

Sutter Plaintiffs Win 9th Circuit Appeal of 2014 Case Dismissal

At long last, a three-judge panel has [ruled](#) in favor of the plaintiffs/appellants in their Ninth Circuit appeal of the dismissal of the putative class action *Sidibe v. Sutter Health*, filed in federal district court in San Francisco in September 2012 and dismissed in June 2014. The Ninth Circuit heard [arguments](#) on July 8, and issued this [unpublished opinion](#) a week later.

The district court dismissed the third amended complaint on the grounds that the plaintiffs' geographic market definition, one of the bases for claims brought under the Sherman Antitrust Act, was inadequate. The district court went so far as to [rule](#) that the plaintiffs' geographic definition was "implausible," evoking the standard set forth in Supreme Court pleading cases *United States v. Twombly* (2007) and *Ashcroft v. Iqbal* (2009), which raised the bar for federal claims hoping to get past motions to dismiss in by imposing a higher pleading standard than that previously required by Rule 8 of the Federal Rules of Civil Procedure and related case law. Although the *Sidibe* district court expressly denied that it was imposing a "heightened pleading" standard (like that required to plead fraud), it did impose the more demanding "plausibility" requirement on relevant market definition, an extension [noted by legal commentators](#) at the time of the ruling.

In reversing and remanding the case to district court, the appeals court ruled that "[p]laintiffs' geographic market allegations are sufficiently detailed." The appeals court explained that, at the pleading stage, plaintiffs were not required to allege extensive factual evidence to support their proposed geographic market definition. Further, the appeals court denied that the court could rule at the pleading stage that plaintiffs' proposed definition was inherently implausible (under *Twombly* & *Iqbal*).

This is a huge victory for the *Sidibe* plaintiffs. We expect Sutter to seek an *en banc* review (by the full court) in the Ninth Circuit, but it remains to be seen how this case will play out. Meanwhile, [state court plaintiffs](#) continue to pursue Sutter in state court on some related facts. Stay tuned to the Source for updates on both of these

cases!

EARLIER SOURCE BLOG POSTS ON THIS CASE:

[June 2015](#)

[July 2014](#)