrine.

### LexisNexis® Headnotes

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Civil Procedure > ... > Venue > Motions to Transfer > General Overview

[HN1](#) A plaintiff's choice of the forum in which to bring his suit is one which is not easily overturned, there must be persuasive reasons for granting a transfer on a defendant's motion.

Civil Procedure > Discovery & Disclosure > Disclosure > Mandatory Disclosures

#### [HN2](#) **Mandatory Disclosures**

A plaintiff is not entitled to maintain as secret the identities of those witnesses intended to be called at trial. The names and addresses of such witnesses



should be made available to the defendant's counsel sufficiently prior to the pretrial conference so as to permit defendant to interview the witnesses or take depositions from them.

**Counsel:** [\*1] Robert M. Newbury, David C. Hilliard, Floyd A. Mandell, and Pattishall, McAuliffe & Hofstetter, all of Chicago, Ill., and John Edwin Fisher and Akerman, Senterfitt, Edison & Wharton, both of Orlando, Fla., for plaintiff.

Stanley H. Cohen and Caesar, Rivise, Bernstein & Cohen, both of Philadelphia, Pa., and Charles T. Wells and Maguire, Voorhis & Wells, both of Orlando, Fla., for defendants.

**Opinion by:** YOUNG

## Opinion

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[\*\*504] Young, Chief Judge.

This cause came before the Court on motions by the defendants to transfer this action to the Southern District of New York and to compel discovery of certain information held by the plaintiff. Both parties also moved jointly to remove this case from the trial docket until such time as discovery can be completed. [HN1](#)<sup>[↑]</sup>

The choice made by plaintiff of the forum in which to bring this suit is one which is not easily overturned, and there must be persuasive reasons for granting a transfer on defendants' motions. In the opinion of this Court, such reasons have not been adduced by defendant. Defendants' slight inconvenience within the context of this case is simply not enough on balance, to overturn what appears to be logical and legitimate reasons given by [\*2] plaintiff for bringing this suit in the Middle District of Florida, namely, the actual operation within [**\*\*505**] the Middle District of stores of all three corporate defendants and the good probability of the existence of witnesses to the alleged confusion between plaintiff and defendants' business names. Furthermore, the District to which the defendants would have this action transferred is not so convenient to both parties that a transfer would be justified over the plaintiff's opposition. Neither does it appear that this suit would achieve a more expeditious resolution in the Southern District of New York, since the trial docket there is heavily burdened.

Defendants' motion to compel discovery seeks

production of the identities of all the interviewees in a survey taken within the Middle District by an attorney for plaintiff. In addition, the motion seeks discovery as to the manner of selection of the prospective interviewees, the facts surrounding the initial approach to the interviewees and the identity of the persons who stated in the interviews that they were not confused by the allegedly too-similar corporate names. This Court is of the opinion that the plaintiff is not obliged [\*3] to reveal these identities nor the circumstances surrounding the interviews. This is an area which the Court feels is protected by the work product doctrine as enunciated in [Hickman v. Taylor 329 U.S. 495, 91 L.Ed. 451 \(1947\)](#). [HN2](#)<sup>[↑]</sup> However, the plaintiff is clearly not entitled to maintain as secret the identities of those witnesses intended to be called at trial. The Court is of the opinion that these latter names and addresses should be made available to defendants' counsel sufficiently prior to the pretrial conference so as to permit defendants to interview the witnesses or take depositions from them. It is, therefore

Ordered that the motion to transfer filed by defendant be and is hereby denied; it is further

Ordered that the defendants' motion to compel discovery be and is hereby denied, but plaintiff's counsel shall make available to defendants' counsel the names and addresses of all those witnesses whom plaintiff intends to call at trial at least twenty (20) days prior to the date scheduled for the pre-trial conference; and it is further

Ordered that the pre-trial conference be and is hereby rescheduled for 10 AM, the 20th day of October, 1975, and the non-jury trial of [\*4] this cause is rescheduled for Tuesday, the 28th day of October, 1975, at 9:30 AM in order to allow the parties sufficient time for the completion of discovery in this case.

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End of Document

## [Shinnecock Indian Nation v. Kempthorne](#)

United States District Court for the Eastern District of New York

September 9, 2009, Decided; September 9, 2009, Filed

No. 06-CV-5013 (JFB) (ARL)

### Reporter

652 F. Supp. 2d 345 \*; 2009 U.S. Dist. LEXIS 81957 \*\*

THE SHINNECOCK INDIAN NATION, Plaintiff,  
VERSUS DIRK KEMPTHORNE, SECRETARY OF THE  
DEPARTMENT OF THE INTERIOR, JAMES E.  
CASON, ASSOCIATE DEPUTY SECRETARY OF THE  
DEPARTMENT OF THE INTERIOR, AND THE UNITED  
STATES DEPARTMENT OF THE INTERIOR,  
Defendants.

**Prior History:** [Shinnecock Indian Nation v. Kempthorne, 2008 U.S. Dist. LEXIS 75826 \(E.D.N.Y., Sept. 30, 2008\)](#)

### Core Terms

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documents, Exemption, disclosure, work product, deliberative process, redacted, memorandum, segregable, withheld, portions, waived, in camera, land claim, privileged, recommendations, work product doctrine, factual material, summary judgment, predecisional, deliberative, withholding, unredacted, quotation, mental impressions, protections, attorney's, selective, partial disclosure, passage of time, decision-making

### Case Summary

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#### Procedural Posture

Pursuant to the Freedom of Information Act (FOIA), [5 U.S.C.S. § 552](#), plaintiff, an Indian Nation, sought injunctive relief enjoining defendants, the U.S. Department of the Interior and its officials, from withholding two memoranda relating to plaintiff's request for assistance from the United States in recovering certain land. Arguing that the withheld documents were exempted from disclosure under [§ 552\(b\)\(5\)](#),

defendants sought summary judgment.

#### Overview

The first document at issue was a draft memorandum from the Associate Solicitor of Indian Affairs to the Solicitor. The second memorandum, which was disclosed in redacted form, was a later version of the prior draft. Both documents addressed plaintiff's land claim. After conducting an in camera review of the documents, the court held that documents was properly withheld under the deliberative process privilege because they were advisory opinions that were made to assist the Solicitor of the Department of the Interior in responding to plaintiff's request for assistance in making its land claim. The court concluded that there was no nonexempt information contained in the first document that was not already disclosed within the second document and that was reasonably segregable from exempt material. The court held that the work product doctrine also protected the documents from disclosure because the documents evaluated the strength of plaintiff's land claim and whether the Department of the Interior should participate in litigation on plaintiff's behalf. Defendants did not waive the work product protection with respect to the second document by releasing it in redacted form.

#### Outcome

The court granted summary judgment in favor of defendants on plaintiff's FOIA claim.

### LexisNexis® Headnotes

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Judgment > Entitlement as Matter of Law > General Overview

[HN1](#) [↓] Upon consideration of a motion for summary judgment, the court shall construe the facts in the light most favorable to the non-moving party.

Civil Procedure > ... > Summary  
Judgment > Entitlement as Matter of Law > General Overview

[HN2](#) [↓] Pursuant to [Fed. R. Civ. P. 56\(c\)](#), a party is entitled to summary judgment if there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law.

Administrative Law > ... > Freedom of Information > Enforcement > Burdens of Proof

Civil Procedure > ... > Summary  
Judgment > Burdens of Proof > Movant Persuasion & Proof

### [HN3](#) [↓] **Burdens of Proof**

In a motion for summary judgment in a Freedom of Information Act, [5 U.S.C.S. § 552](#), case, the burden of justifying nondisclosure lies with the defendant agency. It is the responsibility of the federal courts to conduct de novo review when a member of the public challenges an agency's assertion that a record being sought is exempt from disclosure. The burden of proof, upon such review, rests with the agency asserting the exemption, with doubts resolved in favor of disclosure.

Civil Procedure > ... > Summary  
Judgment > Supporting Materials > Affidavits

Administrative Law > ... > Freedom of Information > Enforcement > Burdens of Proof

Civil Procedure > ... > Summary  
Judgment > Burdens of Proof > Movant Persuasion & Proof

### [HN4](#) [↓] **Affidavits**

In an action brought under the Freedom of Information Act, [5 U.S.C.S. § 552](#), summary judgment is appropriate

where there are affidavits or declarations supplying facts indicating that the agency has conducted a thorough search and giving reasonably detailed explanations why any withheld documents fall within an exemption. When agency submissions are adequate on their face, a district court has the discretion to forgo discovery and award summary judgment on the basis of affidavits. The affidavits or declarations must contain reasonable specificity of detail rather than merely conclusory statements and must not be called into question by contradictory evidence in the record or by evidence of agency bad faith. Affidavits submitted by an agency are given a presumption of good faith. A defendant agency may meet its burden by submitting affidavits to the court that describe with reasonable specificity the nature of the documents at issue and the justification for nondisclosure. The Vaughn affidavit serves three functions: (1) it forces the government to analyze carefully any material withheld, (2) it enables the trial court to fulfill its duty of ruling on the applicability of the exemption, (3) and it enables the adversary system to operate by giving the requester as much information as possible, on the basis of which he can present his case to the trial court.

Administrative Law > ... > Judicial Review > Reviewability > Jurisdiction & Venue

### [HN5](#) [↓] **Jurisdiction & Venue**


The Freedom of Information Act (FOIA), [5 U.S.C.S. § 552](#), confers jurisdiction on the district courts to enjoin an agency from withholding agency records and to order the production of any agency records improperly withheld. [5 U.S.C.S. § 552\(a\)\(4\)\(B\)](#). However, jurisdiction is dependent on a showing that an agency has (1) improperly (2) withheld (3) agency records. Unless each of these criteria is met, a district court lacks jurisdiction to devise remedies to force an agency to comply with the FOIA's disclosure requirements.

Administrative Law > ... > Freedom of Information > Defenses & Exemptions From Public Disclosure > General Overview

[HN6](#) [↓] By the terms of the Freedom of Information Act (FOIA), [5 U.S.C.S. § 552](#), any person has a right to access federal agency records, unless those records are protected from disclosure by one of nine exemptions. [5 U.S.C.S. § 552\(c\)](#). These exemptions are

to be narrowly construed, in light of FOIA's objective of the fullest possible agency disclosure consistent with a responsible balancing of competing concerns included in the nine categories of documents exempted.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > General Overview

[HN7](#)  [5 U.S.C.S. § 552\(b\)\(5\)](#) (Exemption 5) of the Freedom of Information Act protects inter-agency or intra-agency memorandums or letters which would not be available by law to a party in litigation with the agency. This exemption thus protects documents ordinarily privileged in the civil discovery context. Accordingly, courts have interpreted Exemption 5 to encompass traditional common-law privileges against disclosure, including the work-product doctrine, and executive, deliberative process and attorney-client privileges.

Administrative Law > ... > Freedom of  
Information > Enforcement > In Camera Inspections

### [HN8](#) **In Camera Inspections**

Although in camera review should be restrained and is the exception, not the rule, in camera review of contested documents is specifically authorized by the Freedom of Information Act, [5 U.S.C.S. § 552\(a\)\(4\)\(B\)](#), and permitted where the record shows the reasons for withholding are vague or where the claims to withhold are too sweeping or suggestive of bad faith, or where it might be possible that the agency had exempted whole documents simply because there was some exempt material in them. Most often, an in camera inspection has been found to be appropriate when only a small number of documents are to be examined.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Deliberative Process Privilege

### [HN9](#) **Deliberative Process Privilege**

The deliberative process privilege protects from disclosure documents reflecting advisory opinions, recommendations and deliberations comprising part of a


process by which governmental decisions and policies are formulated.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Deliberative Process Privilege

### [HN10](#) **Deliberative Process Privilege**

To qualify for protection under the deliberative process privilege, the document at issue must be an inter-agency or intra-agency document that is (1) predecisional, i.e., prepared in order to assist an agency decisionmaker in arriving at his decision, and (2) deliberative, i.e., actually related to the process by which policies are formulated. The documents must not be merely peripheral to actual policy formation and must bear on the formulation or exercise of policy-oriented judgment. Purely factual material not reflecting the agency's deliberative process is not protected.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > General Overview

[HN11](#)  If an agency has chosen expressly to adopt or incorporate by reference a memorandum previously covered by [5 U.S.C.S. § 552\(b\)\(5\)](#) (Exemption 5) of the Freedom of Information Act in what would otherwise be a final opinion, that memorandum is not protected by Exemption 5.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Deliberative Process Privilege

### [HN12](#) **Deliberative Process Privilege**

One relevant factor to be considered in determining whether the deliberative process privilege applies to a record is the identity and position of the author and any recipients of the document, along with the place of those persons within the decisional hierarchy.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Deliberative Process Privilege

[HN13](#) [↓] **Deliberative Process Privilege**

The need to protect pre-decisional documents does not mean that the existence of the deliberative process privilege turns on the ability of an agency to identify a specific decision in connection with which a memorandum is prepared. While the agency need not show ex post that a decision was made, it must be able to demonstrate that, ex ante, the document for which executive privilege is claimed related to a specific decision facing the agency.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > General Overview

[HN14](#) [↓] It is necessary in assessing a claim under the Freedom of Information Act, [5 U.S.C.S. § 552](#), to understand the function of the documents in issue in the context of the administrative process which generated them. Whether a particular document is exempt under [5 U.S.C.S. § 552\(b\)\(5\)](#) depends not only on the intrinsic character of the document itself, but also on the role it played in the administrative process.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Deliberative Process Privilege

[HN15](#) [↓] **Deliberative Process Privilege**

The predecisional character of a document is not lost simply because of the passage of time, and neither is its deliberative character, since whether or not a document was prepared in order to assist an agency decisionmaker in arriving at his decision or is actually related to the process by which policies are formulated are not contingent on any ex post time period. Instead, the circumstances surrounding the creation and use of the document are critical.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Work Product

[HN16](#) [↓] **Work Product**

The protection of the work product doctrine does not evaporate with time.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Work Product

[HN17](#) [↓] **Work Product**

The work product doctrine provides qualified protection for materials prepared by or at the behest of counsel in anticipation of litigation or for trial. It protects the files and the mental impressions of an attorney reflected in interviews, statements, memoranda, correspondence, briefs, mental impressions, personal beliefs, and countless other tangible and intangible ways prepared in anticipation of litigation. The standard is whether in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation. However, the mere relation of documents to litigation does not automatically endow those documents with privileged status.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Work Product

[HN18](#) [↓] **Work Product**

The privilege derived from the work-product doctrine is not absolute. Like other qualified privileges, it may be waived.

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Work Product

[HN19](#) [↓] Analysis of one's case in anticipation of litigation is a classic example of work product and receives heightened protection under [Fed. R. Civ. P. 26\(b\)\(3\)](#).

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Work Product

[HN20](#) [↓] **Work Product**

Under [5 U.S.C.S. § 552\(b\)\(5\)](#) of the Freedom of Information Act, attorney work-product is exempt from mandatory disclosure without regard to the status of the litigation for which it was prepared.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Work Product

[HN21](#) [↓] **Work Product**

For purposes of work product doctrine, a document is prepared in anticipation of litigation if in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Work Product

[HN22](#) [↓] **Work Product**

Selective disclosure of certain material, particularly to certain parties who are potential or actual adversaries, may constitute a basis for effectuating an implied waiver. The waiver doctrine provides that voluntary disclosure of work product to an adversary waives the privilege as to other parties. However, the production of a document in redacted form does not automatically waive the protection as to its whole or to related documents. Where partial disclosure is involved, it matters to whom such disclosure was made, what portions of the document were disclosed, and whether such disclosure was voluntary.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Work Product

[HN23](#) [↓] **Work Product**

Opinion work product, in contrast to factual work product, is subject to heightened protection under the work product doctrine.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Work Product

[HN24](#) [↓] **Work Product**

As a general rule, principles of fairness dictate against the partial disclosure of only those facts or mental impressions that are helpful to the disclosing party. Where a party selectively discloses certain privileged or work product material, but withholds similar (potentially less favorable) material, principles of fairness may require a more complete disclosure. Fairness concerns govern the question of whether, by producing a portion of the document, the disclosing party has waived work product protection for other work product material on the same subject. Waiver may be invoked where a litigant makes selective use of privileged materials, for example, by releasing only those portions of the material that are favorable to his position, while withholding unfavorable portions.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Work Product

[HN25](#) [↓] **Work Product**

In determining the proper scope of a waiver of attorney work product privilege, the court should consider whether or not the testimony was put at issue or there was deliberate, affirmative and selective use of privileged work-product materials by a party.

Administrative Law > ... > Defenses & Exemptions  
From Public Disclosure > Interagency  
Memoranda > Work Product

[HN26](#) [↓] **Work Product**

Although the line between factual work product and opinion work product is not always distinct, when faced with the distinction between where that line lies, a district court should balance the policies to prevent sword-and-shield litigation tactics with the policy to protect work product.

Administrative Law > ... > Freedom of Information > Enforcement > Burdens of Proof

Administrative Law > ... > Freedom of Information > Compliance With Disclosure Requests > Deletion of Material

### [HN27](#) **Burdens of Proof**

Under the Freedom of Information Act (FOIA), the defendant agency must disclose any reasonably segregable portion of a record after deletion of the portions that are exempt. [5 U.S.C.S. § 552\(b\)](#). Before approving the application of a FOIA exemption, the district court must make specific findings of segregability regarding the documents to be withheld. A determination of which if any portions of an otherwise exempt document are nonexempt must begin with a consideration of the nature of the document as a whole. Generally, agencies are entitled to a presumption that they complied with the obligation to disclose reasonably segregable material. However, if the requester successfully rebuts this presumption, the burden lies with the government to demonstrate that no segregable, nonexempt portions were withheld.

Administrative Law > ... > Freedom of Information > Compliance With Disclosure Requests > Deletion of Material

Administrative Law > ... > Defenses & Exemptions From Public Disclosure > Interagency Memoranda > Work Product

Administrative Law > ... > Defenses & Exemptions From Public Disclosure > Interagency Memoranda > Deliberative Process Privilege

### [HN28](#) **Deletion of Material**

With respect to the deliberative process privilege, it does not, as a general matter, extend to purely factual material. Thus, if a withheld document contains factual material, the court must determine whether the factual material is inextricably intertwined with the privileged opinions and recommendations such that disclosure would compromise the confidentiality of deliberative information that is entitled to protection under [5 U.S.C.S. § 552\(b\)\(5\)](#) of the Freedom of Information Act or whether it is reasonably segregable from the opinions and recommendations and therefore subject to

disclosure. With respect to the work product doctrine, because the protection applies to both factual and opinion-related material, no segregability issues arise.

Administrative Law > ... > Defenses & Exemptions From Public Disclosure > Interagency Memoranda > Deliberative Process Privilege

### [HN29](#) **Deliberative Process Privilege**

Drafts and comments on documents are quintessentially predecisional and deliberative.

Administrative Law > ... > Defenses & Exemptions From Public Disclosure > Interagency Memoranda > Deliberative Process Privilege

### [HN30](#) **Deliberative Process Privilege**

If a segment does not appear in the final version of a document, its omission reveals an agency deliberative process: for some reason, the agency decided not to rely on that fact or argument after having been invited to do so; such disclosure of the internal workings of the agency is exactly what the law forbids. Preliminary factual observations are not necessarily covered by the deliberative process privilege, even if they constitute preliminary findings that are subject to ongoing deliberation. An agency does not have the same discretion in determining facts as determining policy. Disclosure is not required where non-exempt information is so intertwined with and provides insight into privileged material. When the facts are so intertwined with a policy recommendation and thereby embody the judgment of its author, revealing those facts is akin to revealing the opinions of the author and the give-and-take of the deliberative process. Disclosure of factual portions may reveal the deliberative process of selection and where the factual segments function was not merely summary but analysis as well, involved drawing inferences and weighing the evidence, and clearly implicated the deliberative process by which the final standard was adopted and the reasoning behind it promulgated, [5 U.S.C.S. § 552\(b\)\(5\)](#) of the Freedom of Information Act applies to protect such factual portions.

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For Defendants: Kevin P. Mulry, Esq. of the United  
States Attorney's Office, Brooklyn, New York.

**Judges:** JOSEPH F. BIANCO, United States District  
Judge.

**Opinion by:** JOSEPH F. BIANCO

## Opinion

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### [\*350] MEMORANDUM AND ORDER

Joseph F. Bianco, District Judge:

The Shinnecock Indian Nation (hereinafter, the "Nation" or "plaintiff") commenced this action on September 14, 2006 against defendants Dirk Kempthorne, in his capacity as Secretary of the Department of the Interior, George T. Skibine, in his capacity as Acting Deputy Secretary of the Department of Interior for Policy and Economic Affairs -- Indian Affairs, James E. Cason, in his capacity as Associate Deputy Secretary of the Department of the Interior, and the United States Department of the Interior (collectively, "Interior" or "defendants"), pursuant to the Administrative Procedure Act, [5 U.S.C. § 551](#), arising from Interior's alleged continuing refusal [\*351] to acknowledge the federal Indian tribal status of the Nation and [\*\*2] to fulfill its trust obligations regarding the Nation's land claim pursuant to the Indian Non-Intercourse Act of 1834 (hereinafter, the "Non-Intercourse Act"), [25 U.S.C. § 177](#).

On August 15, 2008, the Nation filed a second amended complaint in this action, which added two claims, the fifth and sixth claims for relief, to the complaint.<sup>1</sup> The subject of the instant Memorandum and Order is the sixth claim in the second amended complaint, which

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<sup>1</sup> The Court's prior Memorandum and Order dated September 30, 2008, with which the Court assumes familiarity, granted in part and denied in part defendants' motion to dismiss the first amended complaint. Because the second amended complaint added two new claims [\*\*3] that are wholly discrete from those addressed in the September 30, 2008 decision, this Memorandum and Order in no way impacts the plaintiff's fourth claim for relief (the "unreasonable delay" claim), which survived defendants' motion to dismiss.

seeks to compel, under the Freedom of Information Act ("FOIA"), [5 U.S.C. § 552](#), the full disclosure of two documents, the first of which is being withheld in its entirety and the second having been produced in redacted form by Interior (hereinafter, "the FOIA claim"). Specifically, Interior has invoked the attorney work product doctrine and the executive deliberative process privilege to withhold these documents from full disclosure, pursuant to [5 U.S.C. § 552\(b\)\(5\)](#) (hereinafter, "Exemption 5").

Defendants now move for summary judgment with respect to the FOIA claim, pursuant to [Rule 56\(c\) of the Federal Rules of Civil Procedure](#), arguing that they have sufficiently responded to the FOIA request and that the affidavits submitted in support of their motion adequately establish that the remaining material being withheld is exempt from disclosure. Defendants request, in the alternative, *in camera* review of the two documents. The Nation counters that Interior has failed to sustain its burden of demonstrating that Exemption 5 applies to the documents at issue to justify their nondisclosure and cross-moves for summary judgment in its favor.

On January 29, 2009, during oral argument on the cross-motions, the Court ordered defendants to submit a supplemental affidavit setting forth in more detail the basis for nondisclosure of the documents. After reviewing the supplemental submissions made by both parties thereafter, on July 15, 2009, the Court [\*\*4] ruled, in its discretion, that it would review the two documents *in camera*. Having conducted a *de novo* review of the agency's position on the FOIA request (including a careful review of the documents *in camera*), for the reasons set forth below, the Court finds that the withheld material properly falls within the protections of Exemption 5 to FOIA. Accordingly, summary judgment is granted in favor of the defendants, and plaintiff's cross-motion is denied.

### I. BACKGROUND

#### A. FACTS

The Court has taken the facts described below from the parties' affidavits, exhibits, and respective Rule 56.1 statement of facts.<sup>2</sup> [HNI](#) [↑] Upon consideration of a motion for summary judgment, the Court shall construe the facts in the light most favorable to the non-moving

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<sup>2</sup> Where only one party's 56.1 statement is cited, the other party does not dispute the facts alleged, or there is no evidence controverting such fact, unless otherwise noted.



party. See [Capobianco v. New York, 422 F.3d 47, 50 \(2d Cir. 2001\)](#).

By letter dated July 20, 2007, an attorney acting on behalf of the Nation made a request to Interior, pursuant to FOIA [\*352] (hereinafter, "the FOIA request"), generally seeking twenty-one (21) categories of documents relating [\*\*5] to a March 1979 report that attorneys in the Office of the Solicitor for the United States Department of the Interior prepared for a former Solicitor to assist him with his decision on the Nation's litigation request seeking assistance from the United States in the recovery of approximately 3,150 acres of land in the Town of Southampton, New York (hereinafter, "the Nation's land claim request"). (Pl.'s 56.5 Mont. 26, 1 P 1.) This report (hereinafter, the "March 1979 report") was referred to in a September 4, 1979 letter by Leo M. Krulitz, then Solicitor of the Department of the Interior, to the Nation's attorneys (hereinafter, the "Krulitz letter"), which responded to the Nation's land claim request. (Pl.'s 56.1, Exh. A.)

By letter dated August 17, 2007 from the Director of the Office of Federal Acknowledgement ("OFA"), Interior responded to the FOIA request by releasing in full one responsive two-page letter. (Pl.'s 56.1. P 2; Strayhorn Supp. Decl., Exh. 2.) In the OFA's August 17, 2007 letter, the Nation was further advised that two documents were being withheld pursuant to Exemption 5 to FOIA, based upon the deliberative process privilege and the attorney work product doctrine. (Pl.'s 56.1 P 2.) [\*\*6] The August 17, 2007 letter from the OFA described the two documents (hereinafter, "the documents" or "the memoranda") as follows:

The first document is an undated, double-spaced draft memorandum from the Associate Solicitor, Indian Affairs, to the Solicitor, concerns the Shinnecock land claim; and is 25 pages long. It includes handwritten notes. The second document is a single-spaced, 18-page memorandum, similar to the prior draft. It is undated and unsigned.

(Strayhorn Supp. Decl., Exh. 2.)<sup>3</sup>

The Nation appealed the partial denial of its FOIA request by letter dated September 28, 2007. (Strayhorn Decl., Exh. 3.) In its appeal, the Nation argued that the

<sup>3</sup> The first document was located in the files of Interior's Office of Federal Acknowledgment. The second document was provided to the OFA by Scott F. Keep, an Assistant Solicitor in the Division of Indian Affairs, who received the document via facsimile in August 2007 by a former Associate Solicitor, Thomas W. Fredericks. (See Keep Decl. PP 1-11).

privileges asserted by the OFA were not sufficiently explained, had been waived, or were inapplicable because of Interior's publication of the staff memoranda as final decisions or made meaningless [\*\*7] by the passage of time and, furthermore, that the memoranda should be released to the Nation as the beneficiary of the trust decisions contained within the memoranda. (See Strayhorn Supp. Decl., Exh. 3, at 11.) The Nation further argued that, in any event, the deliberative process privilege did not protect factual material and a redacted copy of the withheld documents containing factual information and conclusions should be disclosed. (See Strayhorn Supp. Decl., Exh. 3, at 11.)

By letter dated November 9, 2007, Interior acknowledged receipt of the Nation's appeal. (Strayhorn Supp. Decl. P 9.) On May 14, 2008, Interior responded to the FOIA appeal, concluding that the deliberative process privilege and attorney work product doctrine were properly invoked pursuant to Exemption 5 and fully adopting the rationale of the Bureau of Indian Affairs for withholding the two documents at issue. (Pl.'s Decl. P 7; <sup>4</sup> Strayhorn Supp. Decl., Exh. 5.)

#### [\*353] B. PROCEDURAL HISTORY

The Nation filed its initial complaint in this action on September 14, 2006. On October 5, 2007, plaintiff filed its first amended complaint, and [\*\*8] on December 14, 2007, defendants moved to dismiss the first amended complaint. The Court denied defendants' motion to dismiss with respect to the fourth claim for relief in the first amended complaint and granted it with respect to all other claims on September 30, 2008.

By letter to the Court dated May 8, 2008, the Nation requested leave to file a second amended complaint. The Court granted such leave, and plaintiff filed a second amended complaint on August 15, 2008, the sixth claim of which is the subject of the instant motion.

On October 28, 2008, defendants moved for, *inter alia*, summary judgment with respect to plaintiff's sixth claim for relief. <sup>5</sup> The Nation submitted its opposition to

<sup>4</sup> Paragraph 7 of defendants' Rule 56.1 statement was misnumbered as a second paragraph 5.

<sup>5</sup> At that time, defendants also moved to dismiss plaintiff's fifth claim for relief (the "equal protection claim"). Oral argument was conducted on both pending motions on January 29, 2009. By letter dated August 31, 2009, the Nation requested, with the consent of Interior, that the Court stay the equal protection

Interior's motion on December 19, 2008, and Interior replied on January 16, 2009. Oral argument was held on January 29, 2009. During oral argument, the Court agreed with the Nation that the government's initial declarations submitted in support of its motion lacked the requisite specificity to establish the applicability of an exemption to disclosure, *see, e.g., Halpern v. FBI*, 181 F.3d 279, 293 (2d Cir. 1999), and directed defendants to submit a supplemental affidavit establishing, with sufficient [\*9] detail, the basis for any Exemption 5 privilege with respect to the documents at issue.

Defendants thereafter filed a supplemental letter and declarations in support of their motion on February 17, 2009, and further disclosed, in redacted form, substantial portions of the second document at issue, in light of President Barack Obama's Memorandum on the FOIA, dated January 21, 2009. Plaintiff responded via letter brief on February 20, 2009.

After consideration of the supplemental declarations and submissions made [\*10] by the parties, on July 15, 2009, during a conference held with the parties to address various pending motions in this case, the Court directed, in its discretion and in light of the substantial disclosure of the second document in redacted form, as well as the small number of documents and pages at issue, that the two documents be submitted under seal for *in camera* inspection. These documents were then submitted to the Court, in unredacted form, on July 20, 2009.

## II. STANDARD OF REVIEW

The standard for summary judgment is well-settled. [HN2](#) Pursuant to [Rule 56\(c\) of the Federal Rules of Civil Procedure](#), a party is entitled to summary judgment if "there is no genuine issue as to any material fact" and "the moving party is entitled to judgment as a matter of law." [Fed. R. Civ. P. 56\(c\)](#); *see also Globecon Group, LLC v. Hartford Fire Ins. Co.*, 434 F.3d 165, 170 (2d Cir. 2006).

[HN3](#) In a motion for summary judgment in a FOIA case, the burden of justifying nondisclosure lies with the

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claim pending resolution of the Nation's petition for federal acknowledgment, a preliminary determination on which the parties anticipate to occur in December 2009. Accordingly, the Court hereby orders a stay of the fifth claim for relief pending Interior's processing of the Nation's petition, in accordance with the Stipulated Order entered by this Court on May 26, 2009.

defendant agency. [Carney v. U.S. Dept of Justice](#), [354] 19 F.3d 807, 812 (2d Cir. 1994), cert. denied, 513 U.S. 823, 115 S. Ct. 86, 130 L. Ed. 2d 38. "It is the responsibility of the federal courts to conduct *de novo* review when a member of the public challenges [\*11] an agency's assertion that a record being sought is exempt from disclosure. The burden of proof, upon such review, rests with the agency asserting the exemption, with doubts resolved in favor of disclosure." [A. Michael's Piano, Inc. v. FTC](#), 18 F.3d 138, 143 (2d Cir. 1994), cert. denied, 513 U.S. 1015, 115 S. Ct. 574, 130 L. Ed. 2d 490 (1994) (quoting [Fed. Labor Relations Auth. v. U.S. Dept of Veterans Affairs](#), 958 F.2d 503, 508 (2d Cir. 1992)).

[HN4](#) Summary judgment is appropriate where there are "[a]ffidavits or declarations supplying facts indicating that the agency has conducted a thorough search and giving reasonably detailed explanations why any withheld documents fall within an exemption[.]" [Carney](#), 19 F.3d at 812. When agency submissions are adequate on their face, a district court has the discretion to "forgo discovery and award summary judgment on the basis of affidavits." *Id.* (quoting [Goland v. CIA](#), 607 F.2d 339, 352, 197 U.S. App. D.C. 25 (D.C. Cir. 1978), cert. denied, 445 U.S. 927, 100 S. Ct. 1312, 63 L. Ed. 2d 759 (1980)); accord [Maynard v. C.I.A.](#), 986 F.2d 547, 556 n.8 (1st Cir. 1993); [Simmons v. U.S. Dept of Justice](#), 796 F.2d 709, 711-12 (4th Cir. 1986). The affidavits or declarations must contain "reasonable specificity of detail rather than merely conclusory [\*12] statements" and must not be "called into question by contradictory evidence in the record or by evidence of agency bad faith." [Grand Cent. P'ship v. Cuomo](#), 166 F.3d 473, 478 (2d Cir. 1999) (quoting [Gallant v. NLRB](#), 26 F.3d 168, 171, 307 U.S. App. D.C. 27 (D.C. Cir. 1994) (citation omitted)) (emphasis in original). Affidavits submitted by an agency are given a presumption of good faith. *See Carney*, 19 F.3d at 812.

More specifically, a defendant agency may meet its burden by submitting affidavits "to the court that describe with reasonable specificity the nature of the documents at issue and the justification for nondisclosure." [Halpern](#), 181 F.3d at 291 (quoting [Lesar v. U.S. Dept of Justice](#), 636 F.2d 472, 480, 204 U.S. App. D.C. 200 (D.C. Cir. 1980), and discussing the development of the standard first set forth in [Vaughn v. Rosen](#), 484 F.2d 820, 826-28, 157 U.S. App. D.C. 340 (D.C. Cir. 1973), cert. denied, 415 U.S. 977, 94 S. Ct. 1564, 39 L. Ed. 2d 873 (1974)). The "Vaughn affidavit" serves three functions: "[1] it forces the government to analyze carefully any material withheld, [2] it enables

the trial court to fulfill its duty of ruling on the applicability of the exemption, [3] and it enables the adversary system to operate by giving the requester as much information as possible, [\*\*13] on the basis of which he can present his case to the trial court." *Id.* (quoting [Keys v. U.S. Dep't of Justice](#), 830 F.2d 337, 349, 265 U.S. App. D.C. 189 (D.C. Cir. 1987)).

### III. DISCUSSION

As stated *supra*, the sixth claim of the second amended complaint alleges that defendants have unlawfully withheld requested information, in violation of [5 U.S.C. § 552](#), and seeks injunctive relief enjoining Interior from withholding the two memoranda identified in Interior's August 17, 2007 letter. Defendants seek summary judgment in their favor on the grounds that the remaining portions of the documents in question have been statutorily exempted from disclosure under FOIA, pursuant to Exemption 5.

After *de novo* review of defendants' denial of plaintiff's FOIA request with respect to the two memoranda, the Court agrees with the defendants regarding the propriety of withholding the remaining information pursuant to Exemption 5. Specifically, [\*\*355] after *in camera* review of the documents, the Court concludes that the redacted version of the second document meets the disclosure requirements of FOIA because the remaining redacted information is properly withheld under Exemption 5. Moreover, with respect to the first document, the Court [\*\*14] concludes that there is no non-exempt information contained therein that has not already been disclosed within the contents of the second document and that is reasonably segregable from exempt material. Accordingly, defendant's motion for summary judgment on the FOIA claim is granted in its entirety, and plaintiff's cross-motion is denied.

#### A. Exemption 5

The central purpose of FOIA is to "ensure an informed citizenry . . . [which is] needed to check against corruption and to hold the governors accountable to the governed." [NLRB v. Robbins Tire & Rubber Co.](#), 437 U.S. 214, 242, 98 S. Ct. 2311, 57 L. Ed. 2d 159 (1978); accord [U.S. Dep't of Justice v. Reporters Comm. for Freedom of the Press](#), 489 U.S. 749, 773, 109 S. Ct. 1468, 103 L. Ed. 2d 774 (1989) (citation omitted). [HN5](#) [↑] FOIA confers jurisdiction on the district courts "to enjoin the agency from withholding agency records and to order the production of any agency records improperly withheld." [5 U.S.C. § 552\(a\)\(4\)\(B\)](#); [U.S. Dep't of Justice v. Tax Analysts](#), 492 U.S. 136, 142 (1989),

[109 S. Ct. 2841](#), [106 L. Ed. 2d 112](#). However, "jurisdiction is dependent on a showing that an agency has (1) improperly (2) withheld (3) agency records. Unless each of these criteria is met, a district court lacks jurisdiction to devise remedies to force an agency [\*\*15] to comply with the FOIA's disclosure requirements." [Tax Analysts](#), 492 U.S. at 142 (internal quotations and citation omitted).

[HN6](#) [↑] By the terms of the statute, any person has a right to access federal agency records, unless those records are protected from disclosure by one of nine exemptions. See [5 U.S.C. § 552\(c\)](#); [A. Michael's Piano, Inc.](#), 18 F.3d at 143; [Ortiz v. Dep't of Health and Human Servs.](#), 70 F.3d 729, 732 (2d Cir. 1995), cert. denied, 517 U.S. 1136, 116 S. Ct. 1422, 134 L. Ed. 2d 546 (1996). These exemptions are to be narrowly construed, in light of FOIA's objective of the fullest possible agency disclosure "consistent with a responsible balancing of competing concerns included in [the] nine categories of documents exempted[.]" [Halpern](#), 181 F.3d at 284; accord [FBI v. Abramson](#), 456 U.S. 615, 630, 102 S. Ct. 2054, 72 L. Ed. 2d 376 (1982); see also [Tigue v. U.S. Dep't of Justice](#), 312 F.3d 70, 76 (2d Cir. 2002) ("The Supreme Court has counseled that these exceptions are to be interpreted narrowly in the face of the overriding legislative intention to make records public.") (citing [Dep't of the Interior v. Klamath Water Users Protective Ass'n](#), 532 U.S. 1, 7, 121 S. Ct. 1060, 149 L. Ed. 2d 87 (2001)).

Implicated in this case is Exemption 5. See [5 U.S.C. § 552\(b\)\(5\)](#). [HN7](#) [↑] Exemption 5 protects "inter-agency [\*\*16] or intra-agency memorandums or letters which would not be available by law to a party . . . in litigation with the agency." [5 U.S.C. § 552\(b\)\(5\)](#). This exemption thus protects documents ordinarily privileged in the civil discovery context. See [FTC v. Grolier, Inc.](#), 462 U.S. 19, 26, 103 S. Ct. 2209, 76 L. Ed. 2d 387 (1983). Accordingly, "[c]ourts have interpreted Exemption 5 to encompass traditional common-law privileges against disclosure, including the work-product doctrine, and executive, deliberative process and attorney-client privileges." [Nat'l Council of La Raza v. Dep't of Justice](#), 411 F.3d 350, 356 (2d Cir. 2005).

The first question to be addressed on this motion is whether the information withheld properly falls within the scope of [\*\*356] Exemption 5. <sup>6</sup> Here, defendants claim

<sup>6</sup> As noted *supra*, the Nation first argued that the government's declarations submitted in support of its motion lacked the

that the deliberative process privilege and the work requisite specificity required by the *Vaughn* standard. See generally [Halpern v. FBI, 181 F.3d 279, 293 \(2d Cir. 1999\)](#) (discussing [Vaughn v. Rosen, 484 F.2d 820, 157 U.S. App. D.C. 340 \(D.C. Cir. 1973\)](#) [\*\*17] and subsequent caselaw). Indeed, because the requested information is solely in the hands of the defendant agency, the burden is on it to justify the propriety of nondisclosure. See, e.g., [Reporters Comm. For Freedom of the Press, 489 U.S. at 755](#). As discussed in the procedural history, on January 29, 2009, the Court agreed with the Nation that the government's initial declaration was insufficient to properly permit the Court's *de novo* review and directed defendants to provide a supplemental affidavit. Despite the additional specificity provided in the supplemental declarations, which satisfied the *Vaughn* standard, the Court ruled, on July 15, 2009, in its discretion and in an abundance of caution, that the two documents be submitted under seal for *in camera* inspection. [HN8](#) [↑] Although the Court is mindful that *in camera* review should be "restrained," [Halpern, 181 F.3d at 292](#) and is the exception, not the rule, see [Local 3, Int'l Bhd. of Elec. Workers, AFL-CIO v. NLRB, 845 F.2d 1177, 1180 \(2d Cir. 1988\)](#), *in camera* review of the contested documents is specifically authorized by FOIA, see [5 U.S.C. § 552\(a\)\(4\)\(B\)](#), and permitted in this Circuit "where the record showed the reasons for withholding [\*\*18] were vague or where the claims to withhold were too sweeping or suggestive of bad faith, or where it might be possible that the agency had exempted whole documents simply because there was some exempt material in them." [Halpern, 181 F.3d at 292](#). "Most often, an *in camera* inspection has been found to be appropriate when only a small number of documents are to be examined." [Donovan v. FBI, 806 F.2d 55, 59 \(2d Cir. 1986\)](#), *abrogated on other grounds by U.S. Dep't of Justice v. Landano, 508 U.S. 165, 170 (1993), 113 S. Ct. 2014, 124 L. Ed. 2d 84. In this case, only two documents, both about twenty pages in length and of similar content, are at issue, making the burden of *in camera* review relatively light. Not only are the number of documents small, but the dispute turns on the contents of the withheld documents, not on the parties' interpretations of the documents, and thus review of the unredacted documents is helpful to the Court's determination. See [Quinon v. FBI, 86 F.3d 1222, 1228, 318 U.S. App. D.C. 228 \(D.C. Cir. 1996\)](#). Furthermore, because the government represented that the first document was an earlier draft of the second document, and then provided a lightly redacted version of the second document, it was unclear as to whether any parallel [\*\*19] portions of the first document may be segregable. In such circumstances, the Court determined that *in camera* review would be an appropriate exercise of its discretion, in order to fully assess the validity of the exemption claimed by the government. See, e.g., [Halpern, 181 F.3d at 295](#). The question for the Court upon *in camera* review is whether the information withheld properly falls within the scope of Exemption 5 and whether there is any segregable non-exempt material that should be separated from any exempt material and disclosed.*

product doctrine protect the memoranda from full disclosure. The Court examines each of these bases in turn.

### 1. Deliberative Process Privilege

[HN9](#) [↑] The deliberative process privilege protects from disclosure "documents reflecting advisory opinions, recommendations and deliberations comprising part of a process by which governmental decisions and policies are formulated." [Tigue, 312 F.3d at 76](#) (quoting [Klamath Water Users Protective Ass'n, 532 U.S. at 7](#)) (internal quotation marks omitted). The rationale behind the privilege is "the obvious realization that officials will not communicate candidly among themselves if each remark is a potential item of discovery and front page news, and its object is to enhance 'the quality of agency decisions,' by protecting open and frank [\*\*20] discussion among those who make them within the Government." *Id.* (quoting [Klamath, 532 U.S. at 8-9](#) (quoting [NLRB v. Sears, Roebuck & Co., 421 U.S. 132, 151, 95 S. Ct. 1504, 44 L. Ed. 2d 29 \(1975\)\)](#)).

[HN10](#) [↑] To qualify for this protection, the document at issue must be an inter-agency [\*\*357] or intra-agency document that is "(1) predecisional, *i.e.*, prepared in order to assist an agency decisionmaker in arriving at his decision, and (2) deliberative, *i.e.*, actually . . . related to the process by which policies are formulated." [Nat'l Council of La Raza, 411 F.3d at 356](#) (internal quotation marks and citation omitted); *accord* [Tigue, 312 F.3d at 76](#). The documents must not be "merely peripheral to actual policy formation" and "must bear on the formulation or exercise of policy-oriented judgment." [Tigue, 312 F.3d at 80](#) (quoting [Grand Cent. P'ship, 166 F.3d at 482](#)). Also, "[p]urely factual material not reflecting the agency's deliberative process is not protected." [Local 3, Int'l Brotherhood of Electrical Workers v. NLRB, 845 F.2d 1177, 1180 \(2d Cir. 1988\)](#). Finally, [HN11](#) [↑] if "the agency has chosen expressly to adopt or incorporate by reference a memorandum previously covered by Exemption 5 in what would otherwise be a final opinion," that memorandum [\*\*21] would not be protected by Exemption 5. [Nat'l Council of La Raza, 411 F.3d at 356](#) (internal quotations, alteration, and citation omitted).

As the Second Circuit has instructed, a document is predecisional when it is prepared in order to assist an agency decision-maker in arriving at his decision. See [Tigue, 312 F.3d at 80](#). Here, it is plain from the Court's examination of the unredacted memoranda *in camera* that they were prepared in order to assist the Solicitor of

the Department of the Interior in arriving at a decision regarding the Nation's land claim request and are thus predecisional.

First, with respect to the second document, which has been disclosed in redacted form, its predecisional character is apparent from the document itself. It is titled as a "Memorandum[,]" "From: Associate Solicitor, Indian Affairs[,]" "To: Solicitor[,]" "Re: Shinnecock Land Claim" and is typed on Interior's letterhead. (See Strayhorn Supp. Decl., Exh. 6.) Although there is no handwritten signature, the name "Thomas W. Fredericks[,]" who was in fact an Associate Solicitor during this time period, is printed beneath the signature line. (See Strayhorn Supp. Decl., Exh. 6.) Thus, the identity and position [\*\*22] of the author and recipient of the document are clear, along with the place of those persons within the decisional hierarchy at Interior. See [Ethyl Corp., 25 F.3d at 1249 \(HN12\)](#) "One relevant factor to be considered in determining whether the deliberative process privilege applies to a record is the identity and position of the author and any recipients of the document, along with the place of those persons within the decisional hierarchy." (citing [Access Reports v. U.S. Dep't of Justice, 926 F.2d 1192, 1195, 288 U.S. App. D.C. 319 \(D.C. Cir. 1991\)](#)). The memorandum is furthermore divided into the following headings: (1) Introduction; (2) Factual Background; and (3) Discussion, with subdivisions (A) Tribal Status and (B) The Land Claim By The Shinnecock Is For [redacted material], and with a final paragraph beginning with the phrase, "[i]n conclusion, we recommend that . . . ." (See Strayhorn Supp. Decl., Exh. 6.) As the substantially disclosed contents of this memorandum make clear, the author of the document analyzes the validity of the Nation's land claim under the Non-Intercourse Act, including the tribal status of the Nation within the meaning of the Act, with the objective of advising the Solicitor regarding [\*\*23] Interior's response to the Nation's land claim request. This is explicit in the very first sentence of the memorandum, which states the following: "The purpose of this memorandum is to recommend a response to the petition submitted by the Shinnecock Tribe, on February 8, [\*358] 1978, in which they requested that this Department advocate the return to the tribe of certain Shinnecock lands which were allegedly alienated in violation of the Non-Intercourse Act." (See Strayhorn Supp. Decl., Exh. 6.) Based on this language and the rest of the contents of the document, although it is undated, the Court has no doubt that this memorandum was prepared prior to the Krulitz letter and the March 1979 report, and in preparation thereof. At what point in

the decision-making process this was authored is less clear. The Krulitz letter states that plaintiff's "request was the subject of many months of research and scrutiny by attorneys in the Office of the Solicitor. They presented me with their report in March of this year [1979], and I have now had the opportunity to review that report. It is my decision not to refer this claim to the Department of Justice." (Pl.'s 56.1, Exh. A.) However, given that "many [\*\*24] months of research and scrutiny" were involved, and given the contents and context of the memorandum, the Court is satisfied, for the purposes of assessing the applicability of Exemption 5, that this memorandum preceded the Krulitz letter at some point in time within the period of Interior's decision-making process. In sum, because defendants can point to (1) "the specific agency decision to which the document correlates" and (2) "verify that the document precedes, in temporal sequence, the 'decision' to which it relates," [Grand Cent. P'ship, 166 F.3d at 482](#) (quoting [Providence Journal Co. v. U.S. Dep't of the Army, 981 F.2d 552 \(1st Cir. 1992\)](#)), the second document is properly considered predecisional.

An *in camera* examination of the first document in conjunction with the unredacted second document reveals that it is similarly predecisional, with respect to the same decision-making process that culminated in the March 1979 report and the Krulitz letter. To start, the first memorandum is also titled "Memorandum[,]" "From: Associate Solicitor, Indian Affairs[,]" "To: Solicitor[,]" "Re: Shinnecock Land Claim[,]" with the distinction that it is not on Interior's letterhead. A line-by-line [\*\*25] review of this document, side-by-side with the unredacted document, reveals that it is an earlier -- perhaps significantly earlier -- draft of the second document, which is consistent with its different formatting, including the lack of department letterhead. This is particularly evident in that the various handwritten edits and comments on the first document have been almost entirely incorporated into the second document. Moreover, the final pages in the first memorandum are not as well developed as that in the second memorandum and notably, the first memorandum is missing a conclusion towards the end of the document. For these reasons, as well as the reasons outlined above in connection with the second document, the Court finds that the first document is plainly predecisional in nature because it preceded the second document, which in turn preceded the March 1979 report and the Krulitz letter.

In addition to finding that the memoranda at issue are predecisional, the Court finds that they are also

deliberative because they comprise part of the process by which a government decision was made and constituted "advisory opinions" or "recommendations." [Hopkins v. U.S. Dep't of Hous. and Urban Dev.](#), 929 F.2d 81, 84-85 (2d Cir. 1991) [**\*\*26**] (finding agency reports deliberative because the authors lacked authority to take final agency action and the reports contained staff inspectors' professional opinions and recommendations to higher officials that various agency actions should be taken). Both documents contain preliminary legal analysis that is [**\*359**] typically protected from disclosure under Exemption 5 as deliberative material. See [Brinton v. Dep't of State](#), 636 F.2d 600, 604, 204 U.S. App. D.C. 328 (D.C. Cir. 1980) ("There can be no doubt that such legal advice, given in the form of intra-agency memoranda prior to any agency decision on the issues involved, fits exactly within the deliberative process rationale for Exemption 5."); [Nat'l Council of La Raza v. Dep't of Justice](#), 337 F. Supp. 2d 524, 533 (S.D.N.Y. 2004) ("[D]ocuments containing in-depth legal analysis of a definitive character [] have usually been found to qualify for the deliberative process privilege."). Thus, these memoranda are exactly the kind of records that the privilege is intended to protect, where the documents "(i) formed an essential link in a specified consultative process, (ii) 'reflect[s] the personal opinions of the writer rather than the policy of the agency,' and [**\*\*27**] (iii) if released, would 'inaccurately reflect or prematurely disclose the views of the agency.'" [Grand Cent. P'ship](#), 166 F.3d at 482 (quoting [Providence Journal Co.](#), 981 F.2d at 559) (alteration in original). The specific process was the months-long decision-making process referred to in the Krulitz letter, and it is apparent from the headings and language contained in the documents that they reflect the personal opinions of the writer(s), rather than of the entire agency.

The documents plainly are, moreover, "not merely part of a routine and ongoing process of agency self-evaluation," [Tigue](#), 312 F.3d at 80 (internal quotation marks and citation omitted), but rather were specifically prepared for use by the Solicitor in order to respond to the Nations' request for assistance in its land claim. Although defendants are not *required* to point to a specific agency decision in order to establish that the deliberative process is involved, see [Sears](#), 421 U.S. at 153 n.18 ("Our [**\*\*28**] emphasis on [HN13](#) [↑] the need to protect pre-decisional documents does not mean that the existence of the privilege turns on the ability of an agency to identify a specific decision in connection with which a memorandum is prepared."), in this case, the final agency decision to which these memoranda relate

does not appear to be in any dispute. In any event, "while the agency need not show *ex post* that a decision was made, it must be able to demonstrate that, *ex ante*, the document for which executive privilege is claimed related to a specific decision facing the agency." [Tigue](#), 312 F.3d at 80. Here, the memoranda's introductory remarks, which state explicitly that the purpose of the memoranda was to evaluate the Nation's land claim request, certainly satisfy this requirement.

In reaching this conclusion, the Court is particularly mindful that [HN14](#) [↑] "[i]t is necessary in assessing a FOIA claim to understand 'the function of the documents in issue in the context of the administrative process which generated them.'" [Lead Indus. Assoc., Inc. v. Occupational Safety and Health Admin.](#), 610 F.2d 70, 80 (2d Cir. 1979) (quoting [Sears](#), 421 U.S. at 132). "Whether a particular document is exempt under [Exemption [**\*\*29**] 5] depends not only on the intrinsic character of the document itself, but also on the role it played in the administrative process." *Id.* The Court has thus carefully considered not only the actual contents of the documents but also the context in which they were created, and finds without question that these memoranda were both predecisional and deliberative in nature.

Finally, even though the documents at issue are roughly thirty years old, it is the Court's view that the passage of time, even as considerable as it may be in this case, does not render the deliberative process covered by Exemption 5 inapplicable. As an initial matter, it is clear, [**\*360**] as a matter of logic, that [HN15](#) [↑] "[t]he predecisional character of a document is not lost simply . . . because of the passage of time[.]" [Bruscino v. Fed. Bureau of Prisons](#), Civ. A. No. 94-1955, 1995 U.S. Dist. LEXIS 6685, 1995 WL 444406, at \*5 (D.D.C. May 15, 1995) (internal citations omitted), *vacated in part on other grounds by* [Bruscino v. Fed. Bureau of Prisons](#), No. 95-5213, 1996 U.S. App. LEXIS 17813, 1996 WL 393101 (D.C. Cir. Jun 24, 1996), and neither is its deliberative character, since whether or not a document was prepared in order to assist an agency decisionmaker in arriving at his decision [**\*\*30**] or is actually related to the process by which policies are formulated are not contingent on any *ex post* time period. Instead, the circumstances surrounding the creation and use of the document are critical. *Cf.* [Halpern](#), 181 F.3d at 300 (stating, in the context of analyzing Exemption 7(D) to FOIA, that "it makes no difference in our analysis whether now, in hindsight, the objective need for confidentiality has diminished; what counts is whether then, at the time the source

communicated with the FBI, the source understood that confidentiality would attach").

Whether or not the intended purposes of the deliberative process privilege become moot or unattainable or outweighed by other policy considerations after a certain time period is a different question. See Export-Import Bank of the U.S. v. Asia Pulp & Paper Co., Ltd., 232 F.R.D. 103, 109 (S.D.N.Y. 2005) ("The privilege is a qualified privilege, a discretionary one that depends upon *ad hoc* considerations of competing policy claims." (quotations and citation omitted)). The deliberative process privilege aims to: (1) "protect[] creative debate and candid consideration of alternatives within an agency, and, thereby, improve[] the quality [\*\*31] of agency policy decisions"; (2) protect[] the public from the confusion that would result from premature exposure to discussions occurring before the policies affecting it had actually been settled upon; and (3) protect[] the integrity of the decision-making process itself by confirming that officials would be judged by what they decided not for matters they considered before making up their minds." Jordan v. Dep't of Justice, 591 F.2d 753, 772-73, 192 U.S. App. D.C. 144 (D.C. Cir. 1978) (en banc). Given these objectives, it is far from clear that the effects of the privilege diminish in effectiveness or become inconsequential when older documents are involved. In other words, there is no clear rationale as to why or when the protections of the privilege should stop at some arbitrary point in time. In fact, it may be more problematic for courts to adopt a practice of determining such expiration times on a case-by-case basis. See F.T.C. v. Grolier Inc., 462 U.S. 19, 29, 103 S. Ct. 2209, 76 L. Ed. 2d 387 (1983) ("Only by construing the exemption to provide a categorical rule can [FOIA's] purpose of expediting disclosure by means of workable rules be furthered."). Thus, although there is no Second Circuit or Supreme Court authority on the effective [\*\*32] period of Exemption 5, the Court concludes that the Second Circuit's analysis of Exemption 7 is applicable in part to Exemption 5; namely, "the language of the statute contains no limitation of the sort [plaintiff] would have us adopt. It would have been a simple matter for Congress to have included a provision in FOIA requiring release of all documents of a certain vintage." Diamond v. FBI, 707 F.2d 75, 76 (2d Cir. 1983) (rejecting a claim that documents older than fifteen years should not be subject to Exemptions 7(C) or 7(D) to FOIA); <sup>7</sup> accord

<sup>7</sup>In that case, the Second Circuit did, however, suggest that the passage of time, to the extent that it resulted in death or

[\*361] Halpern, 181 F.3d at 295 (noting, with respect to Exemption 1, "the passage of many years is an insufficient reason to require the release of documents."); see also Keys v. U.S. Dep't of Justice, 830 F.2d 337, 346, 265 U.S. App. D.C. 189 (D.C. Cir. 1987) ("Congress has not established a time limitation for exemption 7(D) and it would be both impractical and inappropriate for the Court to do so."). Indeed, perhaps in recognition of these considerations, at least one court has noted that Exemption 5 may permanently preclude release of certain documents to the public. See The Africa Fund v. Mosbacher, No. 92 Civ. 289 (JFK), 1993 U.S. Dist. LEXIS 7044, 1993 WL 183736, at \*8 (S.D.N.Y. May 26, 1993); [\*\*33] see also Brinton v. Dep't of State, 636 F.2d 600, 605, 204 U.S. App. D.C. 328 (D.C. Cir. 1980) (deliberative process exemption applied to legal opinions prepared by State Department's Office of Legal Advisor even though documents were several years old and noting that the State Department could retain the opinions for "an indefinite period of time"); Lardner v. U.S. Dep't of Justice, No. Civ. A. 03-0180 (JDB), 2005 U.S. Dist. LEXIS 5465, 2005 WL 758267, at \*11-12 (D.D.C. Mar. 31, 2005) ("As far as this court is aware, no court has ever held that documents fifteen (or twenty-three) years old cannot be protected by the presidential communications or deliberative process privileges . . . . Thus, this Court can find no basis in existing precedent for the notion that the presidential communications or deliberative process privileges are not routinely available in civil discovery for documents more than 15 years old."). In short, this Court also declines to reject the deliberative process privilege's applicability based on the substantial passage of time since these memoranda were authored. <sup>8</sup>

voluntary disclosure, could [\*\*34] so diminish the privacy interest protected by Exemption 7[C] as to amount to a waiver. See *id.* at 77. However, this narrow concept of waiver, which in any event is based on death and voluntary disclosure, two events not at issue here, was discussed in connection with Exemption 7[C], which protects investigatory records for law enforcement purposes where the production of such records would constitute an unwarranted invasion of privacy, and is inapposite to Exemption 5 where the interests being protected are not the privacy of individuals but, among other things, the integrity of the decisionmaking process and the need to protect and foster candid and creative debate. Thus, the Court finds no such concept of waiver applicable under Exemption 5 in this case based on the mere passage of time.

<sup>8</sup>In any event, even assuming *arguendo* that the Court should weigh and balance the passage of time as a factor in the Exemption 5 analysis, the Court concludes that the principles

## [\*362] 2. Work Product Doctrine

Although the Court finds that the documents fall within the protections [\*\*37] of the deliberative process privilege, it determines that the work product doctrine also applies to protect the documents from further disclosure. Moreover, as set forth *infra*, the Court concludes that defendants have not waived this protection with respect to the second document by releasing it in redacted form.<sup>9</sup>

particularly where the cause of action is directed at the government's motivation or intent, see, e.g., [In re Subpoena Duces Tecum Served on the Office of the Comptroller](#), 156 F.3d 1279, 1280, 332 U.S. App. D.C. 251 (D.C. Cir. 1998); [State of N.Y. v. Oneida Indian Nation of N.Y.](#), No. 95 Civ. 0554 (LEK) (RFT), 2001 U.S. Dist. LEXIS 21616, 2001 WL 1708804, at \*6 (N.D.N.Y. Nov. 9, 2001), that is not the circumstance here. Specifically, the preliminary opinions and views of a subordinate within the Office of the Solicitor for the Department of the Interior prior to the issuance of the March 1979 report, even with respect to the Nation's tribal status, have little, if any, probative value with respect to the Nation's claims under the APA, see [Natural Resources Defense Council v. Fox](#), No. 94 Civ. 8424 (PKL) (HBP), 1998 U.S. Dist. LEXIS 4575, 1998 WL 158671, at \*5-6 (S.D.N.Y. Apr. 6, 1998) ("the scope of judicial review permitted under the Administrative Procedure Act precludes [\*\*36] inquiry into an agency's mental processes and . . . there is, therefore, no valid reason to pierce the privilege" (discussing [Citizens to Preserve Overton Park, Inc. v. Volpe](#), 401 U.S. 402, 91 S. Ct. 814, 28 L. Ed. 2d 136 (1971), overruled on other grounds by [Califano v. Sanders](#), 430 U.S. 99, 97 S. Ct. 980, 51 L. Ed. 2d 192 (1977), and collecting cases)), or any other claims that the Nation has asserted in this or other litigation. Cf. [Int'l Paper Co. v. Fed. Power Comm'n](#), 438 F.2d 1349, 1358-59 (2d Cir. 197), cert. denied, 404 U.S. 827, 92 S. Ct. 61, 30 L. Ed. 2d 56 (1971) ("[T]he views of individual members of the Commission's staff are not legally germane, either individually or collectively to the actual making of final orders. They could be grossly misleading, when applied to the ultimate findings and conclusions reached by the FPC as a whole, because at best they are only advisory in character. To allow disclosure of these documents would interfere with two important policy considerations on which § 552(b)(5) is based: encouraging full and candid intra-agency discussion, and shielding from disclosure the mental processes of executive and administrative officers.") (footnote omitted).

<sup>9</sup>The Court notes that, even assuming *arguendo* that the passage of time affected the application of the deliberative process privilege, it would not impact the application of the work product doctrine. See, e.g., [Duplan Corp. v. Moulinage et Retorderie de Chavanoz](#), 509 F.2d 730, 736 (4th Cir. 1973) ("[T]he immunity extended to attorneys' mental impressions, conclusions, opinions, or legal theories by the last sentence of [F.R.C.P. 26\(b\)\(3\)](#) does not expire once the litigation for which they are prepared has been concluded[.]"); [Arkwright Mut. Ins. Co. v. Nat'l Union Fire Ins. Co. of Pittsburgh, Pa.](#), No. 90 Civ. 7811 (AGS), 1994 U.S. Dist. LEXIS 13216, 1994 WL 510043, at \*6 (S.D.N.Y. Sept. 16, 1994) ("The purpose for which the work was originally prepared triggers the privilege, and this purpose does not change with the passage of time."); [Manchester v. Drug Enforcement Admin., U.S. Dep't of Justice](#), 823 F. Supp. 1259, 1269 (E.D. Pa. 1993) [\*\*38] ([HN16](#) ↑) "[T]he protection of the work product doctrine does not evaporate with time.").

underlying the deliberative process privilege, including the need to protect candid and creative debate within an agency and to protect the integrity of the decisionmaking process, are not overridden by the substantial passage [\*\*35] of time in the instant case and shall not render Exemption 5 inapplicable under the circumstances of this case. Similarly, although some courts have found the deliberative process privilege to be inapplicable in situations where the government's decisionmaking process is the subject of the litigation,



[HN17](#) [↑] The work product doctrine "provides qualified protection for materials prepared by or at the behest of counsel in anticipation of litigation or for trial." *In re Grand Jury Subpoenas Dated Mar. 19, 2002 & Aug. 2, 2002*, 318 F.3d 379, 383 (2d Cir. 2003). Specifically, it protects the "files and the mental impressions of an attorney . . . reflected, of course, in interviews, statements, memoranda, correspondence, briefs, mental impressions, personal beliefs, and countless other tangible and intangible ways prepared in anticipation of litigation." *A. Michael's Piano*, 18 F.3d at 146 (internal quotation omitted). The standard in this Circuit is whether "in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained *because of* the prospect of litigation." *United States v. Adlman*, 134 F.3d 1194, 1197 (2d Cir. 1998) (quotations and citation omitted) (emphasis in original). However, "[t]he mere relation of documents to litigation does not automatically endow those documents with privileged status." *State of Me. v. U.S. Dep't of the Interior*, 298 F.3d 60, 69 (1st Cir. 2002). [\*\*39] Further, [HN18](#) [↑] "[t]he privilege derived from the work-product doctrine is not absolute. Like other qualified privileges, it may be waived." *United States v. Nobles*, 422 U.S. 225, 239, 95 S. Ct. 2160, 45 L. Ed. 2d 141 (1975).

In this case, the Court finds that the attorney work-product privilege applies to both documents. As discussed *supra* in connection with the deliberative process privilege, these memoranda, which were authored by the Associate Solicitor of Indian Affairs to his superior, the Solicitor of the Department of Interior, were [\*\*363] written in order to advise and assist the Solicitor of the Department of the Interior in arriving at a decision regarding the Nation's land claim request. The headings, context and substance of both memoranda make clear that they were prepared by or at the behest of counsel to the Secretary of the Interior. Furthermore, both memoranda evaluate the strength of the Nation's land claim under the Non-Intercourse Act and whether Interior should participate in the litigation on the Nation's behalf. [HN19](#) [↑] "Analysis of one's case 'in anticipation of litigation' is a classic example of work product, see *Sears*, 421 U.S. at 154, and receives heightened protection under *Fed.R.Civ.P.* 26(b)(3)." *Adlman*, 134 F.3d at 1196-97. [\*\*40] It does not matter that Interior did not ultimately participate in such litigation, or whether or not such litigation in fact occurred. See *Grolier*, 462 U.S. at 28 ("[W]e hold that [HN20](#) [↑] under Exemption 5, attorney work-product is exempt from mandatory disclosure without regard to the status of the

litigation for which it was prepared.") The protection is also not defeated by the government's declaration that its legal analyses in the memoranda "implicate the Non-Inter course Act in general, and thus could implicate other land claim litigation." (Strayhorn Supp. Decl. P 24.) [HN21](#) [↑] A document is prepared "in anticipation of litigation" if "in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained *because of* the prospect of litigation." *Adlman*, 134 F.3d at 1202 (emphasis in original) (quoting WRIGHT et al., 8 FEDERAL PRACTICE & PROCEDURE § 2024, at 343 (1994)). A specific prospect of litigation was the motivating factor in the creation of these memoranda; the fact that the resultant analyses may become helpful with respect to another litigation involving the same legal issues is of no import. Cf. *Grolier*, 462 U.S. at 25 [\*\*41] (stating that it is immaterial whether work product was created for another litigation, as long as it was created in anticipation of some litigation); *Niagara Mohawk Power Corp. v. Stone & Webster Engineering Corp.*, 125 F.R.D. 578, 586 (N.D.N.Y. 1989) ("work-product documents prepared for litigation in one action are protected from discovery in a subsequent related suit"). Indeed, this is consistent with the "because of" standard, and a contrary rule would undermine the purpose of the doctrine. Because the memoranda were authored in anticipation of litigation involving the Nation's land claim, the Court concludes that the documents are protected from disclosure by the work product doctrine.

The Court further concludes, after close *in camera* inspection of the unredacted second document, that the privilege has not been waived with respect to the withheld portions of the second document as a result of defendants' disclosure of that document in redacted form. The Court recognizes that [HN22](#) [↑] selective disclosure of certain material, particularly to certain parties who are potential or actual adversaries, may constitute a basis for effectuating an implied waiver. See, e.g., *In re Steinhardt Partners, L.P.*, 9 F.3d 230, 235 (2d Cir. 1993) [\*\*42] ("The waiver doctrine provides that voluntary disclosure of work product to an adversary waives the privilege as to other parties."); *Grumman Aerospace Corp. v. Titanium Metals Corp. of Am.*, 91 F.R.D. 84, 90 (E.D.N.Y. 1981) (finding waiver via disclosure to potential adversaries). However, the production of a document in redacted form does not automatically waive the protection as to its whole or to related documents. See, e.g., *Weiss v. Nat'l Westminster Bank, PLC, Nos. 05 Civ. 4622 (CPS) (MDG), 07 Civ. 916 (CPS) (MDG)*, 2008 U.S. Dist.

[LEXIS 99443, 2008 WL 5115027, at \\*2\[\\*364\] n.2 \(E.D.N.Y. Dec. 3, 2008\)](#) ("[T]he production of partially redacted documents does not, in itself, constitute a waiver of any applicable privilege."); [United States v. Hoyvald, No. 86 CR 715, 677 F. Supp. 117, 1987 WL 30638, at \\*2 \(E.D.N.Y. Dec. 17, 1987\)](#) ("[T]he general rule is that disclosure of some documents does not destroy work product protection for other documents of the same character[.]" (quotations and citation omitted)); cf. [Fullerton v. Prudential Ins. Co., 194 F.R.D. 100, 104 \(S.D.N.Y. 2000\)](#) ("[W]aiver of work product by disclosing that work product to one's opponent waives the privilege only as to matter covered in the waived documents[.]"); [Grumman Aerospace Corp., 91 F.R.D. at 90](#) [\*\*43] ("Disclosure to an adversary waives the work product protection as to items actually disclosed."). Instead, where partial disclosure is involved, it matters to whom such disclosure was made, what portions of the document were disclosed, and whether such disclosure was voluntary. Here, it is uncontested that the disclosure of certain material in the second document was made voluntarily by Interior and to an adversary, and, thus, the Court must analyze whether such disclosure constitutes waiver of the work product privilege such that a broader disclosure is warranted. Specifically, plaintiff argues that Interior's substantial disclosure of work product, including opinion work product, in the redacted document compels the disclosure of that document in full. As set forth below, the Court disagrees.

First, whether Interior's partial disclosure of the second document has waived protection of the whole document depends on the nature of the material disclosed. It is well established that [HN23](#) opinion work product, in contrast to factual work product, is subject to heightened protection under the doctrine. See [Adlman, 134 F.3d at 1197](#) ("[D]ocuments that tend to reveal the attorney's mental process [\*\*44] -- described by commentators as opinion work product[] -- receive special protection not accorded to factual material.") (citations, alteration, and internal quotations omitted); [In re Grand Jury Subpoenas Dated Mar. 19, 2002 & Aug. 2, 2002, 318 F.3d at 383](#) ("[O]pinion work product reveals the 'mental impressions, conclusions, opinions, or legal theories of an attorney or other representative,' and is entitled to greater protection than fact work product."); [Palazzetti Import/Export, Inc. v. Morson, No. 98 Civ. 0722 \(LBS\) \(FM\), 2000 U.S. Dist. LEXIS 10340, 2000 WL 1015921, at \\*3 \(S.D.N.Y. July 31, 2000\)](#) ("Although both factual and opinion work product fall within the scope of the doctrine, an attorney's mental impressions, conclusions, opinions, or legal theories typically are afforded greater

protection.") (citing [Adlman, 134 F.3d at 1197](#)); [In re Leslie Fay Cos., Inc. Sec. Litig., 161 F.R.D. 274, 279 \(S.D.N.Y. 1995\)](#) ("[W]hile factual materials falling within the scope of the doctrine may generally be discovered upon a showing of 'substantial need,' attorney mental impressions are more rigorously protected from discovery unless the doctrine's protection is otherwise waived.") (citing [Upjohn Co. v. United States, 449 U.S. 383, 101 S. Ct. 677, 66 L. Ed. 2d 584, \(1981\)](#)).

[\*\*45] Therefore, even if Interior has waived the work product privilege with respect to factual matters contained in the second document, the protection afforded to opinion work product will remain intact so long as that higher protection has also not been waived.

In this case, the Court disagrees with plaintiff that opinion work product has been disclosed in the redacted form of the second document, thereby waiving work product protection as to all remaining portions of the document. Cf. [Bovis Lend Lease, LMB, Inc. v. Seasons Contracting Corp., No. 00 Civ. 9212 \(DF\), 2002 U.S. Dist. LEXIS 23322, 2002 WL 31729693, at \\*13 \(S.D.N.Y. Dec. 5, 2002\)](#) [\*365] (waiver found where unredacted portion of produced document contained work product). Instead, defendants were careful to withhold only those portions of the document indicating the author's legal conclusions and recommendations, and thus that opinion work product is still entitled to the heightened protections of the doctrine. The redactions consistently follow phrases beginning with: "[b]ased on our review of those materials, as well as our review of pertinent case law, we conclude that"; "[a]ccordingly, we recommend that"; "[w]e believe"; "[i]t [\*\*46] is therefore our recommendation"; "[w]e find"; and "[i]n conclusion[.]" (See Strayhorn Supp. Decl., Exh. 6.) An *in camera* review of the unredacted document confirms that only legal conclusions, opinions, and recommendations were subject to redaction. Accordingly, the Court finds that Interior is entitled to withhold the remaining portions of the second document based on the protections of attorney work product afforded to an attorney's mental impressions, conclusions, opinions, or legal theories.

The Nation's main contention is that defendants' "pick-and-choose" disclosure requires that the entirety of the second document to be disclosed. (Pl.'s Supp. Letter, dated Feb. 20, 2009, at 2.) However, the cases upon which plaintiff relies reject partial disclosure pursuant to the privilege in circumstances that do not apply here. [HN24](#) As a general rule, principles of fairness dictate against the partial disclosure of only those facts or mental impressions that are helpful to the disclosing party. See, e.g., [Bovis Lend Lease, LMB, Inc., 2002](#)

[U.S. Dist. LEXIS 23322, 2002 WL 31729693, at \\*5, 13](#) ("[W]here a party selectively discloses certain privileged or work product material, but withholds similar (potentially less favorable) [\*\*47] material, principles of fairness may require a more complete disclosure . . . . 'Fairness concerns' govern the [] question of whether, by producing a portion of the document, [the disclosing party] has waived work product protection for other work product material on the same subject.") (alteration and citations omitted); [Tribune Co. v. Purciogliotti, No. 93 Civ. 7222, 1997 U.S. Dist. LEXIS 228, 1997 WL 10924, at \\*5 \(S.D.N.Y. Jan. 10, 1997\)](#) (waiver may be invoked where "a litigant makes selective use of privileged materials, for example, by releasing only those portions of the material that are favorable to his position, while withholding unfavorable portions."); [Variable-Parameter Fixture Dev. Corp. v. Morpheus Lights, Inc., No. 90 Civ. 5593 \(MGC\), 1994 U.S. Dist. LEXIS 3715, 1994 WL 97572, at \\*3 \(S.D.N.Y. Mar. 18, 1994\)](#) ("[W]e find that the disclosure of a substantial portion of the Casey memorandum is a waiver of any attorney-client privilege or work product protection which might otherwise have applied. Our finding of waiver here results from the application of the 'fairness doctrine,' i.e., that disclosure of part of a privileged communication requires the disclosure of the remainder[.]"). However, in this case, defendants have disclosed [\*\*48] all factual material, not only those that are helpful to their position in this litigation, and have redacted all legal conclusions. There is thus no indication that considerations of fairness or of the purposes of the work product doctrine warrant a finding of waiver here.

In fact, an examination of cases on waiver of the attorney work product privilege indicates that courts generally permit discovery of work product based on implied or subject-matter waiver only where the privileged communications have affirmatively been put at issue or when the defendant seeks to exploit the doctrine for a purpose inconsistent with the privilege, such as for the unilateral testimonial use of privileged communications. See, e.g., [Nobles, 422 U.S. at 240](#) (holding that once defense counsel elected to produce [\*\*366] a defense investigator as a witness, the privilege was waived with respect to matters covered in the witness' testimony such that defendant could not use the privilege to sustain a "unilateral testimonial use of work-product materials"); [McGrath v. Nassau County Health Care Corp., 204 F.R.D. 240, 245 \(E.D.N.Y. 2001\)](#) ("The scope of the work product privilege waiver is determined by considering whether [\*\*49] a party has made affirmative and selective use of privileged


documents, as well as the underlying purposes for the work product doctrine."); [Granite Partners, L.P. v. Bear Stearns & Co. Inc., 184 F.R.D. 49, 54 \(S.D.N.Y. 1999\)](#) ("The work product privilege is waived when a party to a lawsuit uses it in an unfair way that is inconsistent with the principles underlying the doctrine of privilege. It is well settled that waiver may be imposed when the privilege-holder has attempted to use the privilege as both 'sword' and 'shield.'") (internal quotation marks and citation omitted); [Herrick Co., Inc. v. Vetta Sports, Inc., No. 94 Civ. 0905 \(RPP\), 1998 U.S. Dist. LEXIS 14544, 1998 WL 637468, at \\*3 \(S.D.N.Y. Sept. 17, 1998\)](#) (holding that decision to use attorney's expertise in an expert witness capacity waived attorney-client and work product protections that might otherwise exist); [Purciogliotti, 1997 U.S. Dist. LEXIS 228, 1997 WL 10924, at \\*5](#) ("Depending upon the extent and context of the partial disclosure, the waiver may be broad . . . or narrow . . . . Thus, for example, where there is a partial disclosure in the context of the litigation for the benefit of the privilege holder, there may be a complete subject matter waiver as to all communications [\*\*50] on the subject. In contrast, where the disclosure is extrajudicial or non-prejudicial to an adversary, there may be no waiver or only a narrow one.") (citations omitted); [In re Kidder Peabody Sec. Litig., 168 F.R.D. 459, 473 \(S.D.N.Y. 1996\)](#) (concluding that an affirmative use of a report and, by implication, the underlying witness interview statements, triggered a waiver of the privilege); [Amoco Oil Co. v. Hartford Accident & Indem. Co., No. 93 Civ. 7295, 1995 U.S. Dist. LEXIS 13532, 1995 WL 555696, at \\*2 \(S.D.N.Y. Sept. 18, 1995\)](#) (where the redacted portion of a document was "no more privileged than that which [had] been disclosed" and the redacted version revealed "most of the substance of the interoffice communication[.]" disclosure was ordered on the basis that the withholding party "may not use a privilege as both a sword and a shield"); [Variable-Parameter Fixture Dev. Corp., 1994 U.S. Dist. LEXIS 3715, 1994 WL 97572, at \\*3](#) (requiring disclosure in a patent infringement case where, *inter alia*, defendant asserted as a defense re [Variable-Parameter Fixture Dev. Corp., 1994 U.S. Dist. LEXIS 3715, 1994 WL 97572, at \\*3](#) (requiring disclosure in a patent infringement case where, *inter alia*, defendant alliance on the advice of counsel and explaining, "[t]he line drawing which [defendant] proposes, between non-disclosure of infringement opinion, on the one hand, and enforceability and validity opinion, on the [\*\*51] other, is artificial and unacceptably self-serving."); [Coleco Indus., Inc. v. Universal City Studios, Inc., 110 F.R.D. 688, 691 \(S.D.N.Y. 1986\)](#) ("Kroft's affidavit and attached work

product were proffered as a 'testimonial use' of materials otherwise privileged. Fairness requires that discovery not be limited only to those documents which have selectively been disclosed."). Indeed, even the court in [United States v. Aronoff](#), 466 F. Supp. 855, 862 (S.D.N.Y. 1979), a case cited by plaintiff that analyzes implied waiver in the context of attorney-client privilege, explained that "[m]ost of the cases that have found implied waivers involved assertions by a client that made his confidential communications a material issue in a judicial proceeding, circumstances in which it would be patently unfair to uphold a claim of privilege. Where a privilege-holder has made assertions about privileged communications, but has attempted to bar other evidence of those communications, there is a serious danger that his assertions are [\*367] false or misleading." <sup>10</sup> [Id.](#) at 862. Again, no similar circumstances warranting disclosure apply in this case. Here, defendants have consistently withheld opinion work product, [\*52] thereby demonstrating their interest in upholding the privilege as to the most sensitive and protectible elements of work product, and have disclosed all factual material, without regard to how such material strengthens or weakens their position

on other issues in this litigation. Although the Nation argues that "the unredacted text . . . signal[s] that the redacted portions contain the conclusion that the Shinnecock Indian Nation is an Indian tribe[.]" (Pl.'s Supp. Letter, dated Feb. 20, 2009, at 3 n.4), such speculation is an insufficient basis upon which to find waiver where the legal conclusions themselves have clearly been withheld in a consistent fashion. Thus, no self-serving selection of facts or opinions has occurred in this case to warrant disclosure of the full document. *Cf.* [Amoco Oil Co.](#), 1995 U.S. Dist. LEXIS 13532, 1995 WL 555696, at \*2 (requiring disclosure of redacted documents involving selective assertion of the privilege but not requiring disclosure of redacted documents where no such selective disclosure was made).

Moreover, even in those cases in which courts have held that selective or partial disclosure has impliedly waived the privilege, courts have been reluctant to hold that implied waiver of non-opinion work product extends to opinion work product. In fact, the Court's research has yielded no case in this Circuit reaching such a conclusion. *See, e.g., In re Echostar Commc'ns Corp.*, 448 F.3d 1294, 1302 (Fed. Cir. 2006) (explaining that work product waiver extends only to "factual" or "non-opinion" work product concerning the same subject matter as the disclosed work product); [In re Martin Marietta Corp.](#), 856 F.2d at 626 ("We think that when there is subject matter waiver, it should not extend to opinion work product[.]"); [Bowne of N.Y. City, Inc. v. AmBase Corp.](#), 150 F.R.D. 465, 485 (S.D.N.Y. 1993) ("I conclude that it is likely that the New York Court of Appeals would hold that a voluntary disclosure of privileged communications by deposition [\*55] testimony in one case operates as an implied waiver as to all such communications concerning the particular matters addressed in the disclosed communications. Moreover, given the general tenor of the federal cases, it appears that a similar rule would apply to prior disclosure of work-product, at least if it does *not* disclose an attorney's [\*368] thought process.") (emphasis added); [In re Kidder Peabody Sec. Litig.](#), 168 F.R.D. at 473 (limiting "the piercing of the privilege to purely factual summaries of witness statements" in order to "avoid any danger that the waiver might encompass core attorney mental processes, for which we are required to demonstrate particular solicitude"); *see also McGrath*, 204 F.R.D. at 245 ("core work product must be afforded special protection when determining the scope of the waiver" and citing [Adlman](#), 134 F.3d at 1204, as "implying that core work product may never be discoverable"). Thus, even assuming *arguendo* that there was partial

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<sup>10</sup> The second case cited by plaintiff, [Bowne of N.Y. City, Inc. v. AmBase Corp.](#), 150 F.R.D. 465 (S.D.N.Y. 1993), does state that cases involving implied waiver do not require that [\*53] the plaintiff "demonstrate prejudice, such as, for example, proof that the privilege holder has disclosed only favorable materials" or "that the privilege holder is putting the privileged communications in issue in the litigation." [Id.](#) at 485 (footnote omitted). The court there further stated that "[i]t appears sufficient, for a waiver as to subjects discussed in the disclosed conversations, that the privilege holder has voluntarily revealed only some of the communications on the subject and has withheld others." *Id.* However, 1) defendants in this case have revealed all factual material contained in the memorandum and not only some of it, and 2) even if implied waiver did apply, the court in [Bowne](#) acknowledged that such waiver would not extend to the opinions and legal conclusions of counsel. *See id.* Moreover, "since [Bowne](#), courts in this Circuit have addressed claims of subject matter waiver a number of times and have consistently examined the issue in light of the fairness concerns[.]" [Falise v. Am. Tobacco Co.](#), 193 F.R.D. 73, 85 (E.D.N.Y. 2000). Indeed, the Second Circuit has explicitly stated, [HN25](#)  in the context of discussing the proper scope of a waiver of attorney work product privilege, [\*54] that the court should consider whether or not the testimony was "put at issue" or "there was deliberate, affirmative and selective use of privileged work-product materials by a party." [In re Grand Jury Proceedings](#), 219 F.3d 175, 191 (2d Cir. 2000).

disclosure of non-opinion work product in the second document (which there was not), there is no authority supporting the proposition that such a finding may overcome the heightened protections of opinion work product to compel full [\*\*56] disclosure thereof. With respect to the possible disclosure of any opinion work product in the redacted second document, the Court has already determined, after *in camera* review, that only the pure legal conclusions and recommendations of the author have been withheld and no partial disclosure of such opinion work product was made. [HN26](#)<sup>↑</sup> Although "the line between 'factual' work product and 'opinion' work product is not always distinct, . . . [w]hen faced with the distinction between where that line lies, . . . a district court should balance the policies to prevent sword-and-shield litigation tactics with the policy to protect work product." [In re Echostar Commc'ns Corp.](#), [448 F.3d 1294, 1302](#). The Court has kept such guidance in mind in determining that full disclosure is not warranted in this instance. See [In re Martin Marietta Corp.](#), [856 F.2d at 626](#) ("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, [\*\*57] and, unlike the selective disclosure of evidence, may ultimately and ideally further the search for the truth . . . . [W]e recognize that the line between opinion and non-opinion work product can be a fine one. But what should not be ordered to be disclosed are pure expressions of legal theory or mental impressions.") (footnote omitted).

Accordingly, there is no basis to compel the full disclosure of the second document, since the withheld portions properly constitute opinion work product and no waiver of the privilege with respect to those portions has occurred. <sup>11</sup> Cf. [Long-Term Capital Holdings v. United](#)

<sup>11</sup> Furthermore, the Nation has not, on this motion, demonstrated that it is entitled to access the documents based on undue hardship or substantial need. See [Fed. R. Civ. P. 26\(b\)\(3\)](#). Although the Second Circuit has thus far declined to decide whether "opinion work product is ever discoverable upon a showing of necessity and unavailability by other means," it has indicated that "[t]he Rule is clear that, at a minimum, such material is to be protected unless a [\*\*59] highly persuasive showing is made." [Adlman](#), [134 F.3d at 1204](#) (citations omitted); see also [McGrath](#), [204 F.R.D. at 243-44](#) (describing "core" opinion work product as "virtually sacrosanct" and that the Second Circuit in *Adlman* suggested that it may never be discoverable). In any event, the Nation

[States](#), [No. 3:01 Civ. 1290 \(JBA\)](#), [2003 U.S. Dist. LEXIS 7826](#), [2003 WL 1548770](#), at \*9 (*D. Conn. Feb. 14, 2003*) ("[B]ecause opinion work product is granted a greater protection than fact work product . . . the protection over the pure opinion work-product in this case, including the matters actually disclosed, may remain intact, thus precluding Respondent from access to the [\*\*369] portion of the K & S opinion for which the attorney-client privilege was waived by Petitioners' disclosure.") (internal quotation marks and citations omitted); [Bank of Am., N.A. v. Terra Nova Ins. Co.](#), [212 F.R.D. 166, 175 \(S.D.N.Y. 2002\)](#) ("[T]here [\*\*58] is no indication that Terra Nova disclosed anything other than 'fact' work product . . . . This suggests that Terra Nova made an affirmative effort to protect the confidentiality of the 'opinion' work product of its attorneys. Accordingly, Terra Nova will not be compelled to produce any 'opinion' work product."); [Bernstein v. Bernstein](#), [No. 91 Civ. 0785 \(RR\)](#), [1993 U.S. Dist. LEXIS 6979](#), [1993 WL 184201](#), at \*1 (*E.D.N.Y. May 24, 1993*) ("The testimony . . . revealed essentially factual (and non-privileged) information regarding these conversations and not mental impressions . . . . Such factual testimony does not operate as a waiver by plaintiffs of all information regarding these three witnesses, particularly documents containing mental impressions . . . .").

In any event, the second document is still protected by the deliberative process privilege, discussed *supra*, and plaintiff does not argue that such a privilege has been waived by the government's partial disclosure of the document in redacted form. <sup>12</sup> Accordingly, the Court finds that no additional disclosure of the second document is necessary based on waiver. Similarly, there has been no waiver of the information in the first document, which remains protected by the attorney work product doctrine and the deliberative process privilege, as discussed in further detail below.

## B. Segregable Information

has failed to make such a highly persuasive showing in this case warranting the extraordinary action of piercing the privilege with respect to opinion work product. See *supra* note 8.

<sup>12</sup> See [In re Sealed Cases](#), [121 F.3d 729, 741, 326 U.S. App. D.C. 276 \(D.C. Cir. 1997\)](#) ("all-or-nothing" approach of subject matter waiver has not been applied to claims [\*\*60] of deliberative privilege); [Marisol v. Giuliani](#), [No. 95 Civ. 10533 \(RJW\)](#), [1998 U.S. Dist. LEXIS 3719](#), [1998 WL 132810](#), at \*7 (*S.D.N.Y. Mar. 23, 1998*) ("release of the document only waives [the deliberative process] privilege for the documents specifically released and not for related materials").

Having concluded that Exemption 5 does apply to the documents at issue and that there has been no waiver, the Court proceeds to analyze whether any non-exempt material is reasonably segregable from those portions of the documents that are exempt. For the reasons set forth below, the Court finds no such material warranting disclosure.

[HN27](#) [↑] Under FOIA, the defendant agency must disclose "[a]ny reasonably segregable portion of a record . . . after deletion of the portions [that] are exempt." 5 U.S.C. § 552(b); see Oglesby v. Dep't of the Army, 79 F.3d 1172, 1176, 316 U.S. App. D.C. 372 (D.C. Cir. 1996); see also Donovan v. FBI, 806 F.2d 55, 58 (2d Cir. 1986) (requiring agencies to "segregate their disclosable and non-disclosable portions"). "Before approving the application of a FOIA exemption, the district court must make specific findings of segregability regarding the documents to be withheld." Sussman v. U.S. Marshals Serv., 494 F.3d 1106, 1116, 377 U.S. App. D.C. 460 (D.C. Cir. 2007). [\*\*61] Further, the Second Circuit has instructed that "[a] determination of which if any portions of an otherwise exempt document are nonexempt must begin with a consideration of the nature of the document as a whole." Lead Indus., 610 F.2d at 85. Generally, "[a]gencies are entitled to a presumption that they complied with the obligation to disclose reasonably segregable material." Sussman, 494 F.3d at 1117. However, "[i]f the requester successfully rebuts this presumption, the burden lies with the government to demonstrate that no segregable, nonexempt portions were withheld." *Id.*

[HN28](#) [↑] With respect to the deliberative process privilege, it "does not, as a general matter, extend to purely factual [\*\*370] material." Natural Resources Defense Council, Inc. v. Nat'l Marine Fisheries Serv., 409 F. Supp. 2d 379, 383 (S.D.N.Y. 2006). "Thus, if the withheld document contains factual material, the Court must determine whether the factual material is "inextricably intertwined" with the privileged opinions and recommendations such that disclosure would compromise the confidentiality of deliberative information that is entitled to protection under Exemption 5," or whether it is "reasonably segregable" from the [\*\*62] opinions and recommendations and therefore subject to disclosure." *Id.* (quoting Hopkins, 929 F.2d at 85 (internal quotation marks and citations omitted)). With respect to the work product doctrine, because the protection applies to both factual and opinion-related material, no segregability issues arise. See, e.g., Adlman, 134 F.3d at 1196. Thus, even assuming *arguendo* that some portion of the first

document is segregable -- which the Court determines, for the reasons set forth below, is not the case -- the first document would nonetheless be protected from disclosure in its entirety by the work product doctrine.<sup>13</sup>

Here, Interior seeks a ruling that, assuming only the deliberative process privilege applies, it has complied with FOIA [\*\*63] and provided all reasonably segregable material to the Nation. As explained *supra*, the Court ordered Interior to submit unredacted copies of both memoranda for *in camera* review in part because the Court believed that such review of both documents would aid in its evaluation of the segregability of factual material in the first document.

First, as noted *supra*, the government has already provided to the Nation a redacted version of the second document. With respect to this document, even plaintiff concedes that "[a]ll factual discussion in it seems to have been disclosed[.]" (Pl.'s Supp. Letter, dated Feb. 20, 2009, at 2 (footnotes omitted).) Consistent with the Court's findings detailed *supra*, the Court finds no further disclosure of this second document warranted because there is no remaining segregable, non-exempt material in that document.

As for the first document, now having reviewed the unredacted first document in its entirety, and having compared it carefully to the unredacted version of the second document for the possibility of comparable segregability, the Court finds that the factual information that is potentially segregable from the opinions and recommendations of the author, [\*\*64] especially within the "Statement of Fact" section, is also contained in the second document -- in many paragraphs almost verbatim -- which has already been provided in redacted form to plaintiff. In light of the substantial disclosure already undertaken by the government, the Court declines to compel the disclosure, line-by-line, of most of the first memorandum's "Statement of Fact" section, as well as some portions of the remaining sections, which would require redactions of all handwritten commentary and notations and, in the end, provide no useful additional information to plaintiff. See Lead

<sup>13</sup> The Court notes that "relevant, non-privileged facts may be discovered from an attorney's files where their production is essential to the opponent's preparation of its case." In re Six Grand Jury Witnesses, 979 F.2d 939, 944 (2d Cir. 1992). However, the Nation has not demonstrated that any factual information that is protected by attorney work product should be produced based on substantial need, pursuant to Fed. R. Civ. P. 26(b)(3). See *supra* note 8.

[Indus., 610 F.2d at 86](#) (stating that if the segment has already been disclosed on the public record, it need not be disclosed again).

[\*371] In addition to redundancy, the practicability of segregability is another concern. The facts contained in the first document are sprinkled with handwritten commentary, which are protected by the deliberative process privilege, see [Nat'l Council of La Raza, 337 F. Supp. 2d at 534 \(HN29\)](#) ("Drafts and comments on documents are quintessentially predecisional and deliberative."), and not reasonably segregable in a redacted form. Cf. [Lead Indus., 610 F.2d at 86](#) ("if the proportion [\*65] of nonexempt factual material is relatively small and is so interspersed with exempt material that separation by the agency and policing of this by the courts would impose an inordinate burden, the material is still protected"). The result may be a substantially redacted segment that is rendered essentially meaningless or difficult to decipher.

More importantly, however, even if the facts were literally segregable, "[m]ore is required than merely plucking factual segments from the reports[,] there must be a sensitive reference to the relation of the factual segments to the report as a whole." [Id. at 85](#). It is in this vein that segregating the material in the first document is unwarranted. To sever those spare facts, which in any event would be redundant if properly segregated, would compromise the private remainder of the document. See [E.P.A. v. Mink, 410 U.S. 73, 91, 93 S. Ct. 827, 35 L. Ed. 2d 119 \(1972\)](#), *superseded by statute on other grounds, 5 U.S.C. § 552(b)(1)*.

Indeed, any differences between the first memorandum, if potentially disclosed in redacted form, and the second memorandum would only be non-cumulative to the extent that they revealed the evolution of the draft. However, such a disclosure would infringe [\*66] upon the deliberative process privilege. [HN30](#) ("If the segment did not appear in the final version, its omission reveals an agency deliberative process: for some reason, the agency decided not to rely on that fact or argument after having been invited to do so . . . such disclosure of the internal workings of the agency is exactly what the law forbids." [Lead Indus., 610 F.2d at 86](#)). Thus, any further factual disclosure would not provide any additional information to plaintiff and if it did, it would only do so because it did in fact shed light on more than purely factual information.

The Court is aware that preliminary factual observations are not necessarily covered by the deliberative process

privilege, even if they constitute preliminary findings that are subject to ongoing deliberation. See [Natural Resources Defense Council, 409 F. Supp. 2d at 384](#). Although it may be true that "an agency does not have the same discretion in determining facts as determining policy," [id. at 385](#), there remains a serious question as to the "objective" nature of the facts involved here, particularly to the extent that the factual information differs between the first and second documents. Disclosure is not [\*67] required where non-exempt information is so intertwined with and provides insight into privileged material. See [Tigue, 312 F.3d at 82](#). Indeed, when the facts are so intertwined with a policy recommendation and thereby embody the judgment of its author, revealing those facts is akin to revealing the opinions of the author and the give-and-take of the deliberative process. See [Mead Data Cent., Inc. v. U.S. Dep't of the Air Force, 566 F.2d 242, 256, 184 U.S. App. D.C. 350 \(D.C. Cir. 1977\)](#) ("In some circumstances . . . the disclosure of even purely factual material may so expose the deliberative process within an agency that it must be deemed exempted by [section 552\(b\)\(5\)](#)."); see also [Sterling Drug Inc. v. Harris, 488 F. Supp. 1019, 1025 \(S.D.N.Y. 1980\)](#) ("In [E.P.A. v. Mink, 410 U.S. 73, 92, 93 S. Ct. 827, 35 L. Ed. 2d \[\\*372\] 119 \(1972\)](#)], the court held that materials reflecting deliberative or policy-making processes were exempt from disclosure, while purely factual, investigative matters must be produced, unless they are inextricably intertwined with policy-making recommendations so that their disclosure would compromise the confidentiality of deliberative information that is entitled to protection under Exemption 5."). The Second Circuit has expressly [\*68] recognized that "disclosure of factual portions . . . may reveal the deliberative process of selection" and where the factual segments' "function was not merely summary but analysis as well," involved "draw[ing] inferences and weigh[ing] the evidence[.]" and "clearly implicated [] the deliberative process by which the final standard was adopted and the reasoning behind it promulgated[.]" Exemption 5 applies to protect such factual portions. [Lead Indus., 610 F.2d at 83](#). In [Lead Industries](#), the Second Circuit specifically stated that factual discussion in reports that were stated to be based on facts in the record, and included tabular or graphic summaries thereof, were "no less a part of the deliberative process" and "their disclosure would 'compromise the confidentiality of deliberative information.'" [Id. at 85](#) (quoting [Mink, 410 U.S. at 92](#)).

In this case, the facts as presented by the author of the first memorandum are done in a fashion that "reveal[s]

the 'evaluative' process by which [he, as a member of the decision-making chain] arrived at [his] conclusions and what those predecisional conclusions are." [Mead Data Cent., Inc. v. Dep't of the Air Force, 575 F.2d 932, 935, 188 U.S. App. D.C. 51 \(D.C. Cir. 1978\)](#); [<sup>\*\*69</sup>] see also [Hamilton Sec. Group Inc. v. Dep't of Hous. and Urban Dev., 106 F. Supp. 2d 23, 33 \(D.D.C. 2000\)](#) (holding that even purely factual material is protectible if the deliberative process is revealed by the manner that the facts are selected or presented). Thus, although plaintiff asserts that "[a] fair and obvious inference . . . is that the March 1979 report contains a factual analysis of the status of the Nation as an Indian tribe under existing Interior policies[.]" (Pl.'s Mem. of Law in Opposition, at 10), the "factual analysis," to the extent that it is not already disclosed by the government in the second document, would reveal deliberations and the evaluative process. In short, because in this case, the factual determinations in the first document may thus reveal Interior's exercise of discretion on some agency decision -- the decision whether or not to support or partake in the Nation's land claim request -- and the selection of and presentation of the facts reveal the judgment of the author and lay the foundation for his recommendation with respect to that agency decision, the Court finds such information, to the extent that it is already not disclosed within the contents [<sup>\*\*70</sup>] of the second memorandum, exempt and non-segregable. See [Mead Data, 575 F.2d at 934-35](#); see also [Lead Indus., 610 F.2d at 85](#) (the deliberative process protects summaries of facts that demonstrate "which facts in the massive rule-making record were considered significant by the decisionmaker and those assisting her"); [Wash. Research Project, Inc. v. HEW, 504 F.2d 238, 164 U.S. App. D.C. 169, 181-82 \(D.C. Cir. 1974\)](#), cert. denied, 421 U.S. 963, 95 S. Ct. 1951, 44 L. Ed. 2d 450 (1975) ("[T]he judgmental element arises through the necessity to select and emphasize certain facts at the expense of others[.]"); cf. [Natural Resources Defense Council, 409 F. Supp. 2d at 385](#) (finding that defendants failed to demonstrate that disclosing preliminary findings would reveal the decision making process with regard to policy -- as opposed to factual -- determinations).

In conclusion, after a careful review of the documents conducted *in camera*, the [<sup>\*\*373</sup>] Court determines that there is no reasonably segregable factual information in the first document warranting disclosure. As in *Tigue*, this Court finds that the first document is, to the extent that it contains information not already disclosed to plaintiff within the contents of the second document, "predominantly [<sup>\*\*71</sup>] evaluative." [312 F.3d at 82](#). In

sum, in light of the close factual-versus-deliberative nature of the material, the extensive unredacted portions previously provided to plaintiff in the second document, and the interests underlying the protection of deliberative work in a highly preliminary draft, the Court declines to compel the disclosure of any portion of the first document.

Accordingly, because the government has withheld or redacted only those documents that it is entitled to withhold or redact under Exemption 5 of FOIA, defendants' motion for summary judgment dismissing plaintiff's FOIA claim is granted.

#### IV. CONCLUSION

For the foregoing reasons, defendants' motion for summary judgment, pursuant to [Fed. R. Civ. P. 56\(c\)](#), with respect to plaintiff's sixth claim for relief in the second amended complaint is granted, and plaintiff's cross-motion is denied.

SO ORDERED.

JOSEPH F. BIANCO

United States District Judge

Dated: September 9, 2009

Central Islip, NY

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End of Document



## [Bank of Am., N.A. v. Terra Nova Ins. Co.](#)

United States District Court for the Southern District of New York

December 19, 2002, Decided ; December 19, 2002, Filed

01 Civ. 646 (LMM) (GWG)

### Reporter

212 F.R.D. 166 \*; 2002 U.S. Dist. LEXIS 24181 \*\*

BANK OF AMERICA, N.A. and PALLADIUM INSURANCE LIMITED, Plaintiffs, -v.- TERRA NOVA INSURANCE COMPANY, Defendant.

**Subsequent History:** Summary judgment denied by [Bank of Am., N.A. v. Terra Nova Ins. Co., 2005 U.S. Dist. LEXIS 13085 \(S.D.N.Y., May 31, 2005\)](#)

**Prior History:** [Bank of Am., N.A. v. Terra Nova Ins. Co., 211 F. Supp. 2d 493, 2002 U.S. Dist. LEXIS 12939 \(S.D.N.Y., 2002\)](#)

**Disposition:** Plaintiff's motion to compel granted.

### Core Terms

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disclosure, governmental authority, work product, documents, waived, work product protection, materials, adversarial, parties, confidentiality, meetings, government agency, Attorney's, disclosing, work product doctrine, deposition, motion to compel, circumstances, attorney's work product, disclose information, reinsurance contract, voluntary disclosure, enforcement agency, insurance fraud, Sanctions, citations, contracts, weather, courts

### Case Summary

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#### Procedural Posture

Plaintiffs, a bank and an insurer, sued defendant reinsurer, regarding weather derivative contracts and reinsurance contracts. Plaintiffs moved to compel the reinsurer to produce certain documents created by a consulting company retained by the reinsurer's counsel. Plaintiffs also moved for sanctions.

#### Overview

The insurer entered into weather derivative contracts, and the bank extended letters of credit in connection with these contracts. The insurer entered into reinsurance contracts with the reinsurer. A dispute arose regarding the authority of an insurance agent to issue the reinsurance contracts. The consulting company interviewed the agent, who confessed to entering into policies without the reinsurer's knowledge. Representatives of the reinsurer met with state and federal officials regarding possible insurance fraud. The bank sought to question the consulting company's president about everything he told the governmental authorities. The court determined that the reinsurer waived its work product protection through the disclosures made to the governmental authorities. The disclosure of the investigation to the governmental authorities was voluntary because the disclosure far exceeded the scope of the disclosures required by law. Also, the governmental authorities were in an adversarial position with respect to the reinsurer. In addition, the disclosure substantially increased the potential that the information gained during the investigation would be disclosed to an adversary.

#### Outcome

The court granted the motion to compel and denied the motion for sanctions.

### LexisNexis® Headnotes

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Civil Procedure > ... > Privileged Communications > Work Product Doctrine > Waiver of Protections


Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

### [HN1](#) **Waiver of Protections**

The work product doctrine protects not only materials that are prepared by attorneys themselves but also by their investigators or other agents. Work product protection is not absolute. Like other qualified privileges, it may be waived. The party asserting the protection afforded by the work product doctrine has the burden of showing both that the protection exists and that it has not been waived.

Evidence > Privileges > Government  
Privileges > Waiver

[HN3](#)  A waiver of work product protection occurs when the covered materials are used in a manner that is inconsistent with the protection. The issue of waiver rests not on whether a privileged document is introduced into evidence, but rather whether the party's use of the document is unfair and inconsistent with a claim of privilege. One circumstance that is inconsistent with the need for work product protection is when work product materials are either given to an adversary or used in such a way that they may end up in the hands of an adversary. Case law is clear that once a party allows an adversary to share the otherwise privileged thought processes of counsel, the need for the privilege disappears. Thus, a voluntary disclosure of work product to an adversary waives the privilege as to other parties. It is not necessary that the disclosure be made to an actual adversary.

Evidence > Privileges > Government  
Privileges > Waiver

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Waiver  
of Protections

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

Evidence > Privileges > Attorney-Client  
Privilege > Waiver

Evidence > Privileges > Government  
Privileges > Waiver

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Waiver  
of Protections

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

### [HN2](#) **Waiver**

Unlike the rule for the attorney-client privilege, the protection afforded work product is not waived merely because the material is disclosed to a third party. The reason for this is that there may be legitimate reasons to disclose attorney work product to persons outside the attorney-client relationship. For example, there may be a common interest with the person to whom the material is disclosed.

### [HN4](#) **Waiver**

Work product exists to promote the adversary system by safeguarding the fruits on an attorney's trial preparation from the discovery attempts of an opponent. Thus, the protection is unavailable when the disclosure is not made in the pursuit of such trial preparation or when the disclosure is made in a manner that is inconsistent with maintaining secrecy against opponents. For this reason, even a disclosure to a non-adversary that "substantially" or "materially" increases the likelihood that an adversary will obtain the information results in a waiver of the work product protection.

Business & Corporate Law > ... > Dissolution &  
Winding Up > Dissolution > General Overview

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Waiver  
of Protections

Business & Corporate Law > ... > Management  
Duties & Liabilities > Rights of Partners > General  
Overview

Evidence > Privileges > Government  
Privileges > Waiver

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Waiver  
of Protections

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview


### [HN5](#) **Waiver**

The issue of whether a waiver has occurred has frequently arisen when disclosure of work product is made to a governmental authority -- usually a law enforcement agency. A waiver will be found if the governmental agency was an adversary, a "potential adversary" or even just stood in an adversarial position with respect to the disclosing party. In other instances, the issue is decided based on whether the disclosure to the governmental agency would "materially" or "substantially" increase the likelihood that the disclosing party's adversary would obtain the information -- regardless of whether the governmental agency was itself in an adversarial position to the disclosing party. The doctrine has been softened by those courts recognizing that when material is disclosed to the government under an express agreement that it be kept confidential, the disclosure will not waive later assertions of work product protection. In addition, courts have also found no waiver when the disclosure of information to the government was to assist in litigation against a common opponent.

Criminal Law & Procedure > Criminal  
Offenses > Fraud > General Overview

Governments > State & Territorial  
Governments > Licenses

Insurance Law > Industry Practices > General  
Overview

[HN6](#)  [N.Y. Ins. Law § 405](#) requires New York-licensed insurance companies to report insurance fraud to the New York State Insurance Department and, if the fraud is over \$ 100,000, to the United States Department of Justice. [N.Y. Ins. Law § 405\(a\)](#); N.Y. Comp. Codes R. & R. tit. 11, § 86.5.

Insurance Law > Liability & Performance  
Standards > Disclosure Obligations by  
Insureds > Fraudulent Intent

Criminal Law & Procedure > Criminal  
Offenses > Fraud > General Overview

Business & Corporate Compliance > ... > Insurance  
Company Operations > Policy Forms  
Regulation > Standard Forms & Provisions

Insurance Law > Industry Practices > General  
Overview


### [HN7](#) **Fraudulent Intent**

[N.Y. Ins. Law § 405](#) and its implementing regulation require the submission of a standard form seeking very limited information about an instance of insurance fraud. [N.Y. Ins. Law § 405\(a\)](#); N.Y. Comp. Codes R. & R. tit. 11, § 86.5. The only substantive information required is a brief statement of suspect transaction and dollar amount of claim; the identities of the parties to the suspect transaction; and a statement as to whether the transaction has been reported to any other law enforcement agency. N.Y. Comp. Codes R. & R. tit. 11, § 86.5. The statute does not require any other disclosure unless the superintendent of insurance requires such disclosure. [N.Y. Ins. Law § 405\(a\)](#).

Criminal Law & Procedure > Criminal  
Offenses > Fraud > General Overview

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

Insurance Law > Industry Practices > General  
Overview

[HN8](#)  [N.Y. Ins. Law § 405](#) contemplates that any report will be reviewed by the insurance frauds bureau which is expected to undertake such further investigation as it deems necessary and proper. [N.Y. Ins. Law § 405\(b\)](#).

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

Evidence > Privileges > Government  
Privileges > Waiver

[HN9](#) [↓] When materials are disclosed to a governmental authority to forestall prosecution or to obtain lenient treatment, the purpose of such a disclosure is foreign to the objectives underlying the work-product doctrine. In such a situation, work product protection is waived not only as to the governmental authority but also as to all other adversaries.

Evidence > Privileges > Government  
Privileges > Waiver

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Waiver  
of Protections

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

### [HN10](#) [↓] Waiver

Disclosing information to governmental authorities in the hope that they will attack an adversary cannot be said to be done in the pursuit of trial preparation. Thus, disclosure in such a situation results in a waiver of the work product protection.

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

Evidence > Privileges > Government  
Privileges > Waiver

[HN11](#) [↓] When disclosure of work product is made to a non-adversary, it is appropriate to ask whether the circumstances surrounding the disclosure evidenced conscious disregard of the possibility that an adversary might obtain the protected materials.

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Scope  
of Protection

Civil Procedure > ... > Privileged  
Communications > Work Product

Doctrine > General Overview

### [HN12](#) [↓] Scope of Protection

The work product doctrine protects a party's effort to maintain confidentiality.

**Counsel:** [\*1] ATTORNEYS FOR PLAINTIFF BANK OF AMERICA, N.A.: Joseph De Simone, Mayer, Brown, Rowe & Maw, New York, NY.

ATTORNEYS FOR DEFENDANT TERRA NOVA INSURANCE COMPANY: John M. Aerni, LeBoeuf, Lamb, Greene & MacRae, L.L.P., New York, NY.

ATTORNEYS FOR NON-PARTY ELLISTON: John D. Gordon, III, Morgan, Lewis & Bockius LLP, New York, NY.

**Judges:** GABRIEL W. GORENSTEIN, United States Magistrate Judge.

**Opinion by:** GABRIEL W. GORENSTEIN

## Opinion

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[\*167] *OPINION AND ORDER*

GABRIEL W. GORENSTEIN, United States Magistrate Judge

Plaintiffs Bank of America, N.A. and Palladium Insurance Limited move to compel defendant Terra Nova Insurance Company to produce certain documents created by its agent -- a company known simply as "Elliston." This Court previously ruled that these documents constituted attorney work product. See Order, dated June 13, 2002 (Docket # 19). The plaintiffs now contend that the work product protection was waived because the substance of these documents and some of the documents themselves were disclosed to governmental law enforcement agencies. Plaintiffs seek production of the documents and leave to re-take the deposition of a witness from Elliston.

Terra Nova and Elliston oppose Bank [\*2] of America's motion. For the reasons stated below, the Court deems the work product protection to be waived and thus the motion to compel is granted.

### I. *BACKGROUND*

#### A. *The Alleged Fraud by Harold Mollin*

The facts underlying this action and some related actions are reflected in prior opinions of the Court, familiarity with which is assumed. [\*168] See [\*Bank of America, N.A. v. Terra Nova Ins. Co. Ltd.\*, 211 F. Supp. 2d 493 \(S.D.N.Y. 2002\)](#); [\*General Star Indem. Co. v. Platinum Indem. Co.\*, 210 F.R.D. 80 \(S.D.N.Y. 2002\)](#). In brief, Palladium entered into a number of weather derivative contracts in 1999 whereby Palladium accepted weather-related risks throughout the United States. Bank of America extended letters of credit in connection with these contracts. Palladium entered into reinsurance contracts with Terra Nova, amongst others, to provide security in connection with the letters of credit extended by Bank of America. Under the reinsurance contracts, Terra Nova was required to indemnify Palladium and Bank of America for any payments made on the underlying weather derivative contracts.

Eventually payments were required to be made to third parties [\*\*3] on the weather derivative contracts. The dispute in this case arises centers on the authority of an insurance agent, Harold Mollin of Customized Worldwide Weather, Inc. ("CWW"), to issue the reinsurance contracts. Terra Nova alleges that Mollin acted without authority -- either actual or apparent -- and the reinsurance contracts are therefore invalid. Bank of America and Palladium assert that Mollin at a minimum had apparent authority to bind Terra Nova and that it must therefore pay on the reinsurance contracts.

When Terra Nova first learned in March 2000 that Mollin had collected premiums and issued insurance without authority, its counsel retained Elliston, an insurance consulting company, to conduct an investigation of CWW with respect to eleven specific transactions that caused approximately five million dollars in losses to Terra Nova. During the course of its investigation, Elliston, including its president Michael Holland, interviewed Mollin a number of times and reviewed a large number of documents at CWW. During these meetings, Mollin confessed that he had entered into a number of the weather derivative policies in the name of Terra Nova without its knowledge. In fact, Mollin [\*\*4] wrote an e-mail on April 7, 2000, suggesting that he was contemplating suicide as a result of what he did. Mollin has since fled the country.

The documents at issue in this motion are those that were prepared by Elliston during the course of its investigation.

#### B. *The Meetings with Governmental Authorities*

On April 17, 2000, Holland and other representatives of

Terra Nova had a meeting first with officials of the New York State Insurance Department ("NYSID") and, later in the day, with an Assistant United States Attorney in the Southern District of New York. The meetings were arranged by Terra Nova's outside counsel, LeBoeuf, Lamb, Greene & MacRae. At the meetings, Holland revealed the information he had discovered regarding Mollin and the Terra Nova policies. See Deposition of Michael P. Holland, dated July 12, 2002 (reproduced in Declaration of Lorna M. McKenzie in Opposition to Bank of America's Motion to Compel and for Sanctions, dated September 18, 2002, Ex. 3) ("Holland Dep."), at 50-51. Documents gathered as a result of Elliston's investigation were later produced, pursuant to a grand jury subpoena dated April 20, 2000, to the United States Postal Inspector, who had [\*\*5] been "appointed" to investigate the matter by the U.S. Attorney's Office. *Id.* at 49. It appears that some of these documents consisted of CWW documents gathered during the Elliston investigation (that is, not work product documents) and have already been produced to Bank of America as part of discovery in this matter. However, some work product created during the investigation was produced to the United States Postal Inspector and has been withheld. See Letter to the Court from John D. Gordan, III, dated November 13, 2002, at 1-3.

#### C. *The PXRE Lawsuit*

In one of many lawsuits that arose due to Mollin's actions, Terra Nova was sued in the United States District Court for the District of New Jersey by the PXRE Corporation. At the trial in May 2002, Terra Nova called Holland as a witness (over PXRE's objection) to testify concerning Mollin's admission that he had made unauthorized transactions. See Order, *PXRE Corporation v. Terra Nova [\*169] Ins. Co. Ltd.*, No. 00-5314 (D.N.J. May 22, 2002).

#### D. *Holland Deposition*

On July 12, 2002, Bank of America took the deposition of Holland in this case. Prior to the deposition, Terra Nova produced to Bank of America a copy of Holland's [\*\*6] May 2002 testimony from the PXRE trial. At the same time, Terra Nova informed Bank of America that it would assert the work product doctrine to prevent Holland from testifying about any matters beyond those disclosed at the PXRE trial. Consistent with this position, Terra Nova's counsel instructed Holland not to answer some questions during the deposition regarding what he told the NYSID and the U.S. Attorney's Office. Holland was permitted to state, however, that he remembered that the facts he had gathered during his

investigation had been presented during the meetings -- though he was not permitted to state what facts he had gathered up to that point. Holland testified that he told the government officials that Mollin had acted without authority, although he did not remember the details of what he disclosed regarding Mollin's actions. Holland was allowed to testify to some of the details of his investigation. Terra Nova's counsel objected, however, to any answer that went beyond the substance of Holland's testimony during the PXRE trial -- that is, Holland's recollection of Mollin's own statements that he had acted without authority. See Holland Dep. at 50-51; 56-58; 60-61.

## II. [\*7] THE MOTION TO COMPEL

Bank of America contends that because Terra Nova permitted Holland to discuss his investigation with the governmental authorities in April 2000 and provided documents from the investigation to them, Terra Nova has waived the work product protection that otherwise covered the Elliston investigation. Bank of America seeks to question Holland about everything he told the governmental authorities and also to obtain the documents upon which his investigation was based.

### A. Law Governing Work Product Protection and Waiver

The Supreme Court initially recognized the work product doctrine in [Hickman v. Taylor](#), 329 U.S. 495, 91 L. Ed. 451, 67 S. Ct. 385 (1947), based on the theory that "it is essential that a lawyer work with a certain degree of privacy, free from unnecessary intrusion by opposing parties and their counsel." [Id.](#) at 510. The Court noted that if attorney work product was freely discoverable, "the effect on the legal profession would be demoralizing [and] the interests of the clients and the cause of justice would be poorly served." [Id.](#) at 511. [HN1](#) [↑] The work product doctrine protects not only materials [\*\*8] that are prepared by attorneys themselves but also by their investigators or other agents. See [United States v. Nobles](#), 422 U.S. 225, 238-39, 45 L. Ed. 2d 141, 95 S. Ct. 2160 (1975).

Work product protection "is not absolute. Like other qualified privileges, it may be waived." [Nobles](#), 422 U.S. at 239. The party asserting the protection afforded by the work product doctrine has the burden of showing both that the protection exists and that it has not been waived. See, e.g., [Resolution Trust Corp. v. Mass. Mut. Life Ins. Co.](#), 200 F.R.D. 183, 188 (W.D.N.Y. 2001) (citation omitted); [Granite Partners v. Bear, Stearns & Co. Inc.](#), 184 F.R.D. 49, 52 (S.D.N.Y. 1999) (citing cases).

### 1. Disclosure of Work Product Generally

[HN2](#) [↑] Unlike the rule for the attorney-client privilege, the protection afforded work product is not waived merely because the material is disclosed to a third party. The reason for this is that there may be legitimate reasons to disclose attorney work product to persons outside the attorney-client relationship. See, e.g., [United States v. Adlman](#), 134 F.3d 1194, 1200 n.4 (2d Cir. 1998) [\*\*9] (work product may be shown to others "simply because there [is] some good reason to show it" without waiving the protection). For example, there may be a common interest with the person to whom the material is disclosed. See, e.g., [United States v. Am. Tel. and Tel. Co.](#), 206 U.S. App. D.C. 317, 642 F.2d 1285, 1298-99 (D.C. Cir. 1980) ("AT&T").

[\*170] Rather, [HN3](#) [↑] a waiver of work product protection occurs when the covered materials are used in a manner that is inconsistent with the protection. See [Granite Partners](#), 184 F.R.D. at 55 ("the issue of waiver rests not on whether a privileged document is introduced into evidence, but rather whether the party's use of the document is unfair and inconsistent with a claim of privilege") (citations omitted). One circumstance that is inconsistent with the need for work product protection is when work product materials are either given to an adversary or used in such a way that they may end up in the hands of an adversary. Case law is clear that "once a party allows an adversary to share the otherwise privileged thought processes of counsel, the need for the privilege disappears." [In re Steinhardt Partners, L.P.](#), 9 F.3d 230, 235 (2d Cir. 1993). [\*\*10] Thus, "a voluntary disclosure of work product to an adversary waives the privilege as to other parties." [Id.](#) (citations omitted). It is not necessary that the disclosure be made to an actual adversary. In [Medinol, Ltd. v. Boston Sci. Corp.](#), 214 F.R.D. 113, 2002 WL 31415692 (S.D.N.Y. 2002), for example, a corporation had disclosed work product to its independent auditors. Referring to the "adversarial tension" between such parties, [214 F.R.D. 113, 2002 U.S. Dist. LEXIS 20611](#), WL at \*3 (quoting Roberta S. Karmel, *A New Watchdog for Public Accountants*, N.Y. Law Journal, Aug. 15, 2002, at 3), the Court held that the work product protection was waived. [214 F.R.D. 113, 2002 U.S. Dist. LEXIS 20611](#), WL at \*4.

The basis for finding a waiver in these circumstances is that [HN4](#) [↑] work product exists to "promote the adversary system by safeguarding the fruits on an attorney's trial preparation from the discovery attempts of an opponent." *AT&T*, 642 F.2d at 1299 (citation

omitted); accord [In re Visa Check/Master Money Antitrust Litig.](#), 190 F.R.D. 309, 314 (E.D.N.Y. 2000) (purpose of work product doctrine is "to keep counsel's work from his opponent in the litigation so that it will not be used against him"). Thus, the protection [\*\*11] is unavailable when the disclosure is not made "in the pursuit of such trial preparation" or when the disclosure is made in a manner that is "inconsistent with maintaining secrecy against opponents." *AT&T*, 642 F.2d at 1299. For this reason, even a disclosure to a non-adversary that "substantially" or "materially" increases the likelihood that an adversary will obtain the information results in a waiver of the work product protection. See, e.g., [GAF Corp. v Eastman Kodak Co.](#), 85 F.R.D. 46, 51-52 (S.D.N.Y. 1979); [E CDC Env'tl., L.C. v. New York Marine & Gen. Ins. Co.](#), 1998 U.S. Dist. LEXIS 8808, 1998 WL 614478, at \*4 (S.D.N.Y. June 4, 1998); accord [U.S. Info. Sys. v. IBEW Local Union No. 3](#), 2002 U.S. Dist. LEXIS 19363, 2002 WL 31296430, at \*3 (S.D.N.Y. Oct. 11, 2002) (citing cases).

## 2. Disclosure of Work Product to Governmental Authorities

[HN5](#) [↑] The issue of whether a waiver has occurred has frequently arisen when disclosure of work product is made to a governmental authority -- usually a law enforcement agency. A waiver will be found if the governmental agency was an adversary, a "potential adversary" or even just "stood in an adversarial position" [\*\*12] with respect to the disclosing party. See, e.g., [In re Steinhardt](#), 9 F.3d at 234; [In re Columbia/HCA Healthcare Corp. Billing Practices Litig.](#), 293 F.3d 289, 306 (6th Cir. 2002); [United States v. Mass. Inst. of Tech.](#), 129 F.3d 681, 687 (1st Cir. 1997) ("MIT"); [In re Leslie Fay Companies, Inc., Sec. Litig.](#), 152 F.R.D. 42, 45 (S.D.N.Y. 1993). In other instances, the issue is decided based on whether the disclosure to the governmental agency would "materially" or "substantially" increase the likelihood that the disclosing party's adversary would obtain the information -- regardless of whether the governmental agency was itself in an adversarial position to the disclosing party. See, e.g., [U.S. Info. Sys.](#), 2002 U.S. Dist. LEXIS 19363, 2002 WL 31296430, at \*4; [Sidari v. Orleans County](#), 2000 U.S. Dist. LEXIS 15126, 2000 WL 33407343, at \*8 (W.D.N.Y. Oct. 3, 2000).

The doctrine has been softened by those courts recognizing that when material is disclosed to the government under an express agreement that it be kept confidential, the disclosure will not waive later assertions of work product protection. See, e.g.,

[Maruzen Co., Ltd. v. HSBC USA, Inc.](#), 2002 U.S. Dist. LEXIS 13288, 2002 WL 1628782, at \*2 (S.D.N.Y. July 23, 2002) [\*\*13] (citing cases); cf. [In re Steinhardt](#), 9 F.3d at 236 ("Establishing a [per se waiver rule] would fail to anticipate . . . situations in which the [\*\*171] [government agency] and the disclosing party have entered into an explicit agreement") (dictum); but see [In re Columbia/HCA](#), 293 F.3d at 306 (finding waiver even where confidentiality agreement existed) (citing [Westinghouse Elec. Corp. v. Republic of Philippines](#), 951 F.2d 1414, 1431 (3d Cir. 1991)). In addition, courts have also found no waiver when the disclosure of information to the government was to assist in litigation against a common opponent. See, e.g., *AT&T*, 642 F.2d at 1299-1300; [In re Visa Check/Mastermoney Antitrust Litig.](#), 190 F.R.D. at 314.

With this background, the Court will first examine whether Elliston's disclosure was voluntary. See [In re Steinhardt](#), 9 F.3d at 235 ("voluntary disclosure of work product to an adversary waives the privilege as to other parties") (citations omitted). We will then consider whether the governmental authorities to which Elliston made the disclosure [\*\*14] were in an adversarial position to Terra Nova. Next, we will determine whether the disclosure was made under circumstances that substantially increased the possibility that an adversary would obtain the materials. Finally, we consider the scope of any waiver that occurred.

### B. Voluntariness of the Disclosure

Terra Nova (along with Elliston) argues that the disclosure of the Elliston investigation to the governmental authorities was not voluntary. See Defendant's Memorandum of Law in Opposition to Plaintiff Bank of America's Motion to Compel and for Sanctions, filed September 18, 2002 ("Def. Mem."), at 7-10; Memorandum of Law of Non-Party Witness Elliston in Opposition to Bank of America's Motion to Compel and for Sanctions, filed September 18, 2002 ("Elliston Mem."), at 4-5. To support its argument, Terra Nova points to [HN6](#) [↑] [New York Insurance Law § 405](#), which requires New York-licensed insurance companies to report insurance fraud to the NYSID and, if the fraud is over \$ 100,000, to the United States Department of Justice. See [N.Y. Ins. L. § 405\(a\)](#); 11 N.Y.C.R.R. § 86.5. Terra Nova argues that its disclosure of information at the meetings was required under this statute [\*\*15] and therefore was not voluntary. See Def. Mem. at 7-11; Elliston Mem. at 5. <sup>1</sup>

<sup>1</sup> Neither Terra Nova nor Elliston argues that the grand jury

[HN7](#) Insurance Law [§ 405](#) and its implementing regulation require the submission of a standard form seeking very limited information about an instance of insurance fraud. See [N.Y. Ins. L. § 405\(a\)](#); 11 N.Y.C.R.R. § 86.5. The only substantive information required is a "brief statement of suspect transaction and dollar amount of claim"; the identities of the parties to the suspect transaction; and a statement as to whether the transaction has been reported to any other law enforcement agency. 11 N.Y.C.R.R. § 86.5. The statute does not require any other disclosure unless the superintendent of insurance requires such disclosure. [N.Y. Ins. L. § 405\(a\)](#). Here, Terra Nova does not even allege that it submitted the required form. Nor has it claimed that the NYSID or any [\\*\\*16](#) other governmental entity ever affirmatively sought additional information beyond what would have been required in the form. To the contrary, Terra Nova itself arranged for the meetings with the governmental authorities. While Terra Nova asserts that the reason it arranged for the meetings was to fulfill its obligations under [section 405](#), the meetings -- and, particularly, the detailed information given at the meetings -- were unnecessary to fulfill that obligation.

Because Terra Nova's disclosure of information and material presented to the NYSID and the U.S. Attorney's Office far exceeded the scope of any compulsion reflected in the law, the disclosure it made during these meetings of the substance of the Elliston investigation was voluntary.

### C. Relationship of the Governmental Authorities to Terra Nova

The next question in the waiver analysis is whether the governmental authorities were in an adversarial position with respect to Terra Nova. Terra Nova's central argument on this point is that it was "not the subject of any government investigation over Harold Mollin's actions when Terra Nova disclosed Mollin's actions to the authorities." Def. [\[\\*172\]](#) Mem. at 10. Insurance Law [§ 405](#), [\\*\\*17](#) however, supports the view that the NYSID was at least a potential adversary of -- or stood in an adversarial position with respect to -- Terra Nova. [HN8](#) The statute contemplates that any report will be reviewed by "the insurance frauds bureau" which is expected to "undertake such further investigation as it deems necessary and proper. . . ." [N.Y. Ins. L. § 405\(b\)](#); cf. [N.Y. Ins. L. § 402\(a\)](#) (granting the NYSID insurance

frauds bureau the power to enforce the statutes relating to insurance fraud). These circumstances call to mind the *MIT* case, in which MIT produced to the Defense Contract Audit Agency ("DCAA") work product because it had been required to do so by regulations governing Defense Department contracts. [129 F.3d at 682-83](#). The First Circuit held that MIT's relationship with the DCAA was "easily characterized as adversarial" even though MIT was not under investigation by the DCAA. [Id. at 686](#). Accordingly, it deemed the work product privilege to have been waived. [Id. at 686-87](#).

While Terra Nova itself requested the meeting with the governmental authorities, it has not demonstrated that this was a "benign request to [\\*\\*18](#) assist the [governmental authorities] in performing [] routine regulatory duties." [In re Steinhardt, 9 F.3d at 234](#). The circumstances are much more suggestive of the possibility that it was hoping to forestall any investigation (or at least narrow the scope of an investigation) that might have occurred had Terra Nova simply sent in the required Insurance Department reporting form without any elucidation of its own claimed innocent conduct. The relationship between the two parties is thus appropriately characterized as that of "potential" adversaries and as a result there has been a waiver. See [Medinol, 214 F.R.D. 113, 2002 WL 31415692](#), at \*2 (disclosure of material to party who is "not allied in interest" and does not "have litigation objectives in common" results in waiver).

[HN9](#) When materials are disclosed to a governmental authority to forestall prosecution or to obtain lenient treatment, the purpose of such a disclosure is "foreign to the objectives underlying the work-product doctrine." [Westinghouse Elec., 951 F.2d at 1429](#). In such a situation, work product protection is waived not only as to the governmental authority but also as to all other [\\*\\*19](#) adversaries. See, e.g., *id.*; [In re Subpoenas Duces Tecum, 238 U.S. App. D.C. 221, 738 F.2d 1367, 1371-75 \(D.C. Cir. 1984\)](#) (because of corporation's disclosure to government adversary, work product protection was waived with respect to a suit between the corporation and its shareholders); see also [In re Steinhardt, 9 F.3d at 235](#) ("waiver doctrine provides that voluntary disclosure of work product to an adversary waives the privilege as to other parties") (citations omitted). Thus, Terra Nova's disclosure of the documents and of the substance of the Elliston investigation to the governmental authorities waived the work product protection as to Bank of America.

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subpoena of April 20, 2000, rendered their production of documents to the Postal Inspector involuntary.

### D. Substantial Increase of Potential that Materials



*Would Be Disclosed to an Adversary*

There is an additional basis on which the work product protection should be deemed waived in this case. Even if it were not the case that there was an adversarial relationship between the governmental authorities and Terra Nova, the disclosure of the materials to the Government substantially increased the potential that the information gained during the investigation would be disclosed to [\*\*20] an adversary.

The meetings with the NYSID and the U.S. Attorney's Office suggest that Terra Nova harbored the hope, even if uncommunicated, that its disclosures would encourage the Government to prosecute Mollin. Mollin certainly was in an adversarial position to Terra Nova -- having stolen in its view millions of dollars of premiums. Indeed this Court previously deemed the documents from the Elliston investigation to be protected as work product on the theory that, at a minimum, Terra Nova instituted the investigation because it anticipated litigation against Mollin. See Order, dated June 13, 2002 (Docket # 19), at 2-3.

[HN10](#) [↑] Disclosing information to governmental authorities in the hope that they will attack an adversary, however, cannot be said to be done "in the pursuit of . . . trial preparation." *AT&T*, 642 F.2d at 1299. Thus, [\*\*173] disclosure in such a situation results in a waiver of the work product protection. In *Info. Res., Inc. v. Dun & Bradstreet Corp.*, 999 F. Supp. 591 (S.D.N.Y. 1998), for example, a corporation made disclosures to governmental agencies in the hope of fostering actions against a competitor. See 999 F. Supp. at 593. [\*\*21] The court noted that the parties were "neither adversaries nor allies" when the material was disclosed and that the materials were "submitted voluntarily to stimulate beneficial official action." *Id.* The court held that work product protection was waived, stating that this result "vindicates the principle of full disclosure, prevents the unfairness of selective revelations, and reflects the common-sense perception that in most such cases the privacy attending creation of the work-product had either served its purpose or was of little importance in the first place." *Id.*; accord *Three Crown Ltd. P'ship. v. Salomon Bros. Inc.*, 1993 U.S. Dist. LEXIS 9995, 1993 WL 277182, at \*2 (S.D.N.Y. July 21, 1993) (no protection for work product materials when used to "persuade the government to take action against a party and thereby gain, if possible, the advantage of collateral estoppel in later civil litigation"); cf. *AT&T*, 642 F.2d at 1299 (protection afforded only when disclosure is made in a manner "not inconsistent with maintaining secrecy

against opponents").

When material is disclosed to a law enforcement agency without any agreement regarding confidentiality, there is a strong [\*\*22] potential that the material may ultimately become public and thus available to an adversary. This may occur if the material is used at a trial -- either as part of the government's case-in-chief or for purposes of cross-examining a witness. See *Sidari*, 2000 U.S. Dist. LEXIS 15126, 2000 WL 33407343, at \*8 (work product protection waived when materials were given to prosecutor for use at trial). The government might also be required to disclose the material to a criminal defendant because it consists of the statement of a witness called by the government at trial. See, e.g., 18 U.S.C. § 3500. In addition, the government may be required to disclose the material it has received because it is exculpatory, as required by *Brady v. Maryland*, 373 U.S. 83, 10 L. Ed. 2d 215, 83 S. Ct. 1194 (1963) or *Giglio v. United States*, 405 U.S. 150, 31 L. Ed. 2d 104, 92 S. Ct. 763 (1972). Even in the absence of charges being brought against a defendant, the law enforcement agency might choose to use the information or materials as part of its investigation in order to induce a witness to cooperate. See, e.g., *U.S. Info. Sys.*, 2002 U.S. Dist. LEXIS 19363, 2002 WL 31296430, at \*4. [\*\*23] Finally, state or federal freedom of information laws might also require disclosure of any written record of the information. The federal Freedom of Information Act, for example, exempts from disclosure, in the case of criminal law enforcement records, only information furnished by a "confidential" source. See 5 U.S.C. § 552(b)(7)(D). Information from non-confidential sources is available to any person (including potential adversaries) as long as the materials are not exempted from disclosure by another section of the statute. As previously noted, Terra Nova made no request that the information it provided be treated as confidential.

[HN11](#) [↑] When disclosure of work product is "made to a non-adversary, it is appropriate to ask whether the circumstances surrounding the disclosure evidenced conscious disregard of the possibility that an adversary might obtain the protected materials." *Westinghouse Elec. Corp.*, 951 F.2d at 1431 (finding waiver of materials disclosed to adversarial governmental agencies). Given that Terra Nova itself arranged for the meeting with governmental authorities, that there was a significant potential for release of the [\*\*24] information disclosed, and that Terra Nova made no effort to seek confidential treatment of the information, Terra Nova showed a "conscious disregard" for the possibility that an adversary such as Mollin or Bank of America might

obtain access to the information. *Id.*; accord [U.S. Info. Sys., 2002 U.S. Dist. LEXIS 19363, 2002 WL 31296430](#), at \*5 (finding waiver where there was "an unsolicited, un compelled disclosure of the information" to the Government without any agreement as to confidentiality and "in circumstances that increased the likelihood that the work product would come into the possession of its adversary"). Terra Nova has not shown that maintaining the secrecy of the Elliston investigation was of any importance to it at the time of its meeting with the government agencies. The [\*174] Court is mindful of the argument that parties may be discouraged from divulging information to investigative agencies if a waiver will thereby result. See *Diversified Indus. Inc. v. Meredith*, 572 F.2d 596, 604 n.1 (8th Cir. 1977) (en banc). The Second Circuit in *In re Steinhardt*, however, explicitly rejected this argument, noting that

a corporation has substantial incentives to [\*\*25] cooperate with [agency] requests for assistance. Voluntary cooperation offers a corporation an opportunity to avoid extended formal investigation and enforcement litigation by the [agency], the possibility of leniency for prior misdeeds, and an opportunity to narrow the issues in any resulting litigation. . . . These incentives exist regardless of whether private third party litigants have access to attorney work product disclosed to the [agency]. "When a corporation elects to participate in a voluntary disclosure . . . it necessarily decides that the benefits of participation outweigh the benefits of confidentiality . . . It forgoes some of the traditional protections of the adversary system in order to avoid some of the traditional burdens that accompany adversary resolution of disputes, especially disputes with such formidable adversaries as [a government agency]."

[In re Steinhardt](#), 9 F.3d at 236 (quoting [In re Subpoenas Duces Tecum](#), 738 F.2d at 1372) (internal citations omitted). Significantly, *In re Steinhardt* left open the possibility that a waiver might not be found if there is an explicit agreement to maintain confidentiality, [\*\*26] see [9 F.3d at 236](#) -- a circumstance that does not exist in this case.

#### E. The Scope of the Waiver

The remaining question concerns what information Bank of America is entitled to. Much of Terra Nova's brief on the scope of the waiver is spent discussing the effect of Holland's testimony during the PXRE trial. See Def. Mem. at 12-13. The evidence reflects, however, that

Holland's disclosure to the governmental authorities was more extensive than the trial testimony. Thus the only live issue is the waiver resulting from the disclosure to the governmental authorities.

The Second Circuit has not ruled explicitly on the scope of a waiver of work product protection.<sup>2</sup> Some courts have found a broad waiver -- often termed a subject matter waiver -- of the entire subject of the disclosure. See [In re Martin Marietta Corp.](#), 856 F.2d 619, 625-26 (4th Cir. 1988), cert. denied, 490 U.S. 1011, 104 L. Ed. 2d 169, 109 S. Ct. 1655 (1989); [In re Sealed Case](#), 219 U.S. App. D.C. 195, 676 F.2d 793, 822-23 (D.C. Cir. 1982); [Bowne v. AmBase Corp.](#), 150 F.R.D. 465, 485-86 (S.D.N.Y. 1993). Thus, in [Bristol-Meyers Squibb Co. v. Rhone-Poulenc Rorer, Inc.](#), 1997 U.S. Dist. LEXIS 20692, 1997 WL 801454 (S.D.N.Y. Dec. 31, 1997) [\*\*27], the Court found that the disclosure of a report to an adversary during litigation waived the protection for "any and all documents" relating to the report and the conclusions it drew. [1997 U.S. Dist. LEXIS 20692](#), [WL] at \*3. Other courts, by contrast, have limited the waiver to the specific materials disclosed. See [Pittman v. Frazer](#), 129 F.3d 983, 988 (8th Cir. 1997); [St. Paul Reinsurance Co., Ltd. v. Commercial Fin. Corp.](#), 197 F.R.D. 620, 639 (W.D. Iowa 2000); [In re United Mine Workers Employee Benefit Plans Litig.](#), 159 F.R.D. 307, 312 (D.D.C. 1994) (finding it "contrary to law . . . to extend the waiver of attorney work product to encompass previously undisclosed documents related to the same subject matter").

[\*\*28] Here, the Court's decision on the scope of the waiver is guided by the nature of Terra Nova's conduct and the policies underlying the work product doctrine. Because all of the information available to Holland regarding his investigation was made available in an oral presentation to the governmental authorities, it is only fair to permit Bank of America to examine the facts that were in Holland's possession at that time. That Holland [\*175] freely revealed the contents of his

<sup>2</sup> Contrary to Terra Nova's argument, [United States v. Doe \(In re Grand Jury Proceedings\)](#), 219 F.3d 175 (2d Cir. 2000), is not dispositive of this question as the disclosure there, made during a grand jury proceeding, was "compelled." *Id.* at 191. The Court noted that such a situation is "quite different from . . . voluntary disclosure . . . where the company, initially at least, stands to benefit directly from disclosing privileged materials." *Id.* Moreover, the Second Circuit did not make any holding as to the scope of a waiver, instead remanding the case to the district court to determine if any waiver had occurred. See *id.* at 192.

investigation in Terra Nova's presence reflects that Terra Nova had no great interest in ensuring the confidentiality of the investigation -- be it the actual facts revealed to the government or the underlying documents upon which the presentation was based. Thus, Terra Nova must permit Holland to be re-deposed and to answer questions regarding what factual information was available to him at the time he met with the government agencies.

In addition, because [HN12](#)<sup>[↑]</sup> the work product doctrine protects a party's effort to maintain confidentiality, it would not be served by limiting the scope of the waiver solely to the oral statements of Holland. This is particularly true when Holland is not even able to remember the specifics <sup>[\*\*29]</sup> of his presentation to the governmental authorities but concedes that his presentation disclosed to them the full scope of what he had learned. Thus, Terra Nova must produce any documents relating to the investigation that were in Holland's possession as of April 17, 2000. Obviously, any investigation documents actually given to the government agencies must necessarily be produced as well.

Nonetheless, Terra Nova's failure to protect the secrecy of its information is applicable only to the materials it had in its possession as of the date of its meeting with the government agencies on April 17, 2002, and the documents produced to the United States Postal Inspector (all of which were apparently prepared prior to April 17, 2002). Thus, the waiver will not extend to any materials generated after that date. In addition, there is no indication that Terra Nova disclosed anything other than "fact" work product inasmuch as Holland testified that he presented only "facts" to the governmental authorities. This suggests that Terra Nova made an affirmative effort to protect the confidentiality of the "opinion" work product of its attorneys. Accordingly, Terra Nova will not be compelled to produce <sup>[\*\*30]</sup> any "opinion" work product. See, e.g., [In re Martin Marietta Corp.](#), 856 F.2d at 625-26 (waiver found only as to "non-opinion work product"); see also [Fed. R. Civ. P. 26\(b\)\(3\)](#) (enjoining courts to "protect against the disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation").

### III. CONCLUSION

For the reasons stated above, the Court finds that Terra Nova has waived its work product protection through the disclosures made to the NYSID, the U.S. Attorney's

Office and the United States Postal Inspector. Therefore, the Court grants Bank of America's motion to compel.<sup>3</sup>

[\*\*31] SO ORDERED.

Dated December 19, 2002

New York, New York

GABRIEL W. GORENSTEIN

United States Magistrate Judge

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<sup>3</sup> Bank of America has also moved for sanctions pursuant to [28 U.S.C. § 1927](#) and the Court's inherent powers on the ground that Terra Nova improperly failed to inform Bank of America about its disclosures of work product to outside parties. Bank of America's most compelling argument is that Terra Nova should have informed the Bank in May 2002 of the disclosures to the governmental authorities. It was at this time that Terra Nova asserted work product protection for the Elliston investigation as part of briefing on the Bank's original motion to compel. As it turned out, Bank of America did not learn of the disclosures until Holland testified about them at his deposition in July 2002.

The motion is denied. Although it is not necessarily meritorious, the Court does not find frivolous the argument that, in order to meet its burden of demonstrating that the work product protection had not been waived, Terra Nova was required to reveal the governmental disclosures and explain why they had not resulted in a waiver. Nonetheless, this question need not be reached because Terra Nova's conduct did not "unreasonably and vexatiously . . . multiply the proceedings" in this case. [28 U.S.C. § 1927](#). Given Holland's role in the investigation, it was inevitable that he would be deposed and questions put to him probing whether any waiver had occurred. Furthermore, Bank of America would have been required to brief the waiver issue even if had it been informed of the disclosure prior to the May 2002 briefing. Nor would this be a situation calling for a sanction under the Court's inherent powers. The Supreme Court has cautioned that these powers "must be exercised with restraint and discretion." [Chambers v. NASCO](#), 501 U.S. 32, 44, 115 L. Ed. 2d 27, 111 S. Ct. 2123 (1991) (citing [Roadway Express v. Piper](#), 447 U.S. 752, 764, 65 L. Ed. 2d 488, 100 S. Ct. 2455 (1980)). Given that Terra Nova's obligations on this score are unsettled, Terra Nova could not be shown to have acted in bad faith -- a necessary element to invoke the Court's inherent sanctioning authority. [Chambers](#), 501 U.S. at 45-46, 50.

## [Bernstein v. Bernstein](#)

United States District Court for the Eastern District of New York

May 21, 1993, Decided ; May 24, 1993, Filed

CV 91-0785 (RR)

### Reporter

1993 U.S. Dist. LEXIS 6979 \*; 1993 WL 184201

SELMA BERNSTEIN, et al., Plaintiffs, v. JAY BERNSTEIN, et ano., Defendants.

### Core Terms

documents, mental impressions, work product, conversations, waived, work product protection, handwritten note, investigators, subject matter, defendants', disclosure, attorneys, discovery, witnesses, tangible, pertain, pure

### Case Summary

#### Procedural Posture

Plaintiffs asserted the attorney work product privilege with respect to numerous documents that mentioned certain witnesses. Defendants contended that the disclosure of conversations with the witnesses by plaintiffs' attorneys, as well as the production of some of one of the attorney's notes, waived any privilege with respect to the documents. A magistrate conducted an in camera inspection of the documents and considered the merits of the issue.

#### Overview

The testimony of plaintiffs' attorneys revealed factual and non-privileged information about conversations with the witnesses. Defendants nevertheless contended that the testimony and the production of some of the attorney's notes constituted a waiver of the work product privilege. The magistrate disagreed and held that plaintiffs were not required to produce the documents at issue, which were clearly work product containing mental impressions and legal theories of plaintiffs' attorneys or their agents and entitled to protection. The attorneys' factual testimony did not operate as plaintiffs'

waiver of the privilege as to all information about the witnesses or permit defendants to demand all documents about the witnesses that were not prepared by the attorneys. The production of the attorney's handwritten notes, which referred to the witnesses in a cursory fashion, did not waive the work product privilege with regard to all of the notes. The documents sought by defendants either did not pertain to the conversations at issue or contained factual information already disclosed that was so intertwined with the attorney's mental processes and impressions that protection was warranted.

#### Outcome

The magistrate concluded that there was no waiver of the work product privilege that required plaintiffs to produce the documents at issue and relieved plaintiffs from her previous order requiring plaintiffs to produce specific documents that were the same as documents already produced or contained the same information as documents already produced.

### LexisNexis® Headnotes

Legal Ethics > Client Relations > Duties to Client > Duty of Confidentiality

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > Opinion Work Product

Civil Procedure > ... > Privileged Communications > Work Product Doctrine > Waiver of Protections

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

### [HN1](#) **Duty of Confidentiality**

A distinction can be made between non-opinion work product, which may nevertheless be ordered produced if counsel has waived work product protection, and pure mental impressions severable from the underlying data and arguably not subject to subject matter waiver.

Legal Ethics > Client Relations > Duties to  
Client > Duty of Confidentiality

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

### [HN2](#) **Duty of Confidentiality**

Protected work product contained in documents and tangible things cannot be obtained through less tangible methods such as the deposition questioning of persons with knowledge of the protected information.

Civil Procedure > Attorneys > General Overview


Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Waiver  
of Protections

Evidence > Privileges > Attorney-Client  
Privilege > Waiver

Civil Procedure > ... > Discovery > Privileged  
Communications > General Overview

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

Legal Ethics > Client Relations > Duties to  
Client > Duty of Confidentiality

[HN3](#)  Broad concepts of subject matter waiver analogous to those applicable to claims of attorney-client privilege are inappropriate when applied to [Fed. R. Civ. P. 26\(b\)\(3\)](#).

Legal Ethics > Client Relations > Duties to  
Client > Duty of Confidentiality

Civil Procedure > ... > Privileged  
Communications > Work Product Doctrine > Waiver  
of Protections

Civil Procedure > ... > Privileged  
Communications > Work Product  
Doctrine > General Overview

### [HN4](#) **Duty of Confidentiality**

While certainly actual disclosure of pure mental impressions may be deemed waiver, and while there may be indirect waiver in extreme circumstances, generally work product is not subject to discovery.

**Judges:** [\*1] GO

**Opinion by:** MARILYN DOLAN GO

## **Opinion**

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### *MEMORANDUM AND ORDER*

GO, United States Magistrate Judge

At the discovery conference held on May 19, 1993, I reserved decision on the issue of whether Richard Fox and Julian Bernstein's disclosure of conversations with Jan Brouwer, Mendel Grynsztejn, and Adaulfo Villasmil, and the production of some of Mr. Fox's notes, waived any applicable privilege with respect to all documents to which plaintiffs assert a privilege that mention Messrs. Brouwer, Grynsztejn, and Villasmil. Having reviewed the additional submissions of plaintiffs and defendants dated May 20, 1993 and conducted an *in camera* inspection of the relevant documents -- Exhibits V and W to defendants' May 6, 1993 letter application, and items 16 - 24 of Exhibit F to that letter -- I find that there has been no waiver such as to require plaintiffs to produce these documents.

The documents not previously ordered disclosed by Magistrate Judge Azrack or me are clearly work product containing mental impressions and legal theories of plaintiffs' attorneys or their agents -- i.e., the investigators at the Investigators Group, Inc. ("IGI") -- and are entitled to protection. [Upjohn Co. v. United States, 449 U.S. 383, 399-400, 66 L. Ed. 2d 584, 101 S.](#)

[Ct. 677 \(1981\)](#). [\*2] The testimony of Richard Fox and Julian Bernstein concerning conversations with Messrs. Brouwer, Grynsztejn, and Villasmil revealed essentially factual (and non-privileged) information regarding these conversations and not mental impressions, unlike the documents sought by defendants which were written by attorneys or IGI investigators. Such factual testimony does not operate as a waiver by plaintiffs of all information regarding these three witnesses, particularly documents containing mental impressions, nor does it permit defendants now to demand all documents pertaining to the three witnesses, even if not prepared by Messrs. Fox or Bernstein. See *In Re Martin Marietta Corp.*, 856 F.2d 619, 625 (4th Cir. 1988), cert. denied, 490 U.S. 1011, 104 L. Ed. 2d 169, 109 S. Ct. 1655 (1989) [HN1](#) [↑] ("a distinction can be made between non-opinion work product, which may nevertheless be ordered produced if counsel has waived work product protection, and pure mental impressions severable from the underlying data and arguably not subject to subject matter waiver"); *Niagara Mohawk Power Corp. v. Stone & Webster Engineering Corp.*, 125 F.R.D. 578, 586 (N.D.N.Y. 1989) [\*3] [HN2](#) [↑] ("protected work product contained in documents and tangible things cannot be obtained through less tangible methods such as the deposition questioning of persons with knowledge of the protected information"); *Duplan Corp. v. Deering Milliken, Inc.*, 540 F.2d 1215, 1222 (4th Cir. 1976) [HN3](#) [↑] ("broad concepts of subject matter waiver analogous to those applicable to claims of attorney-client privilege are inappropriate when applied to [Rule 26\(b\)\(3\)](#)").

Nor does the production of three of Richard Fox's handwritten notes -- Fox Exhibit 2 and Exhibits P and T to defendants' May 6, 1993 letter application -- waive the work product protection with respect to the IGI material or the other handwritten notes listed in item 24 of Exhibit F. The three handwritten notes already produced refer to Messrs. Brouwer and Grynsztejn in such a cursory fashion that they can hardly be said to have waived the work product protection with regard to all notes of Mr. Fox. The specified documents in Exhibit F sought by defendants either do not pertain to the conversations at issue or, if they do, contain factual information already disclosed that is so intertwined with the mental processes [\*4] and impressions of Mr. Fox that protection is warranted. *Martin Marietta*, 856 F.2d at 626 [HN4](#) [↑] ("while certainly actual disclosure of pure mental impressions may be deemed waiver, and while there may be indirect waiver in extreme circumstances, we think generally such work product is not subject to discovery").

Finally, I have reconsidered my ruling with regard to documents 19 through 26 of Exhibit V. Inasmuch as plaintiffs, on January 9, 1992, in compliance with Magistrate Judge Azrack's order, produced appropriate documents in redacted form and such documents contain all the information or are the same documents as those in question, plaintiffs are not required to disclose documents 19 through 26 of Exhibit V as previously ordered on May 19, 1993.

SO ORDERED

Dated: Brooklyn, New York

May 21, 1993

MARILYN DOLAN GO

UNITED STATES MAGISTRATE JUDGE

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End of Document

## [Koumoulis v. Indep. Fin. Mktg. Group](#)

United States District Court for the Eastern District of New York

November 1, 2013, Decided; November 1, 2013, Filed

10-CV-0887 (PKC) (VMS)

### Reporter

295 F.R.D. 28 \*; 2013 U.S. Dist. LEXIS 157299 \*\*; 2013 WL 5934032

TASSO KOUMOULIS, CHRISTOS HATZIS, DOMINIC MILITO and PETER DAFNIOTIS, Plaintiffs, -against- INDEPENDENT FINANCIAL MARKETING GROUP, INC., LPL FINANCIAL CORPORATION and ASTORIA FEDERAL SAVING AND LOAN ASSOCIATION, Defendants.

**Subsequent History:** Adopted by, Request denied by [Koumoulis v. Indep. Fin. Mktg. Group, 2014 U.S. Dist. LEXIS 7695 \(E.D.N.Y., Jan. 21, 2014\)](#)

### Core Terms

documents, privilege log, communications, privileged, Defendants', outside counsel, attorney-client, emails, internal investigation, legal advice, human resources, in camera, work-product, memorandum, investigations, withheld, advice, work product, attorneys, Parties, complaints, deposition, asserting, employees, drafts, waived, affirmative defense, conversations, investigatory, portions

**Counsel:** **[\*\*1]** For Tasso Koumoulis, Christos Hatzis, Dominic Milito, Peter Dafniotis, Plaintiffs: Kenneth Andrew Goldberg, Goldberg & Fliegel LLP, New York, NY.

For Independent Financial Marketing Group, Inc., LPL Financial Corporation, Astoria Federal Savings and Loan Association., Defendants: Eve Irene Klein, LEAD ATTORNEY, Joanna Rose Varon, Duane Morris LLP, New York, NY.

**Judges:** VERA M. SCANLON, United States Magistrate Judge.

**Opinion by:** VERA M. SCANLON

### Opinion

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[\*33] **MEMORANDUM & ORDER**

**Scanlon, Vera M., United States Magistrate Judge:**

Plaintiffs move to compel the production of documents, withheld as privileged, that contain communications between Defendants and their outside counsel concerning internal investigations of Plaintiff Tasso Koumoulis's discrimination and retaliation complaints. See Letter from Kenneth A. Goldberg, Esq. to Hon. Vera M. Scanlon (the "Joint Letter"), ECF No. 41. Plaintiffs also seek to depose Defendants' outside counsel concerning these internal investigations. *Id.* at 4. Defendants move to compel Plaintiffs to provide a privilege log that would list communications between Plaintiffs and their counsel regarding internal complaints and internal investigations. *Id.* at 9. After reviewing the Parties' submissions, **[\*\*2]** this Court ordered that Defendants file, under seal, selected documents for in camera review. See Order, Sept. 30, 2013, ECF. For the reasons stated herein, Plaintiffs' motion to compel is granted in part and denied in part. Defendants' motion to compel is granted in part and denied in part.

#### I. BACKGROUND

Plaintiffs Mr. Tasso Koumoulis ("Mr. Koumoulis"), Christos Hatzis ("Mr. Hatzis"), Dominic Milito ("Mr. Milito") and Peter Dafniotis ("Mr. Dafniotis") are current and former employees of Defendants Independent Financial Marketing Group, Inc., LPL Financial

Corporation (collectively, "LPL")<sup>1</sup> and Astoria Federal Savings and Loan Association ("Astoria Federal"). Am. Compl. ¶¶ 14-19, Mar. 19, 2010, ECF No. 3.

Plaintiffs allege that Defendants discriminated against them on the basis of their religion, national origin and race or color; subjected Plaintiffs to a hostile work environment; and retaliated against Plaintiffs for their complaints of unlawful discrimination. *Id.* ¶¶ 22-25. Plaintiffs' religious affiliation is with the Greek Orthodox Church. *Id.* ¶ 21. Mr. Koumoulis, Mr. Hatzis [\*\*3] and Mr. Dafniotis are of Greek ancestry. *Id.* ¶ 21. Mr. Hatzis claims Defendants further discriminated against him on the basis of his disability, which included major depressive disorder. *Id.* ¶¶ 48-58. Mr. Koumoulis alleges Defendants also discriminated against him on the basis of his age, which was fifty-eight at the time of his firing. *Id.* ¶¶ 59-71. Plaintiffs allege that LPL's actions violated Title VII, [42 U.S.C. § 2000e et seq.](#); [Section 1981](#) of the Civil Rights Act of 1866 ("[Section 1981](#)"), [42 U.S.C. § 1981 et seq.](#); the Americans with Disabilities Act (the "ADA"), [42 U.S.C. § 12101 et seq.](#); and the Age Discrimination in Employment Act (the "ADEA"), [29 U.S.C. § 621 et seq.](#) Furthermore, Plaintiffs allege that all three Defendants' discriminatory and retaliatory behavior violated the New York State Human Rights Law ("NYSHRL"), [N.Y. Exec. Law § 290 et seq.](#), and the New York City Human Rights Law ("NYCHRL"), N.Y.C. Admin. Code [§ 8-101 et seq.](#) See Am. Compl.

Defendants generally deny these allegations and raise several affirmative defenses, including a Fifth Affirmative Defense that:

Plaintiffs' claims are barred, in whole or in part, because Defendants exercised reasonable care to prevent [\*\*4] and correct promptly any discriminatory behavior by having anti-discrimination policies and procedures for investigating and preventing discrimination with a complaint procedure and Plaintiffs unreasonably failed to take action, pursuant to these policies or otherwise, to be free from discrimination.

Answer 14, May 24, 2010, ECF No. 8.

The Parties have almost concluded discovery. They have exchanged thousands of documents and conducted depositions. The present dispute concerns the production of certain documents identified by Defendants on their privilege log. See Joint Letter Ex. A

("Privilege Log"). This privilege log lists fifty-seven documents, each one of which was withheld based on both attorney-client privilege and attorney work-product privilege. *Id.*

The withheld documents concern Mr. Koumoulis's internal complaints of unlawful [\*\*34] discrimination and retaliation, and Defendants' internal investigations. See Joint Letter 2.<sup>2</sup> Mr. Koumoulis raised several internal complaints, the first of which was a complaint on or about January 9, 2008 to Ms. Mary Healy ("Ms. Healy"), a Human Resources employee, about Mr. Matt Baval ("Mr. Baval"), a Sales Manager. Am. Compl. ¶ 66; see Answer ¶ 66. [\*\*5] Plaintiffs allege that Mr. Baval made numerous, derogatory comments about Greek people, the Greek Orthodox religion and Mr. Koumoulis's age. Am. Compl. ¶¶ 27-40, 59-65. Neither the pleadings nor the motion papers states whether Mr. Koumoulis's January 2008 complaint was a protected complaint of unlawful discrimination and/or retaliation; the Parties also do not explain whether Defendants conducted an internal investigation at that time.<sup>3</sup>

Mr. Koumoulis's next complaint was raised in or around March 2008, when he and the other Plaintiffs filed their Charges against Defendants with the United States Equal Employment Opportunity Commission ("EEOC"). Am. Compl. ¶¶ 9, 67; see Answer ¶ 67.

On November 14, 2008, Mr. Koumoulis "submitted a memorandum regarding a meeting" that was held the prior day. Am. Compl. ¶ 68. Defendants placed Mr. Koumoulis on administrative leave while they conducted an investigation. *Id.* On December [\*\*6] 2, 2008, they issued him a memorandum upon the completion of that investigation. *Id.*; see Answer ¶ 68; Joint Letter Ex. D at P0832 (December 2, 2008 memorandum). The pleadings again do not specify whether Mr. Koumoulis's November 14, 2008 complaint was a complaint of unlawful discrimination and/or retaliation, nor do the pleadings specify whether Defendants' investigation concerned discrimination and/or retaliation. In their motion papers, Plaintiffs describe Mr. Koumoulis's November 14, 2008 memorandum as a "protected complaint," and Defendants do not dispute this point; this Court will therefore accept Plaintiffs' unrefuted

<sup>2</sup> Details of the other Plaintiffs' complaints are not discussed in this Memorandum and Order because the withheld documents concern only Mr. Koumoulis's complaints.

<sup>3</sup> Only one withheld document is dated around this time. See Privilege Log Doc. No. 55 (document dated Jan. 18, 2008).

<sup>1</sup> LPL Financial Corporation acquired Independent Financial Marketing Group, Inc. in 2007. *Id.* ¶ 4; Answer ¶ 4.



representation for the purposes of this motion. Joint Letter 2.

Plaintiffs further allege that Mr. Koumoulis was issued an "unjustified memorandum" related to customers' concerns on or about February 5, 2009, and he responded in writing on February 24, 2009. Am. Compl. ¶ 69; Answer ¶ 69 (confirming these dates); Joint Letter Ex. D at P0311-12 (February 5, 2009 memorandum). Plaintiffs contend, again without opposition, that Mr. Koumoulis's February 24, 2009 response was a "protected complaint." Joint Letter 2. The documents reviewed in camera provide some support [\*\*7] for this assertion.

On July 7, 2009, Defendants issued Mr. Koumoulis a final warning that criticized his job performance. Am. Compl. ¶ 70; Answer ¶ 70. Two days later, on July 9, 2009, Mr. Koumoulis filed an internal complaint that the parties admit included allegations of discrimination, harassment and retaliation. Am. Compl. ¶ 70; Answer ¶ 70. Defendants sent Mr. Koumoulis a memorandum titled "Findings and Conclusions of Investigation" on July 29, 2009; in this memorandum, Defendants concluded that his complaints were "unfounded." Joint Letter Ex. D at P0846-47. Defendants fired Mr. Koumoulis on September 8, 2009. Am. Compl. ¶ 71; Answer ¶ 71. The Plaintiffs received their Notice of Right to Sue from the EEOC in December 2009, and they filed the present action on March 1, 2010. Am. Compl. ¶ 10; Compl., Mar. 1, 2010, ECF No. 1.

During a telephone conference with the Court, Defendants described the withheld attorney-client communications as documents concerning the present litigation and the EEOC Charges; concerning "general outside counsel used in conjunction with performance issues"; "generally privileged documents that are not even arguably part of the investigation"; and an estimated [\*\*8] "six to ten" "isolated e-mails between outside counsel and the [human resources] individuals" related to the internal investigation, in which outside attorneys "provid[ed] legal advice but [did] [\*35] not conduct[] the investigation, [and did] not decid[e] any business decisions." Tel. Conference Tr. 16:15-17:22, Apr. 8, 2013, ECF No. 47.

A few privilege log entries involve Defendants' in-house counsel Marjory Robertson, Esq. ("Ms. Robertson"), and not outside counsel. See Privilege Log. Based on Defendants' privilege log, Ms. Robertson was involved in matters related to Mr. Koumoulis since at least January 8, 2008. See Privilege Log Doc No. 55 (email

"regarding T. Koumoulis" sent by Ms. Robertson on Jan. 8, 2008). The Parties have provided little explanation of Ms. Robertson's role in the internal investigations. In addition to Ms. Robertson and Ms. Healy, several members of Defendants' human resources staff participated in matters concerning Mr. Koumoulis: Ms. Claudia Mellon ("Ms. Mellon"), Ms. Anna Orsenigo ("Ms. Orsenigo"), Ms. Kathy Bakke ("Ms. Bakke") and Ms. Sheila Hunter ("Ms. Hunter"). See Joint Letter Ex. C at Mellon 141:3-17.

Most of the communications on the privilege log include [\*\*9] Ann Bradley, Esq. ("Ms. Bradley") of the law firm Duane Morris LLP. See Privilege Log. The pleadings and motions papers are silent as to precisely when outside counsel became involved in matters related to Mr. Koumoulis, but Ms. Bradley has been involved since at least May 21, 2008. See Privilege Log Doc. No. 30. Other than a few pages of deposition transcripts and what is apparent from the documents reviewed in camera, there is no evidence before this Court as to the intended scope or purpose of Ms. Bradley's involvement. See Joint Letter Ex. C at Mellon 136:4-22, 141:21-142:8 (Ms. Mellon consulted Ms. Bradley on the internal investigations); Joint Letter Ex. C at Bakke 234:9-25 (Ms. Bakke worked with counsel from Duane Morris LLP on a draft memorandum); but see Joint Letter 6 (contending that "outside counsel did not participate in the factual investigation, interview witnesses or otherwise create fact work product upon which Defendants will rely in this litigation . . ."). Defendants did not provide sworn affidavits or additional deposition transcripts that might have clarified Ms. Bradley's role, but it appears that her role was focused on the internal investigations. References [\*\*10] to "EEOC counsel" in the documents filed under seal suggest that, in addition to hiring Ms. Bradley, Defendants used another attorney or other attorneys to assist with Plaintiffs' EEOC Charges.<sup>4</sup> In addition, attorneys at Duane Morris other than Ms. Bradley represent Defendants before this Court.

## II. DISCUSSION

Plaintiffs identify five categories of documents included on Defendants' privilege log which Plaintiffs believe are discoverable: (1) documents concerning Mr. Koumoulis's November 14, 2008 complaint, (2)

<sup>4</sup> Privilege Log Document No. 30 refers to Lynette Sarno, Esq. ("Ms. Sarno"). The Parties have not explained Ms. Sarno's role in this matter or her employment relationship to Defendants.

documents concerning his February 24, 2009 complaint, (3) documents concerning his July 9, 2009 complaint, (4) documents concerning "other investigations of Mr. Koumoulis," and 5) documents related to Plaintiffs' EEOC Charges. See Joint Letter 2. Plaintiffs specified twenty-eight documents described in Defendants' privilege log that appear to be related to these five categories, but Plaintiffs note that it is difficult to assess the documents based on Defendants' vague descriptions. See id. at Ex. [\*\*11] B.

Plaintiffs contend that notwithstanding any claim of privilege, Defendants should be ordered to produce documents related to the internal investigations. Should this Court find that Defendants raised a defense based on the sufficiency of their investigations,<sup>5</sup> Plaintiffs allege that Defendants waived any attendant privilege by relying on the internal investigations as a defense. Furthermore, Plaintiffs allege Defendants waived all claims of privilege when Defendants' counsel, Joanna Varon, Esq. ("Ms. Varon"), stated during Ms. Robertson's deposition that "[w]e've waived privilege with respect to three narrow [\*36] issues, as to the investigations of Mr. Koumoulis and Mr. Hatzis[s] complaints and with respect to Mr. Hatzis[s] termination." Joint Letter at 2; Id. Ex. C at Robertson 40:7-20. According to Plaintiffs, Defendants must produce all documents related to the internal investigations, including their communications with outside counsel and outside counsel's drafts of disciplinary memoranda. Id. at 4-5. Plaintiffs also seek to depose outside counsel concerning the internal investigations. Id. at 4.

Defendants maintain that the privilege remains intact because their affirmative defense relies on the sufficiency of their internal investigations, not on their communications with outside counsel. Id. at 6. Defendants also contend that because these attorney-client communications post-date Plaintiffs' EEOC Charges, they are inherently part of Defendants' litigation preparation, and are therefore privileged. Id.<sup>6</sup> According to Defendants, they have already produced

<sup>5</sup> Plaintiffs assert that Defendants failed to plead any affirmative defense related [\*\*12] to the sufficiency of their internal investigations.

<sup>6</sup> In their motion papers, Defendants refer to "Plaintiffs' May 2008 EEOC Charge." Id. It appears that "May [\*\*13] 2008" is a typographical error because, in their Answer, the Defendants admitted that Mr. Koumoulis filed his EEOC Charge in or about March 2008. Answer ¶ 67; see Am. Compl. ¶¶ 9, 67.

all relevant, non-privileged documents related to the internal investigations, including notes and correspondence with their in-house counsel, Ms. Robertson; Plaintiffs also depose Ms. Robertson "to the extent she was involved in the factual investigation of any complaint, [and] regarding the adequacy of these investigations." Id. at 6-7; see Tel. Conference Tr. 16:2-18:3.<sup>7</sup> Ms. Varon's statement, see Joint Letter Ex. C at Robertson 40:7-20, Defendants explain, was a waiver of privilege only as to Ms. Robertson's involvement in the internal investigations. Id. at 8-9.

In addition, Defendants seek the production of Plaintiffs' privilege log. Id. at 9. Plaintiffs contend that a privilege log is unnecessary because a list of privileged redactions was emailed to Defendants and the information Defendants seek concerns indisputably privileged communications between Mr. Koumoulis and his counsel. Id. at 5.

For the reasons stated below, Plaintiffs' motion to compel the production of withheld documents is granted in part and denied in part, and Plaintiffs may conduct a limited deposition of Ms. Bradley concerning the business advice she provided to Defendants. Defendants' motion to compel Plaintiffs to provide a privilege log is granted in part and denied [\*\*14] in part.

#### **a. Legal Standards Concerning Privilege and Waiver**

Federal Rule of Civil Procedure ("FRCP") 26 requires that the party asserting a privilege "(i) expressly make the claim; and (ii) describe the nature of the documents, communications, or tangible things not produced or disclosed—and do so in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the claim." Fed. R. Civ. P. 26(b)(5)(A). In addition to these requirements, Local Civil Rule 26.2 mandates that for documents the party asserting privilege provide a description of "(i) the type of document, e.g., letter or memorandum; (ii) the general subject matter of the document; (iii) the date of the document; and (iv) the author of the document, the addressees of the document, and any other recipients, and, where not apparent, the relationship of the author,

<sup>7</sup> Defendants' counsel stated, "We've produced the investigation file, the underlying documents, the witness interviews, all the e-mail correspondence. The only e-mails that have been withheld are e-mails with outside counsel that do not go to the fundamental basis of the internal investigation . . . ." Tel. Conference Tr. 16:2-14.

addressees, and recipients to each." [Local Civil Rule 26.2\(a\)\(2\)\(A\)](#).

## 1. Attorney-Client Privilege

"The [<sup>\*\*15</sup>] attorney-client privilege protects communications (1) between a client and his or her attorney (2) that are intended to be, and in fact were, kept confidential (3) for the purpose of obtaining or providing legal assistance." [Brennan Ctr. for Justice at N.Y. Univ. Sch. of Law v. U.S. Dep't of Justice, 697 F.3d 184, 207 \(2d Cir. 2012\)](#) (quoting [United States v. Mejia, 655 F.3d 126, 132 \[<sup>\\*\\*37</sup>\] \(2d Cir.\)](#), cert. denied sub nom [Rodriguez v. United States, 132 S. Ct. 533, 181 L. Ed. 2d 374 \(2011\)](#)). The purpose of the privilege "is to encourage full and frank communication between attorneys and their clients and thereby promote broader public interests in the observance of law and administration of justice." [Upjohn Co. v. United States, 449 U.S. 383, 389, 101 S. Ct. 677, 66 L. Ed. 2d 584 \(1981\)](#); see [Fisher v. United States, 425 U.S. 391, 403, 96 S. Ct. 1569, 48 L. Ed. 2d 39 \(1976\)](#) (The privilege "encourage[s] clients to make full disclosure to their attorneys."). "[T]he privilege exists to protect not only the giving of professional advice to those who can act on it but also the giving of information to the lawyer to enable him to give sound and informed advice." [Upjohn Co., 449 U.S. at 390](#).

A more detailed consideration of the first and third factors is warranted in this case. Concerning [<sup>\*\*16</sup>] the first factor, "the mere fact that a communication is made directly to an attorney, or an attorney is copied on a memorandum, does not mean that the communication is necessarily privileged." [U.S. Postal Serv. v. Phelps Dodge Ref. Corp., 852 F. Supp. 156, 160 \(E.D.N.Y. 1994\)](#). Likewise, "[i]nvestigatory reports and materials are not protected by the attorney-client privilege or the work-product doctrine merely because they are provided to, or prepared by, counsel." [OneBeacon Ins. Co. v. Forman Int'l, Ltd., No. 04 Civ. 2271 \(RWS\), 2006 U.S. Dist. LEXIS 90970, 2006 WL 3771010, at \\*5-6 \(S.D.N.Y. Dec. 15, 2006\)](#) (insurance claim investigation documents were not privileged because they were created in the ordinary course of business).

In the context of the attorney-client privilege, "legal advice involves the interpretation and application of legal principles to guide future conduct or to assess past conduct." [In re Cnty. of Erie, 473 F.3d 413, 419 \(2d Cir. 2007\)](#) (explaining that legal advice also includes "considerations and caveats" that are not severable

from the core legal advice). Obtaining or providing such legal advice must be the "predominant purpose" of a privileged communication. [Favors v. Cuomo, 285 F.R.D. 187, 198 \(E.D.N.Y. 2012\)](#) [<sup>\*\*17</sup>] (quoting [In re Cnty. of Erie, 473 F.3d at 420](#)); see [Mac-Ray Corp. v. Ricotta, No. 03 Civ. 524 \(WMS\) \(LGF\), 2004 U.S. Dist. LEXIS 32023, 2004 WL 1368857, at \\*2 \(W.D.N.Y. June 16, 2004\)](#) (a party's communication "limited to a reiteration of the basic facts of defendant's separation and the submission of his resignation letter" was not a request for legal advice); see also [Allied Irish Banks v. Bank of Am., N.A., 240 F.R.D. 96, 104 \(S.D.N.Y. 2007\)](#) (attorneys' draft reports for investigation into rogue trading scheme were not protected where the drafts were not created primarily to provide legal advice, but "for the purpose of generating the Report, which indisputably did not provide legal advice"); [In re 3 Com Corp. Sec. Litig., No. 89 Civ. 20480 \(WAI\) \(PVT\), 1992 U.S. Dist. LEXIS 22646, 1992 WL 456813, at \\*2 \(N.D. Cal. Dec. 10, 1992\)](#) (where attorney's edits to draft document were "related to factual information, not legal advice," the drafts were not protected by the attorney-client privilege); but see [In re Grand Jury Subpoena Duces Tecum Dated Sept. 15, 1983, 731 F.2d 1032, 1037 \(2d Cir. 1984\)](#) (draft documents that reflected "confidential requests for legal advice" were protected by the attorney-client privilege).

"Attorneys frequently give [<sup>\*\*18</sup>] to their clients business or other advice which, at least insofar as it can be separated from their essentially professional legal services, gives rise to no privilege whatever." [Colton v. United States, 306 F.2d 633, 638 \(2d Cir. 1962\)](#) (attorney's investment advice was not privileged); see [Jacob v. Duane Reade, Inc., No. 11 Civ. 0160 \(JMO\) \(THK\), 2012 U.S. Dist. LEXIS 25689, 2012 WL 651536, at \\*1-3 \(S.D.N.Y. Feb. 28, 2012\)](#) (portions of human resources manager's email memorializing meeting with counsel discussing Fair Labor Standards Act exemptions were privileged, but portions discussing employee training were not privileged). Thus, when an attorney is used as a business consultant, the resulting attorney-client communications will not be privileged. See [In re Cnty. of Erie, 473 F.3d at 421](#) ("When an attorney is consulted in a capacity other than as a lawyer, as (for example) a policy advisor, media expert, business consultant, banker, referee or friend, that consultation is not privileged.")<sup>8</sup> Each attorney-client

<sup>8</sup> [In re Human Tissue Prods. Liab. Litig., No. 06 Civ. 135 \(WJM\), 2009 U.S. Dist. LEXIS 34436, 2009 WL 1097671, at \\*3 \(D.N.J. Apr. 23, 2009\)](#) (where the defendant sent contract to

communication [\*38] "need not specifically ask for legal advice," but the party asserting the privilege must first establish that "the information is sent to counsel in order for counsel to provide legal [\*\*19] advice." [Urban Box Office Network, Inc. v. Interfase Managers, L.P., No. 01 Civ. 8854 \(LTS\) \(THK\), 2006 U.S. Dist. LEXIS 20648, 2006 WL 1004472, at \\*4, 6-7 \(S.D.N.Y. Apr. 18, 2006\)](#) (although there were "legal ramifications" to stock purchase agreement, counsel's edits to capitalization table were not privileged where counsel was "making the same sort of suggestions that [plaintiff's] financial advisor was making"); see [Buxbaum v. St. Vincent's Health Servs., Inc., No. 12 Civ. 117 \(WWE\) \(HBF\), 2013 U.S. Dist. LEXIS 2246, 2013 WL 74733, at \\*2-7 \(D. Conn. Jan. 7, 2013\)](#) (communications between defendants' attorneys and defendants' computer vendor concerning plaintiff's computer were not privileged where no legal advice was sought or provided).

It is well-recognized that in-house counsel may serve both legal and business functions, and courts will scrutinize the nature of their communications before finding that those communications are privileged. See [In re Cnty. of Erie, 473 F.3d at 419, 421](#). Although outside counsel may be more "independent" and less likely "to play dual roles," there is nevertheless no presumption that communications with outside counsel are privileged. [TVT Records, Inc. v. Island Def Jam Music Grp., a Div. of UMG Recordings, Inc., 214 F.R.D. 143, 2003 WL 749801, at \\*2 \(S.D.N.Y. 2003\)](#) (portions of communications with outside counsel that did not contain legal advice were not privileged), *aff'd in part & rev'd in part*, 214 F.R.D. 143 (S.D.N.Y. 2003) (affirming findings concerning outside counsel); see [GenOn Mid-Atl., LLC v. Stone & Webster, Inc., No. 11 Civ. 1299 \(HB\) \(FM\), 2011 U.S. Dist. LEXIS 133724, 2011 WL 5439046, at \\*9 \(S.D.N.Y. Nov. 10, 2011\)](#) [\*\*21] (information from outside counsel on project management and project status was not privileged

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outside counsel to obtain business advice, communication was not privileged); [Note Funding Corp. v. Bobian Inv. Co., No. 93 Civ. 7427 \(DAB\), 1995 U.S. Dist. LEXIS 16605, 1995 WL 662402, at \\*3 \(S.D.N.Y. Nov. 9, 1995\)](#) ("[I]f the attorney is called upon to render solely business advice based on an expertise that is distinct from his legal calling, his communications with his client are plainly [\*\*20] not protected."); [Cal. Union Ins. Co. v. Nat'l Union Fire Ins. Co., No. 86 Civ. 609 \(TJM\), 1989 U.S. Dist. LEXIS 4996, 1989 WL 48413, at \\*2 \(N.D.N.Y. Apr. 27, 1989\)](#) (attorney's "memorandum contains solely business advice, of the type that would be given by a claims' manager or adjuster," was not privileged).

because it was business, not legal, advice); [Bank Hapoalim, B.M. v. Am. Home Assur. Co., No. 92 Civ. 3561 \(KMW\), 1993 U.S. Dist. LEXIS 1300, 1993 WL 37506, at \\*4 \(S.D.N.Y. Feb. 8, 1993\)](#) (documents created by outside counsel hired to "act as claims adjusters, claims process supervisors, or claims investigation monitor[s], rather than as legal advisors," were not privileged); see generally [United States v. Ruehle, 583 F.3d 600, 608 n.8 \(9th Cir. 2009\)](#) (the attorney-client relationship does not create a *prima facie* presumption of privilege). Furthermore, "the attorney-client privilege is not available merely by stamping a document that was prepared by an attorney, which contains solely business advice, 'PRIVILEGED AND CONFIDENTIAL' [or] 'Advice of Counsel.'" [Cal. Union Ins. Co., 1989 U.S. Dist. LEXIS 4996, 1989 WL 48413, at \\*2](#).

Ultimately, the burden is on the party asserting the attorney-client privilege to establish each element of the three-part standard. See [Mejia, 655 F.3d at 132](#). Any ambiguities as to whether the essential elements have been met are construed against the party asserting the privilege. See [Scholtisek v. Eldre Corp., 441 F. Supp. 2d 459, 462 \(W.D.N.Y. 2006\)](#) [\*\*22] (listing cases); see also [Walker v. N.H. Admin. Office of the Courts, No. 11 Civ. 421 \(PB\), 2013 U.S. Dist. LEXIS 24506, 2013 WL 672584, at \\*8 \(D.N.H. Feb. 22, 2013\)](#) ("Defendants' blanket assertion of attorney-client privilege does not suffice to demonstrate that these emails constitute communications made for the purpose of seeking or transmitting legal advice."); [Urban Box Office Network, Inc., 2006 U.S. Dist. LEXIS 20648, 2006 WL 1004472, at \\*6](#) ("Where there are several possible interpretations of a document based upon the surrounding circumstances, the party asserting the privilege must produce evidence sufficient to satisfy a court that legal, not business, advice is being sought."); [Cuno, Inc. v. Pall Corp., 121 F.R.D. 198, 203-04 \(E.D.N.Y. 1988\)](#) (plaintiff did not establish that memoranda concerning patent review meetings were privileged, despite affidavits [\*39] that decisions made during these meetings were based on legal advice, where memoranda did not include that legal advice and it was "entirely possible" that decisions were motivated by business, not legal, concerns). In order to balance the competing values of confidentiality and public disclosure, the privilege is construed "'narrowly [\*\*23] because it renders relevant information undiscoverable" and applied "'only where necessary to achieve its purpose.'" [Mejia, 655 F.3d at 132](#) (quoting [In re Cnty. of Erie, 473 F.3d at 418](#)); see [Cuno, Inc., 121](#)

[F.R.D. at 200](#) (the attorney-client privilege "is confined within its narrowest possible limits").

## 2. Work-Product Privilege

The work-product privilege protects documents created by counsel or per counsel's directive, in anticipation of litigation. See [In re Grand Jury Subpoenas Dated March 19, 2002 & August 2, 2002, 318 F.3d 379, 383 \(2d Cir. 2003\)](#). The attorney work-product privilege "shelters the mental processes of the attorney, providing a privileged area within which he can analyze and prepare his client's case." [United States v. Nobles, 422 U.S. 225, 238, 95 S. Ct. 2160, 45 L. Ed. 2d 141 \(1975\)](#).

As with the attorney-client privilege, the party asserting the work-product privilege "bears the heavy burden of establishing its applicability." [In re Grand Jury Subpoena Dated July 6, 2005, 510 F.3d 180, 183 \(2d Cir. 2007\)](#). However, the work-product privilege "is distinct from and broader than the attorney-client privilege." [Nobles, 422 U.S. at 238 n.11](#). It includes both opinion work product, such as an attorney's [**\*\*24**] mental impressions or legal theories, and fact work product, such as factual investigation results. See [In re Grand Jury Subpoena Dated July 6, 2005, 510 F.3d at 183](#); see also [Fed. R. Civ. Proc. 26\(b\)\(3\)\(B\)](#) (codifying protection for opinion work product). "To be entitled to protection for opinion work product, the party asserting the privilege must show 'a real, rather than speculative, concern' that the work product will reveal counsel's thought processes 'in relation to pending or anticipated litigation.'" [In re Grand Jury Subpoena Dated July 6, 2005, 510 F.3d at 183-84](#) (quoting [In re Grand Jury Subpoenas Dated Mar. 19, 2002 & Aug. 2, 2002, 318 F.3d at 386](#)). A party's conclusory assertions that a document constitutes opinion work product will be insufficient to establish that the document is privileged. [Id. at 184](#).

Once a party establishes that a document constitutes fact work product, it is not discoverable absent a showing of "substantial need"; in contrast, opinion work product is not discoverable absent a "highly persuasive showing" of need. [In re Grand Jury Proceedings, 219 F.3d 175, 190-91 \(2d Cir. 2000\)](#); see [United States v. Ghavami, 882 F. Supp. 2d 532, 540 \(S.D.N.Y. 2012\)](#) [**\*\*25**] (opinion work product "is entitled to virtually absolute protection"). Furthermore, courts have "been reluctant to hold that implied waiver of non-opinion work product extends to opinion work product." [Shinnecock Indian Nation v. Kempthorne, 652 F. Supp. 2d 345, 367 \(E.D.N.Y. 2009\)](#) (listing cases).

When assessing whether a document was prepared in anticipation of litigation, courts consider "if 'in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation.'" [United States v. Adlman, 134 F.3d 1194, 1202 \(2d Cir. 1998\)](#) (quoting Charles Alan Wright, Arthur R. Miller & Richard L. Marcus, 8 [Federal Practice & Procedure](#) § 2024 at 343 (1994)). "[T]he mere relation of documents to litigation does not automatically endow those documents with privileged status." [Shinnecock Indian Nation, 652 F. Supp. 2d at 362](#) (quoting [State of Maine v. U.S. Dep't of the Interior, 298 F.3d 60, 69 \(1st Cir. 2002\)](#)).

Even where the document "might also help in preparation for litigation," it will not be protected by the work-product doctrine if it was "prepared in the ordinary course [**\*\*26**] of business" or "would have been created in essentially similar form irrespective of the litigation." [Id.](#); see [Allied Irish Banks, 240 F.R.D. at 107](#) (finding no work-product privilege where moving party failed "to provide a witness to attest to the question of what [the party] 'would have' [**\*\*40**] done had there been no threat of litigation"); [OneBeacon Ins. Co., 2006 U.S. Dist. LEXIS 90970, 2006 WL 3771010, at \\*6](#) (counsel's insurance claim investigation documents were not privileged because they were created in the ordinary course of business). In cases involving attorney-assisted investigations, the court must make "a fact-specific inquiry" to determine if and when an investigation changed from being within the ordinary course of business to being because of litigation. See [U.S. Fid. & Guar. Co. v. Braspetro Oil Servs. Co., No. 97 Civ. 6124 \(JGK\) \(THK\), 2000 U.S. Dist. LEXIS 7939, 2000 WL 744369, at \\*9 \(S.D.N.Y. June 8, 2000\)](#). A party's decision to retain outside counsel may suggest that the party anticipates litigation, but that party must still establish that outside counsel's work product was because of litigation. [2000 U.S. Dist. LEXIS 7939, \[WL\] at \\*9-10](#) (finding no work-product protection where outside counsel's insurance claims investigation "would have been done for [**\*\*27**] business purposes, regardless of the possibility of litigation.").

## 3. At-Issue Waiver

Both the attorney-client and work-product privileges may be waived if a party puts the privileged communication at issue by relying on it to support a claim or defense. Such a waiver "may be implied in circumstances where it is called for in the interests of fairness," [In re Sims,](#)

[534 F.3d 117, 132 \(2d Cir. 2008\)](#), such as when a "party attempts to use the privilege both as a shield and a sword," *id.* (quoting [In re Grand Jury Proceedings, 219 F.3d at 182](#)). See [Shinnecock Indian Nation, 652 F. Supp. 2d at 365](#) (listing cases). "In other words, a party cannot partially disclose privileged communications or affirmatively rely on privileged communications to support its claim or defense and then shield the underlying communications from scrutiny by the opposing party." [In re Grand Jury Proceedings, 219 F.3d at 182](#); see [In re Cnty. of Erie, 546 F.3d 222, 229 \(2d Cir. 2008\)](#) (same); [United States v. Bilzerian, 926 F.2d 1285, 1292 \(2d Cir. 1991\)](#) ("A defendant may not use the privilege to prejudice his opponent's case or to disclose some selected communications for self-serving purposes.").

Whether a waiver may [\[\\*\\*28\]](#) be implied is determined on a case-by-case basis. [In re Sims, 534 F.3d at 132](#). "The key to a finding of implied waiver . . . is some showing by the party arguing for a waiver that the opposing party relies on the privileged communication as a claim or defense or as an element of a claim or defense." [In re Cnty. of Erie, 546 F.3d at 228-29](#) (declining "to specify or speculate as to what degree of reliance is required").

#### 4. Waiver and the Faragher/Ellerth Defense

In a discrimination action where "no tangible employment action is taken, the employer may escape liability by establishing, as an affirmative defense, that (1) the employer exercised reasonable care to prevent and correct any [discriminatory] behavior and (2) that the plaintiff unreasonably failed to take advantage of the preventive or corrective opportunities that the employer provided." [Vance v. Ball State Univ., U.S. Ct. 133 S. Ct. 2434, 2439, 186 L. Ed. 2d 565 \(2013\)](#);<sup>9</sup> see [Faragher v. City of Boca Raton, 524 U.S. 775, 807, 118 S. Ct. 2275, 141 L. Ed. 2d 662 \(1998\)](#); [Burlington Indus. Inc. v. Ellerth, 524 U.S. 742, 765, 118 S. Ct. 2257, 141 L. Ed. 2d 633 \(1998\)](#); see also [Redd v. N.Y. Div. of Parole, 678 F.3d 166, 182 \(2d Cir. 2012\)](#).<sup>10</sup> The

<sup>9</sup>The Parties have not addressed to which of Mr. Koumoulis's claims this defense applies. As he alleges some tangible employment actions were taken against him—including his firing—the defense may not apply to all claims.

<sup>10</sup>This affirmative defense "does not apply in cases brought under the NYCHRL." [Zakrzewska v. New Sch., 620 F.3d 168, 170 \(2d Cir. 2010\)](#).

affirmative defense is referred to as the Faragher/Ellerth defense. "Whether [\[\\*\\*29\]](#) an employer's response to an employee's allegation of [discrimination] is reasonable must be assessed from the totality of the circumstances . . . ." [Brownell v. Roadway Package Sys., Inc., 185 F.R.D. 19, 25 \(N.D.N.Y. 1999\)](#) (requiring defendant to produce statements collected as part of internal investigation, including a statement collected after plaintiff was fired).

[\[\\*\\*41\]](#) When an employer puts the reasonableness of an internal investigation at issue by asserting the Faragher/Ellerth defense, the employer waives any privilege that might otherwise apply to documents concerning that investigation. This waiver encompasses "not only the [investigative] report itself, but [] all documents, witness interviews, notes and memoranda created as part of and in furtherance of the investigation." [Angelone v. Xerox Corp., No. 09 Civ. 6019 \(CJS\) \(JWF\), 2011 U.S. Dist. LEXIS 109407, 2011 WL 4473534, at \\*2 \(W.D.N.Y. Sept. 26, 2011\)](#), [\[\\*\\*30\] reconsideration denied, No. 09 Civ. 6019 \(CJS\) \(JWF\), 2012 U.S. Dist. LEXIS 20482, 2012 WL 537492 \(W.D.N.Y. Feb. 17, 2012\)](#). "[A]ny document or communication considered, prepared, reviewed, or relied on by [the defendant] in creating or issuing the [investigatory report] must be disclosed to [the] plaintiff." [2011 U.S. Dist. LEXIS 109407, \[WL\] at \\*3](#).<sup>11</sup>

However, the implied waiver does not apply to every type of investigation; such a broad interpretation would "eviscerate both the attorney-client privilege and the work product doctrine." [McGrath, 204 F.R.D. at 244](#). For example, there is no implied waiver concerning

<sup>11</sup>See [McGrath v. Nassau Cnty. Health Care Corp., 204 F.R.D. 240, 246 \(E.D.N.Y. 2001\)](#) (allowing discovery of opinion work product of outside counsel who conducted internal investigation); [Worthington v. Endee, 177 F.R.D. 113, 118 \(N.D.N.Y. 1998\)](#) (allowing deposition of outside counsel who conducted an internal investigation); [Pray v. N.Y.C. Ballet Co., No. 96 Civ. 5723 \(RCL\) \(HBP\), 1997 U.S. Dist. LEXIS 6995, 1997 WL 266980, at \\*1 \(S.D.N.Y. May 19, 1997\)](#) (where outside counsel conducted defendant's internal investigations, defendant voluntarily agreed to the production of "certain documents concerning the investigations" and the depositions of non-supervising attorneys who participated in the investigations), [aff'd in part & rev'd in part, No. 96 Civ. 5723 \(RLC\), 1998 U.S. Dist. LEXIS 2010, 1998 WL 558796, at \\*2-3 \(S.D.N.Y. Feb. 13, 1998\)](#) (permitting the depositions of two outside counsel who supervised the investigations, but maintaining the privilege [\[\\*\\*31\]](#) for "the initial and concluding communication" between outside counsel and the defendant).

investigations related to EEOC charges or future litigation. See [Angelone, 2012 U.S. Dist. LEXIS 20482, 2012 WL 537492, at \\*3](#) (listing cases). Thus, in [Prince v. Madison Square Garden, L.P., 240 F.R.D. 126, 128 \(S.D.N.Y. 2007\)](#), where the defendants conducted separate investigations for an internal complaint and for litigation defense, the court recognized that "at some point" the purpose of the investigation changed from responding to the plaintiff's complaint to preparing a legal defense. *Id.* The court required the defendants to produce "all internal investigation materials" created before the litigation defense investigation began, "as well as documents related to any corrective actions taken as a result of the internal investigation and that may form part of the [d]efendants' Faragher-Elleerth defense." *Id.*; cf. [Asberry v. Corinthian Media, Inc., No. 09 Civ. 1013 \(CM\) \(DFE\), 2009 U.S. Dist. LEXIS 86493, 2009 WL 3073360, at \\*3 \(S.D.N.Y. Sept. 18, 2009\)](#) [**\*\*32**] (where employer asserted advice of outside counsel as legitimate reason for firing plaintiff, allowing plaintiff discovery of attorney-client communications that extended shortly past her dismissal, but denying discovery of subsequent "litigation communications" concerning EEOC charge), *order aff'd*, No. 09 Civ. 1013 (CM) (DFE) (S.D.N.Y. Oct. 5, 2009) (ECF No. 37).

In cases where counsel had an advisory, rather than a fact-gathering, role in the investigation, courts have come to differing conclusions as to whether the implied waiver extends to attorney-client communications. For example, in [Kaiser Foundation Hospitals v. Superior Court of San Mateo County, 66 Cal. App. 4th 1217, 78 Cal. Rptr. 2d 543 \(1998\)](#), the petitioners sought to protect thirty-eight pages of withheld or partially redacted communications between their human resources consultant and the in-house attorney who was "periodically consulted." *Id.* at 1220-21. The court held that

[w]here a defendant has produced its files and disclosed the substance of its internal investigation conducted by nonlawyer employees, and only seeks to protect specified discrete [**\*\*33**] communications which those employees had with their attorneys, disclosure of such privileged communications is simply not essential for a thorough examination of the adequacy of the investigation or a fair adjudication of the action.

[Id.](#) at 1227.<sup>12</sup>

<sup>12</sup> However, the court in [Kaiser Foundation Hospitals](#) still

In contrast, in [Walker, 2013 U.S. Dist. LEXIS 24506, 2013 WL 672584](#), the court required the defendants to produce [**\*\*42**] contemporaneous communications about an internal investigation that were made between the human resources manager who conducted the investigation and outside counsel. [2013 U.S. Dist. LEXIS 24506, \[WL\] at \\*1-2, 5-8](#). In that case, "[t]he vast majority of documents for which [the] defendants claim[ed] attorney-client privilege are emails wherein [outside counsel] and/or [the human resources manager] are summarizing the testimony of various witnesses and keeping [the defendants'] employees updated on the progress of [the defendants'] investigation"; such communications did not constitute legal advice and likely [**\*\*34**] would have been made absent [the] plaintiff's retention of counsel and the subsequent threat of litigation. [2013 U.S. Dist. LEXIS 24506, \[WL\] at \\*7-8](#). Likewise, in [Jackson v. Deen, No. 12 Civ. 139, 2013 U.S. Dist. LEXIS 29968, 2013 WL 2027398 \(S.D. Ga. Apr. 3, 2013\)](#), *reconsideration denied*, [No. 12 Civ. 139, 2013 U.S. Dist. LEXIS 65814, 2013 WL 1911445 \(S.D. Ga. May 8, 2013\)](#), *objections overruled*, [No. 12 Civ. 139, 2013 U.S. Dist. LEXIS 107593, 2013 WL 3863889 \(S.D. Ga. July 25, 2013\)](#), and *objections overruled*, [No. 12 Civ. 139, 2013 U.S. Dist. LEXIS 109050, 2013 WL 3991793 \(S.D. Ga. Aug. 2, 2013\)](#), the court granted a motion to compel the deposition of and document production from outside counsel when the employer's CFO kept outside counsel "in the loop" about the plaintiff's discrimination complaints. [2013 U.S. Dist. LEXIS 109050, \[WL\] at \\*7-8](#).

Finally, a party may withdraw a claim or defense in order to preserve a privilege that would otherwise be forfeited. See [In re Sims, 534 F.3d at 138](#) (no breach of psychotherapist-plaintiff privilege when plaintiff withdrew his claim for emotional distress damages); see generally [Geller v. N. Shore Long Island Jewish Health Sys., No. 10 Civ. 170 \(ADS\) \(ETB\), 2011 U.S. Dist. LEXIS 129751, 2011 WL 5507572, at \\*4 \(E.D.N.Y. Nov. 9, 2011\)](#) (denying motion to compel privileged investigatory documents where defendants were not asserting a Faragher-Elleerth defense).

#### **b. [**\*\*35**] Legal Analysis of Privilege and Waiver**

As discussed above, Defendants claim that each of the

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required the trial court to obtain detailed privilege logs and, where appropriate, conduct *in camera* inspection to determine if the documents at issue were protected by the attorney-client or work-product privilege. [Id.](#) at 1228.

fifty-seven documents listed on their privilege log are protected by the attorney-client and work-product privileges. See Privilege Log.

## 1. Defendants' Privilege Log

By way of example, a sample of Defendants' privilege log entries is reproduced below.

 [Go to table 1](#)

Privilege Log 1-2, 7.

[\*43] Concerning the documents not reviewed in camera, this Court cannot determine, based on Defendants' privilege log, whether these documents are protected by the attorney-client or work-product privileges. Although the burden is on Defendants to establish that the privileges apply, Defendants fail to provide descriptions on their privilege log that "without revealing information itself [<sup>\*\*36</sup>] privileged or protected, will enable other parties to assess the claim." Fed. R. Civ. P. 26(b)(5)(A); see United States v. Constr. Prods. Research, 73 F.3d 464, 473-74 (2d Cir. 1996) (privilege log descriptions such as "'Letter Re: Customer Orders" with comment 'Re: Five Star Products'" were insufficient to support a finding of privilege).

There is no dispute concerning whether Defendants had an attorney-client relationship with outside counsel or whether Defendants kept their attorney-client communications confidential. However, Defendants' privilege log provides insufficient information as to the third factor required for finding that the attorney-client privilege applies: whether the communications' predominant purpose was to obtain or provide legal advice.

Defendants also fail to meet their burden concerning the work-product privilege. Most of the documents on their privilege log were sent from a non-attorney—usually Ms. Mellon or Ms. Bakke—and there is no explanation offered for why their writings should be considered attorney work product. As to those documents written or partially written by an attorney, the privilege log provides insufficient information to determine whether [<sup>\*\*37</sup>] an attorney created these documents because of litigation or whether, absent the threat of future litigation, no comparable communications would have been created. Defendants' reliance on a Faragher/Ellerth defense suggests that Defendants would have conducted an internal investigation regardless of whether the

complaining employee also pursued litigation. See U.S. Fid. & Guar. Co., 2000 U.S. Dist. LEXIS 7939, 2000 WL 744369, at \*9-10. Defendants did not provide any affidavits that might have remedied these deficiencies. This is a sufficient reason to deny Defendants' claim of privilege.

In an abundance of caution, the Court will allow Defendants to amend their privilege log to include the required information for the documents that were not reviewed in camera. See Fed. R. Civ. P. 26(b)(5)(A). The Parties should then re-consider whether the production of any withheld documents is warranted in light of the amended privilege log and the analysis in this Memorandum and Order as to the documents reviewed in camera. For example, it appears that Ms. Robertson, the in-house counsel, was the only attorney involved in Document Nos. 55-56 (emails "regarding T. Koumoulis" that were not reviewed in camera). Defendants expressly [<sup>\*\*38</sup>] "waived privilege with respect to . . . [her] investigations of Mr. Koumoulis[s]' . . . complaints," Joint Letter Ex. C at Robertson 40:7-20,<sup>13</sup> including all "notes and correspondence of Defendants' in-house counsel to the extent such individual conducted any witness interviews or was otherwise the decision-maker in connection with any adverse employment action." Joint Letter 6 (emphasis removed). Therefore, Defendants may have waived the privilege as to Document Nos. 55-56. If Defendants wish to prove otherwise as to this and other documents not reviewed by the Court, they must provide significantly more explanation than the current description of these documents as "regarding T. Koumoulis." Privilege Log Doc. Nos. 55-56.

Defendants must provide an amended privilege log by November 12, 2013 concerning the documents that were not reviewed in camera, produce any such documents that are not privileged under the parameters of this Memorandum and Order and confer with Plaintiffs' [<sup>\*\*39</sup>] counsel to resolve any outstanding issues.

## 2. Documents Reviewed In Camera

About half of the documents listed on Defendants' privilege log were provided to and [<sup>\*44</sup>] reviewed by

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<sup>13</sup> Plaintiffs incorrectly assert that this statement, made by Ms. Varon during Ms. Robertson's deposition, constituted a universal waiver of privilege; the statement, in context, was specific to in-house counsel.



the Court.<sup>14</sup> The reviewed documents include those that Plaintiffs identified as relating to Mr. Koumoulis's complaints and related investigations. See Joint Letter Ex. B.<sup>15</sup> Having carefully reviewed these documents, this Court finds that much of the information contained therein is not protected by either privilege, primarily because it is either a factual record of the investigation or seeks business advice.

### **i. Non-Privileged Attorney-Client Documents Reviewed In Camera**

Concerning the attorney-client privilege, Defendants met their burden as to the first two prongs of the standard, but again fail to establish that the disputed communications' predominant purpose was to provide legal advice.

It is Defendants' position that "LPL's outside counsel did not conduct the internal investigations," Joint Letter 9, but outside counsel was undeniably involved in the investigations. In the deposition excerpts Plaintiffs provided,<sup>16</sup> Defendants testified that their "practice would be to draft the [investigatory] findings and consult with outside counsel . . . ." Joint Letter Ex. C at Mellon 135:21-24. Ms. Mellon further testified that "Counsel generally provides recommendations on courses of action and then I would make the decision whether or not to include them." Id. at Mellon 136:17-22.<sup>17</sup> In

addition, Defendants' litigation counsel asserted that some of the withheld communications related to "general outside counsel [being] used in conjunction with performance issues." Tel. Conference Tr. 17:13-22.

The communications reviewed in camera provide some clarity as to the purpose of outside counsel's advice. In general, these documents show that Ms. Bradley was not a consultant primarily on legal issues, but instead she helped supervise and direct the internal investigations primary as an adjunct member of Defendants' human resources team. She instructed Defendants' human resources personnel on what actions (including disciplinary actions) should be taken, when to take those actions, and who should perform them; told Defendants what should be documented and how it should be documented; drafted written communications to Mr. Koumoulis responding to his complaints; and drafted scripts [<sup>\*\*42</sup>] for conversations with Mr. Koumoulis about his complaints. In their emails to Ms. Bradley, Defendants reported the outcome of actions she directed; asked her what they should do next; and updated her on new developments. See, e.g., Privilege Log Doc. Nos. 8-9, 22, 26, 29, 31, 35, 37, 48-51, & 53-54. Thus, many of the communications concerned advice on human resources issues,<sup>18</sup> summaries of fact-related [<sup>\*45</sup>] communications<sup>19</sup> and

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<sup>17</sup> This testimony suggests that outside counsel did not have a decision-making role, but the documents reviewed in camera and discussed below suggest otherwise.

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<sup>14</sup> Specifically, this Court reviewed Document Nos. 8-9, 21-22, 26-29, 31-39, 48-51, 53-54, and 57. See Ex Parte Letter from Ms. Varon to the Hon. Magistrate Judge Vera M. Scanlon (the "Ex Parte Letter"), Oct. 3, 2013, ECF No. 49 (containing Defendants' letter to the Court and attached documents, filed under seal). Defendants also filed a copy of their Ex Parte Letter, without attachments, as ECF No. 48. The Clerk of Court may unseal ECF No. 48.

<sup>15</sup> This Court was not provided with and thus did not review the documents Plaintiffs identified as related to investigations of Plaintiffs' EEOC Charges. Such documents are [<sup>\*\*40</sup>] likely privileged. See Angelone, 2012 U.S. Dist. LEXIS 20482, 2012 WL 537492, at \*3.

<sup>16</sup> In the Joint Letter, Defendants wrote that they [<sup>\*\*41</sup>] did "not specifically address any information set forth in Plaintiffs' Exhibits [because] Plaintiffs did not provide [these exhibits] to Defendants in advance of [the] joint submission." Joint Letter 9. Defendants have since had ample time to address Plaintiffs' exhibits or to request permission to do so. Defendants' submissions are therefore complete.

<sup>18</sup> See Privilege Log Doc. Nos. 8 (request about documenting conversations), 22 (providing a draft email to Mr. Koumoulis to acknowledge receipt of his complaint), 32 (regarding encouraging Mr. Koumoulis to speak to Defendants and on how to respond to an email from him), 33 (asking whether a response should be in writing), 34 (sending Ms. Bradley four documents concerning the investigation, and asking her to edit one document), 35 (discussing the format of an investigative report and who would author it), 37 (suggesting a report be more specific), 48 (suggesting that certain information be written down), 49 (same as Document No. 37), 50 (concerning Mr. Koumoulis's work status), 51 (same).

<sup>19</sup> See [<sup>\*\*43</sup>] Privilege Log Doc. Nos. 8 (relating conversations with Mr. Mastropietro and Mr. Koumoulis), 9 (recounting what another employee said about the investigation process), 22 (summarizing a conversation with Mr. Koumoulis), 27 (specifying whom Ms. Mellon had contacted), 29 (relating Ms. Orsenigo's conversation with Mr. Mastropietro), 33 (relating Ms. Bakke's conversations with Mr. Koumoulis, Mr. Mastropietro and Ms. Allison Cooper ("Ms. Cooper"), an LPL employee), 36 (summarizing conversations with Mr.

instructions from outside counsel on conducting the internal investigations.<sup>20</sup>

Determining whether Ms. Bradley's advice was predominantly legal- or business-related is made somewhat more difficult by the overlapping nature of legal advice and human resources advice. A primary purpose of a company's human resources program is to ensure compliance with the myriad of laws regulating employer-employee relations, such as the laws raised in this case, as well as, *inter alia*, wage-and-hour laws, benefits laws and health-and-safety laws. Even without any attorney's participation, human resources work may very likely require consideration of relevant laws, and their application to the facts presented. Despite its legal content, human resources work, like other business activities with a regulatory flavor, is part of the day-to-day operation of a business; it is not a privileged legal activity. Thus, just as an employment lawyer's legal advice may well [<sup>\*\*45</sup>] account for business concerns, a human resources employee's business advice may well include a consideration of the law. Cf. *In re Cnty. of Erie*, 473 F.3d at 420 (the "complete lawyer" considers the "risks and costs of taking the advice or doing otherwise").

An examination of the content of the disputed communications shows that their predominant purpose was to provide human resources and thus business advice, not legal advice. For example, Ms. Bradley sometimes told human resources employees exactly what questions to ask during interviews and what statements to make during meetings, including on

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Koumoulis and other employees); 39 (concerning conversations between non-attorney employees and their conversations with Mr. Koumoulis); *see also* Privilege Log Doc. No. 38 (relaying information about Mr. Koumoulis's performance).

<sup>20</sup> *See* Privilege Log Doc. Nos. 9 (instructions on what to say to Mr. Koumoulis and others), 27 (instructions on responding to Mr. Koumoulis's complaint, including what to say to him concerning his work), 29 (identifying issues to explore and an email between human resources personnel delegating that task), 35 (providing revisions to a memorandum), 36 (concerning a report that Ms. Bradley requested be written), 37 (providing revised documents, per Ms. Bradley's instructions), [<sup>\*\*44</sup>] 39 (discussing how to close the human resources investigation), 48 (instructing Defendants on witnesses to interview, questions to ask, issues to research and other investigatory measures), 54 (Ms. Bakke's list of questions to ask Mr. Koumoulis, purportedly based on questions from Ms. Bradley, *see* Joint Letter Ex. A at 7).

routine human resources topics like improving Mr. Koumoulis's job performance, customer interactions and communication skills. *See, e.g.*, Privilege Log Doc. Nos. 27 & 54 (*see also* Privilege Log 7). Ms. Bradley wrote that her advice would advance business goals, such as improving business relationships, avoiding damage to LPL's reputation or assisting management in their supervisory role. *See, e.g.*, Privilege Log Doc. Nos. 27, 50. Moreover, her advice rarely involved "the interpretation and application of legal principles to guide future conduct or to assess past conduct," *In re Cnty. of Erie*, 473 F.3d at 419, [<sup>\*\*46</sup>] and rarely explicitly considered future litigation.

Ms. Bradley's status as an attorney does not transform what would otherwise be human resources and business communications into legal communications. For example, Document No. 22 is an email string between Ms. Mellon and Ms. Bradley. In this email string, Ms. Mellon describes a discussion she had with Mr. Koumoulis, and Ms. Bradley provides a draft of a letter to be sent from Ms. Mellon to Mr. Koumoulis about his complaint. Privilege Log Doc. No. 22. The fact that Ms. Bradley, an attorney, drafted this human resources communication and received an update about a discussion with Mr. Koumoulis does not turn the Bradley-Mellon exchange into a privileged legal communication. *See Walker*, 2013 U.S. Dist. LEXIS 24506, 2013 WL 672584, at \*7-8 (investigation summaries and updates are not legal advice); *see also* Privilege Log Doc. No. 31.<sup>21</sup>

[<sup>\*\*46</sup>] Although, to obtain informed legal advice, a client might provide her attorney with such factual background information, *see Upjohn Co.*, 449 U.S. at 390, [<sup>\*\*47</sup>] the documents reviewed *in camera* do not support a finding that obtaining legal advice was Defendants' predominant purpose. For example, in Document No. 34, Ms. Bakke provided a detailed summary of the investigation of Mr. Koumoulis's complaint. *See* Privilege Log Doc. No. 34; *see also* Privilege Log Doc. No. 37. This is clearly a human resources report on the investigation, not a legal communication.

Furthermore, several documents concerned the scheduling of conversations with outside counsel. *See* Privilege Log Doc. Nos. 9, 21, 26, 50, 51. Communications about scheduling are not privileged.

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<sup>21</sup> Nor does writing "Attorney Client Communication" at the top of an email transform a summary of events and request for human resources-related advice into a legal communication. Privilege Log Doc. No. 32.

See [Weinstein v. Univ. of Connecticut, No. 11 Civ. 1906 \(WWE\) \(HBF\), 2013 U.S. Dist. LEXIS 71617, 2013 WL 2244310, at \\*6 \(D. Conn. May 21, 2013\)](#) (emails about scheduling were not substantive and not privileged, although other portions of those email chains were privileged). Thus, most of the documents submitted for in camera review are not privileged, except as noted below.

There is nothing in the record beyond the documents themselves that might change the Court's understanding of the purpose of outside counsel's participation in the investigation. As discussed above, Defendants did not supplement their motion papers with sworn [\*\*48] affidavits, deposition transcripts or other evidence, despite participating in two telephone conferences with the Court after the motion papers were filed. See Docket (Minute Entries for telephone conferences dated August 14, 2013 and September 26, 2013). Thus, the Court can only review the documents themselves, which are largely not privileged.

### **ii. Privileged Attorney-Client Documents Reviewed In Camera**

As mentioned above, a few of the withheld documents related, in whole or in part, to Plaintiffs' EEOC Charges. See Privilege Log Doc. Nos. 27, 28, 31, 50, 51. In addition, some documents contained, in part, requests for or provisions of legal advice. See Privilege Log Doc. Nos. 8 (legal strategy), 29 (attorney's mental impressions and legal strategy), 35 (litigation planning), 36 (litigation planning and request for legal advice concerning claims), 37 (same), 39 (litigation strategy), 48 (mental impressions and legal strategy), 50 (litigation strategy), 51 (same), 57 (request for legal advice). In the limited instances where outside counsel provided legal advice or legal impressions, those portions of the communications concerned anticipated litigation. They are not relevant to the reasonableness [\*\*49] of Defendant's internal investigations. See [Angelone, 2012 U.S. Dist. LEXIS 20482, 2012 WL 537492, at \\*3](#).<sup>22</sup> As

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<sup>22</sup> The mere fact that communications occurred after Mr. Koumoulis filed his EEOC Charge is not sufficient to render all post-Charge communications privileged. See Joint Letter 8; [Walker, 2013 U.S. Dist. LEXIS 24506, 2013 WL 672584, at \\*1-2, 5-8](#) (despite contemporaneous complaint to state agency, communications between human resources manager and outside counsel about internal investigation were not privileged). Indeed, it seems that Defendants hired separate

discussed below, the Court has identified the privileged portions of these documents so that Defendants may make the appropriate redactions.

### **iii. The Work-Product Privilege and Documents Reviewed In Camera**

Concerning the work-product privilege, the content of the documents reviewed in camera was not sufficient to establish that Defendants have met their burden, with the exception of a few passages that may be redacted. The communications do not clarify why documents authored by non-attorneys are purportedly privileged. Defendants have not offered evidence that any of the documents were created because of litigation, rather than simply in [\*\*50] the course of a human resources investigation. Instead, advice related to anticipated litigation was occasionally included as an aside in communications that were predominantly related to human-resources issues.

Defendants also note that they produced to Plaintiffs the final versions of certain [\*47] investigatory documents, but not draft versions shared with outside counsel, because Defendants contend that these drafts are protected by the attorney-client and work-product privileges. See Ex Parte Letter 1 (concerning drafts attached to Privilege Log Doc. Nos. 34, 36-37); Privilege Log. However, "changes [in draft reports] may also be relevant in assessing the reasonableness of [defendants' remedial] efforts." [Austin v. City & Cnty. of Denver ex rel. Bd. of Water Comm'rs, No. 05 Civ. 01313 \(PSF\) \(CBS\), 2006 U.S. Dist. LEXIS 32048, 2006 WL 1409543, at \\*8 \(D. Colo. May 19, 2006\)](#) (requiring production of human resources consultant's draft investigatory reports); see [Angelone, 2011 U.S. Dist. LEXIS 109407, 2011 WL 4473534, at \\*2-3](#) (all documents prepared or reviewed while creating the investigatory report were discoverable). Defendants have not met their burden of establishing that the privilege applies to these drafts. For example, in Document No. 34, [\*\*51] Ms. Bakke emailed four attachments to Ms. Bradley and Ms. Hunter. Privilege Log Doc. No. 34. Ms. Bakke, a non-attorney, appears to be the author of each of these draft documents.<sup>23</sup>

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outside counsel to address the EEOC Charge.

<sup>23</sup> Drafts authored by outside counsel may also be discoverable. "Drafts of documents prepared by an attorney for subsequent transmission to third parties are protected by the attorney-client privilege only where the draft document

Moreover, she asked for Ms. Bradley's "review/edits" of only the last document. Forwarding the first three documents to counsel does not confer any privilege and concerning the last document, the request for "review/edits" is not a request for legal advice in the context of Ms. Bakke's email and Defendants' other communications with Ms. Bradley. Therefore, there is no clear basis for finding that the work-product privilege applies.

Thus, except for the redacted portions of documents and documents [**\*\*52**] discussed below, Defendants have failed to carry their burden to show that the documents reviewed in camera are privileged.

#### **iv. At-Issue Waiver and Documents Reviewed In Camera**

Assuming arguendo that the communications reviewed in camera were privileged (most of which were not), Defendants would have waived that privilege by asserting, as an affirmative defense, both the reasonableness of their efforts to "prevent and correct promptly any discriminatory behavior" and the reasonableness of their "policies and procedures for investigating and preventing discrimination." See Answer 14. Contrary to Plaintiffs' contention, Defendants' pleading adequately asserts the Faragher/Ellerth defense. See Vance, 133 S. Ct. 2434, 186 L. Ed. 2d 565 (articulating the Faragher/Ellerth defense using similar language); Angelone, 2011 U.S. Dist. LEXIS 109407, 2011 WL 4473534, at \*5 (same).

Recognizing that their internal investigations are at issue, Defendants admittedly waived privilege concerning in-house counsel's notes and correspondence related to those investigations. Joint Letter 6. Defendants describe the remaining emails with outside counsel as "a very small number of emails," id., but in the context of the investigations, the number of emails is [**\*\*53**] not insignificant.<sup>24</sup> Furthermore, the

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contains confidential information communicated by the client to the attorney that is maintained in confidence." S.E.C. v. Beacon Hill Asset Mgmt. LLC, 231 F.R.D. 134, 145 (S.D.N.Y. 2004) (listing cases); see Bowne of N.Y.C., Inc. v. AmBase Corp., 150 F.R.D. 465, 490 (S.D.N.Y. 1993) (same).

<sup>24</sup> Defendants cite to Kaiser Foundations Hospitals, in which the court denied discovery of "specified discrete communications," numbering less than forty pages, between an attorney and client. Kaiser Foundation Hospitals, 66 Cal. App. 4th at 1220-21, 1227. In this case, the attorney-client

communications show that rather than following a pre-determined in-house policy, Defendants' procedure was to have outside counsel determine the process as it developed. See Ex Parte Letter (withheld communications); Joint Letter Ex. C at Mellon 135:16-136:22. Plaintiffs have a substantial need for the withheld communications in which outside counsel directs the investigation, not only to fully test the reasonableness of Defendants' remedial efforts, [**\*\*48**] but to understand what constituted Defendants' investigatory policies and procedures. For example, it may not have been part of Defendants' policies and procedures to create an investigatory report until outside counsel advised that one be written. See Privilege Log Doc. No. 36. Moreover, Defendants cannot cloak outside counsel's participation with privilege by delegating fact-gathering tasks to lower-level employees. See Pray, 1998 U.S. Dist. LEXIS 2010, 1998 WL 558796, at \*1 (affirming that plaintiffs could depose an outside counsel whose role, as described by the Magistrate Judge, had been to supervise an associate who conducted interviews, see Pray 1997 U.S. Dist. LEXIS 6995, 1997 WL 266980, at \*1). Given the extensive reporting on the statements made [**\*\*54**] by the various actors and witnesses between counsel and Defendants' human resources staff that is set forth in the documents, Plaintiffs have a substantial need to see the record as it was developed to be able to test whether the grounds given by Defendants as the basis for their actions were in fact actually reported to them; whether Defendants deliberately developed an incomplete record or did a thorough investigation; and whether the conclusions of the investigation are substantiated by an accurate record. All of these factors would go to a reasonableness analysis under Faragher/Ellerth.

Therefore, assuming arguendo that the withheld communications were privileged, Defendants would have waived the privilege by relying on the reasonableness of their investigatory policies and procedures as a defense. Defendants would need to choose whether to assert the affirmative defense or the privilege, but could not preserve both by selectively

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communications at issue are neither discrete in subject matter nor number. This Court has reviewed about half of the withheld documents, and they number about a hundred pages. It appears that Defendants were in continual contact with outside counsel concerning the internal investigations. Therefore, their withholding [**\*\*55**] of documents differs from the limited claims of privilege asserted in Kaiser Foundation Hospitals and Pray.

omitting certain communications. In this case, however, the majority of the claimed attorney-client communications relate to business advice that is not privileged, and Defendants cannot waive a privilege that never existed.

Nevertheless, those portions of Defendants' communications containing legal advice do remain privileged despite Defendants' assertion of the Faragher/Ellerth defense. Opinion work product receives enhanced protection, and Plaintiffs have not made a highly persuasive showing of need for outside counsel's legal impressions. See In re Grand Jury Proceedings, 219 F.3d at 190-91; Shinnecock Indian Nation, 652 F. Supp. 2d at 367.

#### v. Summary of Documents Reviewed In Camera

Therefore, the Court will file, under seal except [\*\*56] as to Defendants, a copy of their Ex Parte Letter, with attachment, in which privileged material has been highlighted by the Court. These highlighted portions relate to the EEOC Charge, anticipated litigation and counsel's "mental impressions, conclusions, opinions, or legal theories," Fed. R. Civ. Proc. 26(b)(3)(B); these portions are privileged and may be redacted by Defendants. Except as to the highlighted sections, Defendants did not meet their burden of establishing privilege as to Document Nos. 8,<sup>25</sup> 9, 21-22, 26-27, 29, 31-39, 48-51, 53-54, and 57, and these documents must be produced. As to Document No. 28, this document contains legal advice related to Mr. Koumoulis's EEOC Charge and is privileged in its entirety.

The withheld communications often forwarded or attached non-privileged communications that Defendants should produce, if they have not done so already.<sup>26</sup> In addition, some documents included

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<sup>25</sup> Document No. 8 references a request by "Astoria's" legal department. Defendants did not make any argument or provide information concerning whether this portion of the communication was privileged.

<sup>26</sup> Defendants should confirm with Plaintiffs that these underlying documents have been produced. See Privilege Log Doc. Nos. 8 (forwarding emails between Ms. Mellon and non-attorney employees), 9 (forwarding emails between Ms. Mellon and Mr. Koumoulis), 26 (forwarding emails from Mr. Koumoulis and emails between Ms. Mellon and other employees), 31 (forwarding an email between Ms. Bakke and Ms. Hunter), 32 (forwarding emails between Ms. Bakke and

handwritten notes. See Privilege Log Doc. Nos. 48, 50, 53. Defendants [\*49] should amend [\*\*57] their privilege log to identify who wrote these notes.<sup>27</sup>

Plaintiffs may depose Ms. Bradley concerning non-privileged matters, consistent with this Memorandum and Order. See Pray, 1998 U.S. Dist. LEXIS 2010, 1998 WL 558796, at \*1 (allowing depositions of "two key members of the firm who exercised supervision over the conduct of the investigations actually engaged in by associates of the firm"). Any deposition to be taken of Ms. Bradley because of [\*\*58] this Memorandum and Order must be concluded by November 29, 2013.

#### c. Plaintiff's Failure to Produce a Privilege Log

Defendants allege that Plaintiffs must produce a privilege log concerning any advice they received from their attorney "in connection with internal complaints and the Company's investigation." See Joint Letter 9.<sup>28</sup> As discussed above, FRCP 26 requires that a party asserting privilege provide information sufficient to allow other parties to evaluate whether the privilege applies. Fed. R. Civ. P. 26(b)(5)(A). However, Local Civil Rule 26.2 states that "[e]fficient means of providing information regarding claims of privilege are encouraged . . . ." Local Civil Rule 26.2(c) (describing categorical privilege logs). In this case, Defendants offer no basis—other than speculation that a privilege log might reveal non-parties copied on attorney-client communications—for why such communications would not be privileged. See Joint Letter 9. Nothing in the record suggests that these individual Plaintiffs retained an attorney for a predominantly non-legal purpose or for a reason other than possible litigation. Moreover, Defendants' assertion of an affirmative defense concerning Defendants' [\*\*59] internal investigations does not put Plaintiffs' attorney-client communications at-issue; those communications are irrelevant to the reasonableness of Defendants' actions.

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Mr. Koumoulis), 38 (forwarding emails among non-attorney employees). In addition, Documents Nos. 33 and 39 may be missing attachments. Defendants should assess the privilege of any missing attachments in light of this Memorandum and Order.

<sup>27</sup> The notes do not appear to contain privileged information, but are not completely legible.

<sup>28</sup> Plaintiffs allege they emailed Defendants a list of privileged redactions. See Joint Letter 5.

Defendants' motion is granted to the extent that Plaintiffs must provide information concerning any allegedly privileged communications. Defendants' motion is denied to the extent that Plaintiffs will not be required to file a privilege log and may instead file a declaration as described below. If, to enforce strict compliance with [FRCP 26](#), this Court required Plaintiffs to list each attorney-client communication, it would no more promote efficiency than if the Court likewise required Defendants to compile a list of their communications with their EEOC and litigation counsel.

In lieu of filing a Privilege Log, Plaintiffs' counsel may file a declaration stating and describing:

(1) That Plaintiffs have made a diligent and good faith effort to locate and produce all relevant and non-privileged documents, including emails, responsive to Defendant[s]' requests. (2) The number, or a reasonable estimate of the number, of the privileged [\*\*60] email communications that exist. (3) That Plaintiffs have reviewed the alleged attorney-client or work-product privileged emails to ensure that relevant, non-privileged email communications are not being withheld from production and that Plaintiffs' counsel verifies that no arguably non-privileged email communications are being withheld. (4) In the case of emails as to which the attorney-client [or work-product] privilege is claimed, the affidavit or declaration should include a verification that the emails were not provided to persons other than the client and attorney. If such communications were provided to non-clients, and the attorney-client [or work-product] privilege[] is still claimed, then a privilege log consistent with [[FRCP 26](#) . . . ] should be provided.

[Fifty-Six Hope Rd. Music, Ltd. v. Mayah Collections, Inc., No. 05 Civ. 1059 \(KJD\) \(GWF\), 2007 U.S. Dist. LEXIS 43012, 2007 WL 1726558, at \\*8 \(D. Nev. June 11, 2007\).](#)

### III. CONCLUSION

For the reasons stated above, Plaintiffs' motion to compel discovery is granted in part and denied in part. Defendants' motion to compel Plaintiffs to produce a privilege log is granted in part and denied in part. On or before November 12, 2013, the Parties must [\*50] serve amended [\*\*61] privilege logs that fully comport with the requirements of [FRCP 26](#). In the alternative,

Plaintiff may file a declaration as described above. In addition, on or before November 12, 2013 and with the redactions noted above, Defendants must produce Document Nos. 8, 9, 21-22, 26-27, 29, 31-39, 48-51, 53-54, and 57 from their privilege log. Defendants must also produce withheld documents that were not reviewed by this Court, to the extent that production is warranted in light of this Memorandum and Order. Defendants must make Ms. Bradley available for deposition consistent with this Memorandum and Order by November 28, 2013. Finally, the Clerk of Court may unseal ECF No. 48.

**SO ORDERED.**

Dated: Brooklyn, New York

November 1, 2013

/s/ VERA M. SCANLON

United States Magistrate Judge

**Table1** ([Return to related document text](#))

<b>Doc</b>	<b>Date</b>	<b>Author/From</b>	<b>To</b>	<b>Cc</b>	<b>Subject</b>	<b>Privilege</b>
.					11/14/08 email from T.	Attorney-Client
1.	11/14/08	Claudia Mellon	Ann Bradley, Esq., Lou Mastropietro, Kathy Bakke	Matt Baval	Koumoulis regarding 11/13 meeting	Communication, Attorney Work Product
17.	6/26/09	Claudia Mellon	Ann Bradley, Esq., Anna Orsenigo		T. Koumoulis	Attorney-Client Communication, Attorney Work Product
56.	8/7/08	Lou Mastropietro	Marjory Robertson, Esq.		Email regarding T. Koumoulis	Attorney-Client Communication, Attorney Work Product

**Table1** ([Return to related document text](#))

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End of Document