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Case No. 2874-VCN

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

DENNIS A. REID, Plaintiff, v. VINCENZO DAVIDE SINISCALCHI, GIORGIO CAPRA, ALENIA SPAZIO, ALCATEL ALENIA SPACE ITALIA S.p.A. (f/k/a ALENIA SPAZIO) and FINMECCANICA S.p.A., Defendants, and USRT HOLDINGS, L.L.C. and U.S. RUSSIAN TELECOMMUNICATIONS, L.L.C., Nominal Defendants.	:	**C.A. No. 2874-VCN**

MEMORANDUM OPINION

Date Submitted: October 13, 2010
Date Decided: January 31, 2011

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NOBLE, Vice Chancellor

I. INTRODUCTION

Some time back, Defendants Alenia Spazio ("Alenia"), Alcatel Alenia Space Italia, S.p.A. (formerly Alenia and also referred to as "Alenia"), and Finmeccanica, S.p.A. ("Finmeccanica") (collectively, the "Entity Defendants") moved to dismiss this action. The only unresolved contention is that this Court lacks personal jurisdiction over the Entity Defendants—all entities established under the laws of Italy—and, therefore, that dismissal is appropriate under Court of Chancery Rule 12(b)(2).

The Court permitted the Plaintiff to undertake jurisdictional discovery, deferring a decision as to whether the Court has personal jurisdiction over the Entity Defendants until the completion of that discovery.[1] The parties disagree as to the scope of permissible jurisdictional discovery, and as a result, the Court now considers the Plaintiff's motion to strike objections and compel more complete discovery responses.

II. BACKGROUND

Plaintiff Dennis A. Reid ("Reid") brought this action on behalf of himself and derivatively on behalf of Nominal Defendants U.S. Russian Telecommunications, L.L.C. ("USRT") and USRT Holdings, L.L.C. ("USRT Holdings"), both Delaware limited liability companies. Reid, a Canadian citizen,

[1] Transaction ID 24798161 (Letter to Counsel, dated Apr. 21, 2009).

allegedly holds a 10% interest in USRT Holdings, which wholly owns USRT. He seeks actual, consequential, and exemplary damages under theories of breach of contract, breach of fiduciary duty, conversion, civil conspiracy, tortious interference, and tortious interference with business relations.[2] After USRT formed a joint venture with the Entity Defendants and Inspace JSC ("Inspace") to exploit satellite orbital slots for commercial gain (sometimes referred to as the "Satellite Project"), the Entity Defendants along with Defendants Vincenzo Davide Siniscalchi ("Siniscalchi") and Giorgio Capra ("Capra"), according to Reid, agreed to divest USRT of its share of the venture's proceeds, to misappropriate its assets, and to usurp its corporate opportunities. This alleged concerted effort by the Entity Defendants, Siniscalchi (who was voluntarily dismissed by the Plaintiff), and Capra forms the basis of the Complaint.

This action involves an effort to extract commercial value from geosynchronous orbital slots. As various Russian satellites reached obsolescence in the 1990's, a business opportunity emerged. Russia, fearing forfeiture of certain orbital slots because of nonuse due to aging satellite equipment that it could not afford to replace and modernize, enacted legislation allowing its assigned slots to

[2] *See Reid v. Siniscalchi*, 2008 WL 821535, at *3 (Del. Ch. Mar. 27, 2008), *rev'd sub nom. Reid v. Alenia Spazio*, 970 A.2d 176 (Del. 2009). Knowledge of the substantive allegations and the procedural history set forth in that ruling (the "Memorandum Opinion") is presumed. Here, the Court states only a synopsis of the substantive allegations and provides an updated summary of the procedural posture. The factual summary is based on the well-pleaded allegations in the Complaint.

be commercialized. The Russian Satellite Communications Company ("RSCC"), a semi-private company at the time—presumably partially owned by the Russian government[3]—was responsible for allocating and licensing Russian satellite communications frequencies. Dr. Valery Aksamentov ("Aksamentov"), a Russian space scientist living and working in the United States, developed a plan to take advantage of the Russian legislation. Aksamentov intended to finance the development and the launching of modern satellites to occupy Russian orbital slots by raising funds from western investors, to allocate some of the satellite transponders to the Russian government, and to sell the remaining transponders to commercial purchasers. The revenues were to be divided among Russia, the western investors, and his development group. USRT was formed to facilitate the financing of the proposal.

The Italian government later became interested in Aksamentov's plan and informally appointed Capra—an Italian citizen, resident, and Navy officer; an advisor to the Italian Ministry of Defense; and a member of the board of directors of the Italian Space Agency—to develop financial and legal arrangements between USRT and the Italian government. Siniscalchi, an Illinois resident, was to assist Capra in facilitating the USRT-Italy relationship.

[3] *See id.* at *1 n.3.

After Italy—through an official commitment letter submitted by Capra—agreed to finance fully the USRT Satellite Project in November 1997, the Entity Defendants became involved. At that time, Alenia was a division of Finmeccanica, which itself was a state-owned Italian company.[4] In December 1997, Alenia committed to obtain financing for USRT in accordance with the Italian government's pledge. Although Alenia failed to provide USRT with a letter of credit or a similar guarantee necessary to finalize a transaction between RSCC and USRT for the control of the Russian orbital slots, "the Italians"[5] assured USRT that with more time the Italian government could enact legislation that would permit a release of the committed funds.

On January 15, 1998, representatives of USRT and the Entity Defendants met in Moscow with an RSCC official. Alenia reaffirmed its financing commitment for the Satellite Project. The next day, Gennaro Visconti, on behalf of the Italian Ministry of Industry and Commerce, sent a letter declaring that Italy had sufficient funds to finance the project under a pending law. Some months later, RSCC transferred control of the orbital slots to Inspace, a Russian company. Subsequently, USRT, Finmeccanica (through Alenia), and Inspace entered into "a joint venture to finance, manufacture, launch, commercialize, and exploit" the

[4] Later, Finmeccanica was privatized and Alenia was spun-off as a separate private entity.

[5] As noted in the Memorandum Opinion, it is not apparent to whom or what entities "the Italians" refers. *See Reid*, 2008 WL 821535, at *2 n.6.

transferred satellite slots—the Satellite Project.[6] For its part in the joint venture, USRT was to receive 30% of the project's revenues.

Throughout the summer and fall of 1998, the parties to the joint venture continued to finalize the Satellite Project's details. Alenia's financing commitment, however, never materialized. Moreover, Capra and Siniscalchi informed USRT that no deal would be approved by the Italian government unless USRT was entirely owned by Italian citizens. Accordingly, Capra and Siniscalchi caused the formation of USRT Holdings in October 1998—a Delaware limited liability company—to effectuate a change of ownership of USRT. The threat conveyed by Capra and Siniscalchi induced USRT's members to sell their interests in that entity to USRT Holdings in exchange for $300 million in revenue participation rights.

After the change of control of USRT, Capra appointed himself as chief executive officer, Jon L. Reed ("Reed") as president, and Reid as chief financial officer. Capra awarded Reed and Reid each a 5% membership interest in USRT Holdings in return for their services. Reed later transferred his interest to Reid and, as a result, Reid's total membership interest in USRT Holdings was 10%.

Around the time of the USRT ownership change, Capra, Siniscalchi, and the Entity Defendants, according to Reid, began divesting USRT of its share of the

[6] Compl. ¶ 21.

venture's proceeds, misappropriating its assets, and usurping its corporate opportunities. Reid further contends that both he and Reed were asked to participate in that plan and later were terminated for refusing. Reid alleges that those actions were made possible by the change of control of USRT—which itself came about because of the formation of USRT Holdings in Delaware. Only in late 1999 did the commercial venture begin with the launching of a replacement satellite—Reid asserts that the Satellite Project was commenced by the Entity Defendants without USRT's participation. Moreover, Reid contends that additional satellites are either being developed, have been launched, or will be launched in furtherance of the project.

Through the Memorandum Opinion and implementing order, the Court dismissed this action. The Court concluded that the action was "untimely when measured by the applicable statute of limitations"[7] and likewise "time-barred as a matter of laches."[8] The Supreme Court, in concluding that the Court erred in dismissing, held that the Complaint was timely filed under the sixth prong of Delaware's savings statute[9] and that dismissing the Complaint as barred by laches was improper.[10] Because the Memorandum Opinion dismissed the Complaint as time-barred, the Court never determined whether it may properly exercise personal

[7] *Reid*, 2008 WL 821535, at *12.
[8] *Id.*
[9] *Reid v. Alenia Spazio*, 970 A.2d 176, 182 (Del. 2009); 10 *Del. C.* § 8118(a).
[10] *Alenia Spazio*, 970 A.2d at 184.

jurisdiction over the Entity Defendants.[11] The Court later determined, however, that it would not decide that issue without first allowing Reid to undertake jurisdictional discovery. Questions as to the permitted scope of that jurisdictional discovery are now before the Court.

III. CONTENTIONS

Reid argues that his jurisdictional discovery seeks evidence relevant to both specific and general jurisdiction under Delaware's long-arm statute (the "Long-Arm Statute").[12] In particular, Reid contends that the requested discovery relates to evidence bearing on "the existence and the prosecution of a conspiracy to divest USRT of its business opportunity,"[13] and "evidence relating to the activities of the Entity Defendants and their subsidiaries in Delaware."[14] Reid frames his motion as raising three issues: whether the Entity Defendants may refuse to search for and produce documents relevant to conspiracy jurisdiction beyond a set of documents reproduced from earlier litigation in Texas (the "Texas Documents"); whether the Entity Defendants may refuse to provide discovery related to the activities of their subsidiaries in Delaware; and whether the Entity Defendants may refuse to provide discovery related to their advertising in Delaware.

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[11] *Reid*, 2008 WL 821535, at *12 n.85.
[12] 10 *Del. C.* § 3104.
[13] Pl.'s Br. in Supp. of Mot. to Strike Objections and Compel Defs.' More Complete Disc. Resps. and Produc. of Docs. ("Pl.'s Br.") at 4.
[14] *Id.* at 5.

In response, the Entity Defendants assert that they "have produced all that Plaintiff is entitled to and more."[15] The Entity Defendants argue that the motion turns on two issues: whether Reid is entitled to additional merits discovery beyond that already produced; and whether Reid is entitled to extensive discovery on all of Entity Defendants' subsidiaries. They suggest that Reid's discovery requests represent nothing more than a "fishing expedition" and, for that reason, they argue that the Court should deny his motion entirely.[16]

IV. ANALYSIS

Where, as here, a motion to dismiss raises the issue of lack of personal jurisdiction under Court of Chancery Rule 12(b)(2), "the plaintiff bears the burden of showing a basis for the court's exercise of jurisdiction over [a] nonresident defendant."[17] Accordingly, before the Court may properly exercise jurisdiction over the Entity Defendants, Reid must show that: "(1) there is a statutory basis for exercising personal jurisdiction; and (2) subjecting the nonresident defendant[s] to jurisdiction in Delaware would not violate the Due Process Clause of the Fourteenth Amendment."[18] Because this burden falls on Reid, he is entitled to "reasonable discovery in aid of mounting such proof" that jurisdiction over the

[15] Defs.' Opp'n to Pl.'s Mot. to Strike Objections and Compel Defs.' More Complete Disc. Resps. and Produc. of Docs. ("Defs.' Opp'n") at 2.
[16] *Id.* at 3.
[17] *Werner v. Miller Tech. Mgmt., L.P.*, 831 A.2d 318, 326 (Del. Ch. 2003).
[18] *Ross Hldg. & Mgmt. Co. v. Advance Realty Gp., LLC*, 2010 WL 1838608, at *11 (Del. Ch. Apr. 28, 2010).

Entity Defendants in this Court is proper.[19] Even though Reid may take discovery related to those matters involving personal jurisdiction, he plainly may not utilize "the benefit of jurisdictional discovery so [he] can fish for a possible basis for this court's jurisdiction."[20] Because, as a general matter, "[t]he scope of allowable discovery, of course, is tied to the issues presented in the litigation,"[21] jurisdictional discovery here must relate to the factual allegations in the Complaint and to the question of personal jurisdiction. Moreover, "this Court may exercise its sound discretion in delineating the appropriate scope of discovery."[22]

Reid argues that each request for the production of documents (an "RFP" with specific requests referred to as "RFP No. __") and each interrogatory (referred to as "Interrog. No. __") seeks evidence bearing on this Court's jurisdiction over the Entity Defendants under the Long-Arm Statute. The Long-Arm Statute is "in most of its aspects, a 'single act' statute that establishes jurisdiction over

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[19] *Hart Hldg. Co. Inc. v. Drexel Burnham Lambert Inc.*, 593 A.2d 535, 539 (Del. Ch. 1991). A plaintiff is generally entitled to jurisdictional discovery, unless "the facts alleged in the complaint make any claim of personal jurisdiction over the defendant frivolous," such that the "assertion of personal jurisdiction lack[s] that minimal level of plausibility needed to permit discovery to go forward." *Id.* at 539-40.

[20] *In re Am. Int'l Gp., Inc.*, 965 A.2d 763, 816 n.195 (Del. Ch. 2009).

[21] *Cal. Pub. Employees' Ret. Sys. v. Coulter*, 2004 WL 1238443, at *1 (Del. Ch. May 26, 2004); *see also Omnicare, Inc. v. Mariner Health Care Mgmt. Co.*, 2009 WL 1515609, at *3 (Del. Ch. May 29, 2009) (describing broad scope of discovery allowed under Court of Chancery Rule 26(b), yet subject to certain court-imposed limitations).

[22] *In re Tyson Foods, Inc.*, 2007 WL 2685011, at *3 (Del. Ch. Sept. 11, 2007); *see also Sokol Hldgs., Inc. v. Dorsey & Whitney, LLP*, 2009 WL 2501542, at *9 (Del. Ch. Aug. 5, 2009) ("Nevertheless, even where discovery is relevant, this court may narrow its scope to guard against 'fishing expeditions' or to ensure that the discovery sought is properly related to the issues presented in the litigation.") (internal quotation omitted).

nonresidents on the basis of a single act or transaction engaged in by the nonresident within the state."[23] For that reason, the Long-Arm Statute generally only "permits the exercise of *specific* personal jurisdiction over the claims arising from the jurisdictional contacts listed in the relevant subsections."[24] Under the Long-Arm Statute, however, "[s]ubsection (c)(4) contemplates a general affiliating circumstance and thus permits the exercise of *general* personal jurisdiction over parties that qualify under its terms."[25]

Turning to Reid's specific contentions, he argues that he is entitled to jurisdictional discovery aimed at satisfying subsections (c)(1) and (c)(3) of the Long-Arm Statute. In accordance with *Carlton Investments*, the Court may exercise specific jurisdiction over a nonresident defendant which "[t]ransacts any business or performs any character of work or service in" Delaware,[26] or "[c]auses tortious injury in the State by an act or omission in" Delaware.[27] Separate from the issue of specific jurisdiction, Reid also argues that he is entitled to gather evidence relating to the activities of the Entity Defendants and their subsidiaries in Delaware in an effort to show that the Court may properly exercise general jurisdiction over the Entity Defendants under subsection (c)(4) of the Long-Arm Statute. Under that

[23] *Carlton Invs. v. TLC Beatrice Int'l Hldgs., Inc.*, 1995 WL 694397, at *10 (Del. Ch. Nov. 21, 1995).
[24] *Id.*
[25] *Id.*
[26] 10 *Del. C.* § 3104(c)(1).
[27] *Id.* § 3104(c)(3).

subsection, again as described by *Carlton Investments*, the Court may exercise general jurisdiction over a nonresident defendant "if the person regularly does or solicits business, engages in any other persistent course of conduct in the State or derives substantial revenue from services, or things used or consumed in the State."[28]

The Court addresses the scope of Reid's jurisdictional discovery pertaining to specific and general jurisdiction in turn below.

A. *Specific Jurisdiction*

In framing how the Court may exercise specific jurisdiction over the Entity Defendants under the Long-Arm Statute on the claims alleged in the Complaint, Reid's argument is two-fold. First, Capra and Siniscalchi, acting as agents of the Entity Defendants, transacted business in Delaware through the formation of USRT Holdings and caused tortious injury to USRT—a Delaware entity suffering harm in Delaware as a result. Second, because of the alleged conspiracy among the Entity Defendants, Capra, and Siniscalchi, acts of one conspirator subjecting that actor to jurisdiction in Delaware under the Long-Arm Statute would in turn allow the Court to exercise jurisdiction over the other conspirators—the so-called conspiracy theory of jurisdiction.[29]

[28] *Id.* § 3104(c)(4).
[29] *See Istituto Bancario Italiano SpA v. Hunter Eng'g Co., Inc.*, 449 A.2d 210, 222 (Del. 1982).

As described by our Supreme Court, "if the purposeful act or acts of one conspirator are of a nature and quality that would subject the actor to the jurisdiction of the court, all of the conspirators are subject to the jurisdiction of the court."[30] This conspiracy theory, however, "is not an independent jurisdictional basis. Rather . . . it is a shorthand reference to an analytical framework where a defendant's conduct that either occurred or had a substantial effect in Delaware is attributed to a defendant who would not otherwise be amenable to jurisdiction in Delaware."[31] The theory is narrowly construed and requires that a plaintiff "assert specific factual evidence, not conclusory allegations, to show that the non-resident defendants were conspirators in some wrongful act resulting in harm to Delaware entities or their owners . . . ."[32]

For Reid to establish personal jurisdiction over the Entity Defendants under the conspiracy theory, he must make a factual showing that:

> (1) a conspiracy to defraud existed; (2) the defendant was a member of that conspiracy; (3) a substantial act or substantial effect in furtherance of the conspiracy occurred in the forum state; (4) the defendant knew or had reason to know of the act in the forum state or that acts outside the forum state would have an effect in the forum

[30] *Id.*
[31] *Crescent/Mach I P'rs, L.P. v. Turner*, 846 A.2d 963, 976 (Del. Ch. 2000) (internal quotation omitted).
[32] *Id.*; *see also Werner*, 831 A.2d at 330 (observing that the factual test under the conspiracy theory framework "is a strict test that should be construed narrowly," and that "application of personal jurisdiction under the conspiracy theory requires factual proof of each enumerated element").

> state; and (5) the act in, or effect on, the forum state was a direct and foreseeable result of the conduct in furtherance of the conspiracy.[33]

If Reid succeeds in making this showing and establishes a basis for the Court to exercise jurisdiction over a co-conspirator of the Entity Defendants, specific jurisdiction under the Long-Arm Statute may be proper because "a defendant who has so voluntarily participated in a conspiracy with knowledge of its acts in or effects in the forum state can be said to have purposefully availed himself of the privilege of conducting activities in the forum state, thereby fairly invoking the benefits and burdens of its laws."[34]

Recognizing the burden placed on Reid to demonstrate a basis for personal jurisdiction over the Entity Defendants, the Court considers the enumerated production requests and interrogatories bearing on specific jurisdiction.

1. RFP No. 3

RFP No. 3 requests that the Entity Defendants produce all documents relating to 20 individuals and entities.[35] Reid contends that those listed had involvement with the Entity Defendants and the Satellite Project. The Entity

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[33] *Istituto Bancario*, 449 A.2d at 225. The Court notes that "[a]lthough *Istituto Bancario* literally speaks in terms of a 'conspiracy to defraud,' the principle is not limited to that particular tort." *Hamilton P'rs, L.P. v. Englard*, 2010 WL 5564633, at *10 (Del. Ch. Dec. 15, 2010); *see also Gould v. Gould*, 2011 WL 141168, at *9 n.42 (Del. Ch. Jan. 7, 2011) ("Delaware courts have interpreted the first element broadly, *e.g.*, such that the existence of a conspiracy to defraud includes conspiracies to commit other wrongs, as well, such as torts or breaches of fiduciary duty."); *Crescent/Mach I P'rs*, 846 A.2d at 977 (rejecting a formulation of the conspiracy theory that requires an allegation of conspiring to defraud).

[34] *Istituto Bancario*, 449 A.2d at 225.

[35] *See* Aff. of Derek Y. Brandt, Esq. ("Brandt Aff."), Ex. C ("RFP to Finmeccanica") at 8-9.

Defendants object on numerous grounds to the RFP. Reid asks the Court to strike those objections and to require the Entity Defendants to respond fully, with the only limitation being that the Entity Defendants produce documents "relating to both the people listed [in RFP No. 3] and the transactions and occurrences in the [C]omplaint."[36]

Among the Entity Defendants' objections to RFP No. 3 are their contentions that the scope of the request goes beyond jurisdictional discovery, that it is in no way tailored to Reid's conspiracy theory, and that it is moot because responsive Texas Documents have already been produced in this action. The Entity Defendants suggest that because of the virtually limitless scope of RFP No. 3, it appears to be nothing more than a fishing expedition instead of a narrow attempt by Reid to obtain evidence necessary to demonstrate jurisdiction.

First, with respect to the Texas Documents, the Court cannot agree with the Entity Defendants that a redelivery of those documents either gives Reid all that he is entitled to or renders his RFPs moot. The Court cannot be sure that merely revisiting the Texas Documents—whether they form a complete set or not—affords Reid the jurisdictional discovery that he is permitted in Delaware.

Second, Reid correctly points out that where jurisdictional discovery is inextricably intertwined with the merits of the action, "some discovery on the

[36] Pl.'s Br. at 17.

merits may be necessary and should be permitted" at the jurisdictional discovery stage.[37] Such an allowance, however, does not confer an unconditional right—our case law only recognizes that *some* merits discovery may be permissible where it overlaps with jurisdictional discovery. Bearing in mind that Reid must provide specific factual allegations to satisfy the *Istituto Bancario* five-part conspiracy theory test, clearly Reid must be allowed jurisdictional discovery that, to some extent, overlaps with merits discovery. The discovery sought, however, must be reasonably calculated to lead to evidence supporting specific jurisdiction over the Entity Defendants based on the conspiracy theory framework.

Because the scope of allowable discovery is necessarily tied to the matters presented in the litigation, RFP No. 3 may not properly request any and all documents. The Entity Defendants need only produce those documents relating to jurisdictional discovery on the facts alleged here—more particularly, documents concerning the relationship among the alleged participants in matters involving the Satellite Project. Moreover, RFP No. 3 must be limited to only those individuals and entities that present some reasonable likelihood of producing discovery relevant to the alleged conspiracy—which Reid contends was among Capra, Siniscalchi, and the Entity Defendants. To extend the scope of jurisdictional discovery any further would border on entering the domains of an unallowable

[37] *Gatz v. Ponsoldt*, 2004 WL 1292788, at *1 (Del. Ch. June 2, 2004).

fishing expedition or of unnecessary merits discovery. For that reason, the Court will grant Reid's motion as to RFP No. 3, consistent with the foregoing limitations, and further limited to the following listed individuals and entities: Reid, USRT, the former members of USRT, USRT Holdings, Capra, Siniscalchi, Reed, Michael Topolev, Joseph Krabacher, Aksamentov, the Russian Space Agency, RSCC, Inspace, and InformCosmos.[38] The pleadings and supporting documents make

[38] In RFP No. 1, Reid seeks "[a]ll documents produced by any party or witness, all transcripts of the depositions of any witness taken (including all exhibits thereto), and all affidavits or statements of witnesses obtained or prepared in or concerning" the four separate Texas actions. RFP to Finmeccanica at 8. It is not apparent from Reid's motion to compel and related submissions whether he requests the Court's intervention with respect to RFP No. 1. Nevertheless, the parties appear to disagree on the validity of that request. *Compare* Pl.'s Br. at 25 n.9, *and* Pl.'s Reply Br. in Further Supp. of Mot. to Strike Objections and Compel Defs.' More Complete Disc. Resps. and Produc. of Docs. ("Pl.'s Reply") at 14 n.7, 22 n.10, *with* Defs.' Opp'n at 8 n.5. Reid contends that because he was not a party to all of the Texas actions and because of a confidentiality order entered in Texas, he does not have access to the Texas litigation materials other than his own productions—more particularly, the confidentiality order prevents Texas counsel from providing his current counsel with documents produced by Entity Defendants and third-parties and other litigation materials. The Entity Defendants, however, argue that Reid should already have access to all of the documents requested in RFP No. 1. They contend that they have provided Reid with "all of the documents produced in the Texas [c]ases by the current [E]ntity Defendants (Alenia, Alcatel and Finmeccanica) and Plaintiff (Mr. Reid)." Defs.' Opp'n at 7-8. Confidentiality agreements, they argue, prevent the Entity Defendants from delivering any third-party productions without a release. Moreover, they contend that RFP No. 1 disregards the Court's directive that duplication of earlier production efforts should be avoided.

The parties' inability to agree is perhaps influenced by the passage of time between the Texas litigation and the current action and because of changes in counsel. Ultimately, because the Court is unconvinced that the Texas Documents encompass the entirety of jurisdictional discovery to which Reid is entitled, the Entity Defendants will have to undertake new searches in responding to Reid's discovery requests. Because the Entity Defendants have seemingly provided Reid with their own Texas productions and are prohibited from delivering documents produced by third-parties, the Court, however, will not mandate additional wide-ranging redelivery of Texas materials. Rather, the renewed searches undertaken by the Entity Defendants offer a more targeted approach to uncovering responsive jurisdictional discovery documents.

A related question applicable to all of Reid's discovery requests is whether the Entity Defendants must produce English translations for Italian language documents. To the extent the

clear that the foregoing list identifies parties directly involved in the Satellite Project and, as a result, is a reasonable list of those persons or entities with potential involvement in, or knowledge of, the alleged conspiracy and actions or effects involving Delaware.[39]

The same cannot be said for the other individuals and entities listed in RFP No. 3; that suggests that discovery related to those parties would more appropriately fall into merits discovery and/or, perhaps more accurately, represent fishing for a jurisdictional hook. Thus, the Court will deny Reid's motion as to RFP No. 3 for any party not listed above.

2. RFP No. 6

RFP No. 6 requests that the Entity Defendants produce all documents concerning "Russian satellites" and any one or more of 16 listed individuals and entities.[40] For discovery purposes, Reid defines a "Russian satellite" as "(i) any device launched, or to be launched into orbit around the earth by any Russian

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Entity Defendants possess English translations for Italian language documents that have been provided to Reid, or that will be provided, those translations should also be produced.

[39] In responding to RFP No. 3, the Entity Defendants object "to the extent [that request] seeks documents protected from discovery under the attorney-client privilege, attorney work product doctrine, business strategy immunity or any other applicable privilege . . . ." Brandt Aff., Ex. E (Objections & Responses of the Entity Defendants) at 13. In his motion, Reid suggests that "[a]ny privileged documents must be listed on a privilege log." Pl.'s Br. at 18. Because "waiver may result from an inadequate privilege log," any assertion of privilege by the Entity Defendants should be properly recorded. *See Klig v. Deloitte LLP*, 2010 WL 3489735, at *7-*8 (Del. Ch. Sept. 7, 2010) (describing privilege log adequacy in the context of the assertion and the waiver of privilege). The Entity Defendants should identify in a privilege log any document withheld, the applicable privilege, and the reason for claiming that privilege.

[40] *See* RFP to Finmeccanica at 10.

person or (ii) any such device utilizing, or expected to utilize any geosynchronous orbital locations assigned to any Russian person by any international organization, including the International Telecommunications Union . . . ."[41]

In addition to incorporating his argument in support of RFP No. 3, Reid contends that RFP No. 6 lists parties "who were involved either in the [joint] venture . . . or who played a role in the [Entity] Defendants' entry into the Russian satellite business."[42] He asserts that this request properly seeks evidence concerning the subject matter of the alleged conspiracy—the Entity Defendants' involvement in the Russian satellite program. Reid argues that RFP No. 6 seeks documents, if any exist, demonstrating the means by which the Entity Defendants became involved in that program. Accordingly, Reid asserts that he is entitled to the discovery requested in RFP No. 6.

In response, the Entity Defendants object to Reid's definition of "Russian satellite" as "overly broad, unduly burdensome, vague and ambiguous, and unintelligible . . . ."[43] In support of their argument, the Entity Defendants assert that the wording of that term "encompasses all projects of satellites of any type, placed in any of the hundreds of allocated orbital slots and utterly devoid of any connection to the events at issue in this action, which relates to specific slots and

[41] *Id.* at 5.
[42] Pl.'s Br. at 20.
[43] Defs.' Opp'n at 23.

specific types of satellites."[44] Moreover, the Entity Defendants object to the expansive nature of RFP No. 6 because it includes any transaction related to Russian satellites, not specifically the Satellite Project which is at issue here and the conspiracy elements Reid must allege and support.

The Court concludes that Reid's usage of the term "Russian satellite" is overly broad for the limited purpose of jurisdictional discovery. Although the Entity Defendants' connection to Russian satellites is relevant to the question of jurisdiction, Reid may only seek discovery related to the Satellite Project involving USRT and the Entity Defendants. That project alone goes to the core of Reid's conspiracy allegations—any other satellite program involving the Entity Defendants or other parties has no discernible bearing on jurisdiction. For that reason, the definition assigned to "Russian satellite" by Reid is beyond the scope of allowable jurisdictional discovery because it would capture all discovery relating to any device launched into orbit by or any device in an orbital slot assigned to a Russian individual or entity, not just the Satellite Project underlying the claims here.

Based on the foregoing, Reid's motion to compel as to RFP No. 6 will be denied. Perhaps a more circumscribed definition of "Russian satellite" would have changed the Court's analysis, but the definition of that term assigned by Reid

[44] *Id.*

offers no limitations sufficient for the Court to validate RFP No. 6 as properly confined to the narrow purpose of obtaining jurisdictional discovery. Having concluded that Reid's motion will be denied as to RFP No. 6 because of the overly broad definition of "Russian satellite," the Court need not determine whether jurisdictional discovery should be allowed as to the parties listed in that RFP.

3. RFP No. 7

RFP No. 7 seeks all documents relating to seven meetings that allegedly occurred between January 1998 and May 1999.[45] All of the meetings involved the Entity Defendants and were held in Moscow, Rome, or Houston. Reid incorporates his argument in support of RFP No. 3 and also asserts that RFP No. 7 is proper because it "lists a series of the key meetings relating to the venture described in the Complaint."[46] Moreover, Reid contends that because all but one of these meetings occurred before USRT's change of control, the meetings bear on the Entity Defendants' knowledge and their relationship with other parties such as Siniscalchi and Capra—both relevant to Reid's conspiracy theory. Reid further contends that discovery pertaining to the alleged May 1999 meeting is warranted because it occurred after failed efforts to divest USRT of its control over the Satellite Project but before an alleged bribe was offered to and rejected by Reed and Reid.

[45] *See* RFP to Finmeccanica at 10-11.
[46] Pl.'s Br. at 22.

In response, the Entity Defendants object to RFP No. 7 as not relevant to the issue of jurisdiction—the meetings did not take place in Delaware and only the May 1999 meeting could possibly relate to the alleged conspiracy. They also argue that discovery pertaining to these meetings was produced in the Texas Documents and should not be duplicated here. Although RFP No. 7 specifies the parties alleged to have attended the meetings, Reid seemingly makes reference to potentially unknown parties in attendance in subparts (a) through (d) by using the term "or others." The Entity Defendants object to this usage as vague and ambiguous.

To the extent the Court concluded that revisiting or redelivering the Texas Documents would not satisfy Reid's entitlement to jurisdictional discovery in the context of RFP No. 3, that conclusion holds with equal force here. For that reason, the Entity Defendants may not rely solely on those productions to satisfy RFP No. 7.

Considering the *Istituto Bancario* factors and the burden on Reid to make specific factual showings of a conspiracy involving the Entity Defendants, the Court will grant Reid's motion as to RFP No. 7. Reid alleges that at some time—which is yet to be determined—the Entity Defendants, Siniscalchi, and Capra conspired against USRT. Accordingly, the allegations indicate that the relevant timeframe began sometime after the formation of the joint venture in the spring of

1998 and ended sometime around the end of 1999 when the Entity Defendants implemented USRT's business model without that entity's involvement.[47] All of the requested documents in RFP No. 7 relate to meetings that occurred during this approximate period. Moreover, because evidence of a conspiracy is perhaps more likely to evade discovery than other types of evidence, meetings involving an alleged conspirator and pertaining to the object of that alleged conspiracy—in this action, the Satellite Project—offer a reasonable likelihood of providing evidence bearing on the *Istituto Bancario* factors. That these meetings did not take place in Delaware is not determinative; the conspiracy theory test is not limited to acts occurring in Delaware but, rather, it is more expansive by including effects on Delaware caused by acts outside of the State.

Although the Court agrees with the Entity Defendants that use of the term "or others" in certain of the RFP No. 7 requests could raise questions as to the scope of those requests, Reid's counsel's clarification serves to reduce any confusion.[48] As a result, subject to the limiting language provided by Reid's counsel as to the meaning of the term "or others," Reid's motion will be granted as to RFP No. 7, and the Entity Defendants must undertake new searches in order to respond to this request.

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[47] *See* Compl. ¶¶ 20, 21, 25, 31.

[48] *See* Pl.'s Br. at 22 ("The reference to 'or others' is not intended to expand the scope of these requests but only to preclude [the Entity] Defendants from excluding from production documents that would otherwise be responsive on the ground that the meeting was attended by 'others' in addition to those specifically named.").

4. Interrog. No. 31 and No. 32

Interrog. No. 31 and No. 32 seek information regarding the payment of money or the giving of items of value to eight individuals and entities.[49] For three of the individuals listed, Reid also asks whether any consideration was paid or given to any member of that individual's family. If any payment or consideration was provided, as specified in Interrog. No. 31, Reid requests in Interrog. No. 32 that the Entity Defendants "state the dates, terms, and reasons for any such payment."[50]

The parties' disagreement as to these interrogatories is two-fold. First, they dispute whether the Entity Defendants have already substantially responded. Second, there are questions as to whether the Entity Defendants must conduct a reasonable inquiry into their records to ascertain the names of any family members of Siniscalchi, Capra, and Biagio Sorice and, if so, what a reasonable inquiry entails.

According to the Entity Defendants, the information requested in these interrogatories is already largely available to Reid from depositions, affidavits, and documents produced in the Texas litigation. More importantly, they argue that they cannot search their records for unknown family members. They contend that they "diligently searched for records containing each individual's full name and for

[49] *See* Brandt Aff., Ex. D ("Interrogs. to Finmeccanica") at 12-13.
[50] *Id.* at 13.

records containing each individual's last name, irrespective of first name."[51] Although that search methodology failed to uncover any records, the Entity Defendants nevertheless contend that those searches were sufficient to satisfy Interrog. No. 31 and No. 32. As a result, the Entity Defendants "only objected to the inclusion of unknown and unidentified family members."[52]

Reid argues that the Entity Defendants "should not be excused from making [a] reasonably diligent inquiry just because it is impossible for Plaintiff to provide them with a list of relatives."[53] Reid also disputes the Entity Defendants' contention that the requested information is already available to him as a result of the Texas litigation—he argues that the Entity Defendants produced an incomplete set of documents and failed to provide Reid with any depositions or affidavits from that litigation as discussed in Part IV.A.1 *supra*.

To the extent the Entity Defendants rely on the Texas Documents to satisfy or to moot Interrog. No. 31 and No. 32, the Court rejects that reliance for the reasons already discussed. The Entity Defendants' objection to language in Interrog. No. 31 requesting information regarding family members raises a more complex question. Assuming the allegations of conspiracy to be true, one would expect the conspirators to receive money or valuable items in exchange for their

[51] Defs.' Opp'n at 26.
[52] *Id.*
[53] Pl.'s Br. at 25.

supporting the conspiracy. In order to conceal an exchange, perhaps a conspirator might use a family member or a related entity as a conduit. Equally plausible, however, is that the conspirators would simply seek to conceal the existence of a conspiracy altogether and freely exchange money and items between them. Exchanges in those circumstances may occur under the guise of legitimate business transactions. While the Court is willing to allow Reid, at this stage of jurisdictional discovery, to uncover evidence of payments or exchanges involving the alleged conspirators and related parties (individuals and entities), there must be some limit to ensure that an unnecessary, substantial burden is not borne by the Entity Defendants simply because jurisdiction is premised on a conspiracy theory.

Even though Reid makes no allegation that any family member of those listed in Interrog. No. 31 had any involvement in or received anything of value as a result of the purported conspiracy, it would be unfair to deny him discovery simply because he cannot allege what he does not know. On the other hand, any allowance for discovery on this issue must be weighed against the burden placed on the party charged with searching for responsive documents. Ultimately, the Entity Defendants are correct in framing this issue as one decided by what a reasonable inquiry requires and by directing the Court to their search methodology. Because Reid names no particular related individuals, the Entity Defendants utilized searches that reasonably balance the competing interests identified by the

Court and provide a reasonable likelihood of revealing evidence relevant to the question of jurisdiction. Without knowledge of specific family members, the Entity Defendants should not be taxed with searching their records for unknown individuals.

Thus, the Court will grant Reid's motion as to Interrog. No. 31 and No. 32, but by limiting any search relating to family members as follows, which accords with the Entity Defendants' search methodology: (i) searching by the full name of any known family member; or (ii) searching by the last name of the relevant individual listed in Interrog. No. 31, irrespective of the individual's first name. So long as the Entity Defendants' earlier searches comport with this framework, no additional review of their records should be needed to respond fully to Interrog. No. 31 and No. 32.

B. *General Jurisdiction*

In order to demonstrate general jurisdiction over the Entity Defendants under subsection (c)(4) of the Long-Arm Statute, Reid contends that he is entitled to undertake discovery "aimed at identifying documents and eliciting information relating to the activities of [Entity] Defendants—and their subsidiaries—in Delaware."[54] He rejects the Entity Defendants' objections which largely focus on whether Reid should be permitted jurisdictional discovery that includes the Entity

[54] *Id.* at 28.

Defendants' subsidiaries. Reid contends that discovery on the subsidiaries' activities is crucial in determining "whether the Entity Defendants have done business [in Delaware] through such a large number of subsidiaries that . . . they have subjected themselves to the jurisdiction of Delaware's courts."[55]

Subsection (c)(4) of the Long-Arm Statute "creates 'general' jurisdiction in cases where the cause of action is unrelated to the relevant Delaware contacts," and, as a result, "requires a greater, more continuous pattern of contacts with the forum than does 'single act' jurisdiction under subsection (c)(1), (2), or (3)."[56] For the Court to exercise jurisdiction under subsection (c)(4), it must find that the Entity Defendants have current contacts with Delaware,[57] and that their "contacts with [Delaware] . . . are so extensive and continuing that it is fair and consistent with state policy to require that [they] appear here and defend a claim even when that claim arose outside of this state and causes injury outside of this state."[58]

1. Discovery Relating to Subsidiaries' Activities

Whether the Entity Defendants should be compelled to provide information on their subsidiaries arises in the following requests identified in Reid's motion:

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[55] Pl.'s Reply at 24-25 (citing to *Altech Industries, Inc. v. Al Tech Specialty Steel Corp.*, 542 F. Supp. 53 (D. Del. 1982), for the proposition that a parent company may subject itself to general jurisdiction in Delaware's courts through a consistent course of conduct involving activities of the parent's subsidiaries).

[56] *Computer People, Inc. v. Best Int'l Gp., Inc.*, 1999 WL 288119, at *5 (Del. Ch. Apr. 27, 1999).

[57] *Id.* at *7.

[58] *Red Sail Easter Ltd. P'rs, L.P. v. Radio City Music Hall Prods., Inc.*, 1991 WL 129174, at *3 (Del. Ch. July 10, 1991).

RFP Nos. 8-9, 11, and 22-24; and Interrog. Nos. 2-4, 14, 16, 18, 21, and 26. Reid, although conceding that "the acts of a single subsidiary are generally not sufficient to confer general jurisdiction over its parent," relies on *Altech Industries, Inc.* in support of his argument that he "is entitled to discovery about the activities of *all* subsidiaries incorporated in or doing business in Delaware . . . ."[59] In response, the Entity Defendants contend that it is well-settled that Reid "cannot establish jurisdiction over [Entity] Defendants by virtue of whatever contacts their subsidiaries may have with the forum."[60]

The Court generally may not preclude jurisdictional discovery where the plaintiff asserts any non-frivolous basis for jurisdiction over the defendant in light of the factual allegations in the complaint.[61] The scope of discovery, however, is within the discretion of the Court.[62] Reid may undertake jurisdictional discovery, but the Court will not compel responses to requests that are not reasonably calculated to lead to evidence germane to whether the Court has jurisdiction over the Entity Defendants.[63] Although Reid argues that discovery pertaining to the Entity Defendants' subsidiaries relates to jurisdiction, "Delaware law is clear that

[59] Pl.'s Reply at 23 (emphasis in original).
[60] Defs.' Opp'n at 2-3.
[61] *Ruggiero v. FuturaGene, plc.*, 948 A.2d 1124, 1139 (Del. Ch. 2008); *Am. Scheduling, Inc. v. Radiant Sys., Inc.*, 2005 WL 736889, at *1 (Del. Ch. Feb. 9, 2005).
[62] *Klig*, 2010 WL 3489735, at *9.
[63] *See, e.g.*, *Hart Hldg. Co. Inc.*, 593 A.2d at 542-43 (holding that some degree of discovery was appropriate because the plaintiffs asserted a non-frivolous basis for jurisdiction over the defendants, yet limiting the scope of discovery by rejecting a request to the extent it sought information on contacts not relevant to the jurisdictional analysis).

jurisdiction over one entity cannot be obtained by having jurisdiction over another affiliate entity unless the affiliate is the agent of the entity being sued, or there is some reason for the separate existence of the two entities to be ignored . . . ."[64] Accordingly, "ownership of stock in a Delaware corporation, without more, will not suffice to establish general *in personam* jurisdiction."[65]

Because the Court "will ignore the separate corporate existence of a subsidiary and attribute its activities in Delaware to the parent only if the subsidiary is the alter ego or a mere instrumentality of the parent, or if the subsidiary acts as the agent of the parent,"[66] a brief review of those theories is warranted.

Under the alter ego theory, "the out-of-state defendant over whom jurisdiction is sought has no real separate identity from a defendant over whom jurisdiction is clear based on actual domicile or satisfaction of Delaware's long-arm statute . . . ."[67] In applying the theory, the Court "will ignore the sanctuary of the corporate form to assert jurisdiction over a nonresident . . . entity . . . only in the exceptional case where the complainant can show fraud, injustice or inequity in the use of the corporate form."[68]

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[64] *Am. Scheduling, Inc.*, 2005 WL 736889, at *1.
[65] *Gibralt Capital Corp. v. Smith*, 2001 WL 647837, at *5 (Del. Ch. May 8, 2001).
[66] *Red Sail Easter Ltd. P'rs, L.P.*, 1991 WL 129174, at *4.
[67] *HMG/Courtland Props., Inc. v. Gray*, 729 A.2d 300, 308 (Del. Ch. 1999).
[68] *Fitzgerald v. Cantor*, 1998 WL 842316, at *2 (Del. Ch. Nov. 10, 1998).

Under the agency or attribution theory, "only the precise conduct [of the subsidiary] shown to be instigated by the parent is attributed to the parent; the rest of the subsidiary's actions still pertain only to the subsidiary."[69] As a result, the parent and the subsidiary are still considered distinct legal entities.[70] The parent's "responsibility results from causing a separate legal entity to act"[71]—in other words, because of the parent exerting control over the subsidiary.

Reid makes no suggestion—nor is it apparent how he could based on the factual allegations in the Complaint—that the activities of the Entity Defendants' subsidiaries should be attributed to the Entity Defendants. No subsidiary is named in this action nor is any alleged to have had any involvement in the underlying claims—the subsidiaries' formation and activities have no bearing on the claims raised here. Although discovery aimed at obtaining evidence of the Entity Defendants' activities in Delaware is proper, there is no reasonable basis for seeking discovery of their subsidiaries' activities for the purpose of establishing general jurisdiction over the Entity Defendants. Thus, the Court will deny Reid's motion seeking discovery pertaining to the Entity Defendants' subsidiaries in RFP Nos. 8-9, 11, and 22-24; and Interrog. Nos. 2-4, 14, 16, 18, 21, and 26.

[69] *Sternberg v. O'Neil*, 550 A.2d 1105, 1125 n.45 (Del. 1988).
[70] *Id.*
[71] *Id.*

2. RFP No. 9 and Interrog. No. 14

Although the Court concluded that Reid cannot seek discovery of the Entity Defendants' subsidiaries, a separate issue remains as to whether the Entity Defendants must fully respond to RFP No. 9 and Interrog. No. 14 regarding their own activities. Both seek information surrounding actual and prospective agreements involving the Entity Defendants. The Court must first consider whether the discovery sought in those requests falls within the scope of allowable jurisdictional discovery. If Reid is entitled to the requested discovery, the Court must then determine whether a satisfactory response has been provided by the Entity Defendants.

According to Reid, no disagreement exists as to subparts (a)-(c) and (e) of RFP No. 9.[72] That leaves subparts (d) and (f) at issue.[73] Subpart (d) requests documents where the Entity Defendants have provided a bid to or answered a request for a proposal by any Delaware person.[74] Subpart (f) asks for documents where the Entity Defendants have sought or received bids from any Delaware

[72] *See* Pl.'s Br. at 32.
[73] It is not clear whether there is continued disagreement on subpart (g) of RFP No. 9. Reid, however, does not appear to raise that subpart in his motion. Nonetheless, the Court's analysis of Interrog. No. 14, subpart (g) *infra* would also apply to RFP No. 9, subpart (g)—the wording is substantially the same in both.
[74] RFP to Finmeccanica at 12.

person.[75] The parties appear to have agreed that "any Delaware person" be limited to a person with a Delaware address.

Related to the requests in RFP No. 9, Interrog. No. 14 asks the Entity Defendants to provide "the names of the contracting parties, the date and the subject matter of all actual and prospective agreements" for specified categories of agreements[76]—as with RFP No. 9, "any Delaware person" seems to be limited by agreement of the parties to persons using a Delaware address. Reid's motion does not make clear whether the parties reached an understanding as to any of the subparts of Interrog. No. 14 or whether he is only seeking to compel a response regarding the Entity Defendants' subsidiaries[77]—an issue already considered and rejected by the Court in Part IV.B.1 *supra*. As a result, the Court assumes Reid's motion relates to all subparts of Interrog. No. 14.

Revisiting subsection (c)(4) of the Long-Arm Statute, "[t]hat provision is only properly invoked when a defendant has had contacts with Delaware that are so extensive and continuing that it is fair and consistent with state policy to require that the defendant appear here and defend a claim."[78] Because Reid is entitled to discovery bearing on whether the Entity Defendants had extensive and continuous

[75] *Id.*
[76] Interrogs. to Finmeccanica at 9.
[77] *See* Pl.'s Br. at 38-39.
[78] *Multi-Fineline Electronix, Inc. v. WBL Corp. Ltd.*, 2007 WL 431050, at *7 (Del. Ch. Feb. 2, 2007) (internal quotation and alteration omitted).

contact with Delaware, he may seek discovery of the Entity Defendants' contractual dealings either in Delaware or with parties in Delaware.[79]

Based on that conclusion, Reid is entitled to the documents requested in RFP No. 9, subparts (d) and (f)—subject to limiting the request to persons using a Delaware address—because any responsive documents would confirm the Entity Defendants' contacts with Delaware resulting from their contractual relationships. Similarly, Reid's requests in subparts (a)-(f) of Interrog. No. 14 are also proper, so long as the request is limited to persons using a Delaware address. Those subparts simply seek more details about the contractual relationships raised in RFP No. 9. The Court notes, however, that the Entity Defendants have already searched, subject to their general objections, with no relevant documents having been uncovered. Reasonable minds could differ as to whether any other searches would prove fruitful, but the Court will not impose any additional burden on the Entity Defendants—Reid used broad terms in an attempt to uncover as much as possible and the Entity Defendants appear to have made a good faith attempt to satisfy the purpose of his requests. Accordingly, the Court will deny Reid's motion as to RFP No. 9, subparts (d) and (f) and Interrog. No. 14, subparts (a)-(f).

[79] That is not to suggest, however, that because a counterparty to the Entity Defendants' contractual dealings is simply a Delaware corporation that discovery is permitted. Rather, the contract or the counterparty must have some significant connection to Delaware.

Although Interrog. No. 14 largely requests discovery reasonably related to uncovering evidence bearing on general jurisdiction, the Court must separately consider subpart (g) of that interrogatory. Subpart (g) seeks information on actual and prospective contracts of the Entity Defendants which elected Delaware law as the governing law.[80] Reid contends that all of Interrog. No. 14 is relevant and the Entity Defendants should respond. He fails, however, to cite any authority supporting his implicit argument that a nonresident defendant could subject itself to general jurisdiction in Delaware by electing Delaware law as the governing law of contracts not forming the basis for the plaintiff's cause of action. The Court can discern no basis for such discovery and, as a result, it will deny Reid's motion as to Interrog. No. 14, subpart (g) because that request has no relevance to jurisdiction.

3. Discovery Relating to Advertising

Reid requests information on the Entity Defendants' advertising activities, which he argues "sheds a light on the nature and extent" of their contacts with Delaware.[81] Although Reid's motion requests that the Court compel responses regarding the advertising activities of both the Entity Defendants and their subsidiaries, based on the Court's earlier analysis in Part IV.B.1, it will not do so. Nevertheless, "the 'regularly does or solicits business' language [in subsection (c)(4) of the Long-Arm Statute] is satisfied if defendant regularly

[80] *See* Interrogs. to Finmeccanica at 9.
[81] Pl.'s Br. at 9.

advertises in Delaware or carries on some other continuous course of activity in the State."[82] Thus, Reid may seek discovery of the Entity Defendants' advertising activities in Delaware. Accordingly, the Court will grant Reid's motion as to RFP No. 21 and Interrog. No. 27, but limit those requests to only the Entity Defendants' advertising activities either in or reaching Delaware.

V. CONCLUSION

For the foregoing reasons, Reid's motion to strike objections and compel more complete discovery responses and production of documents is granted in part and denied in part. Counsel are requested to confer and to submit an implementing order.

[82] *J. Royal Parker Assocs., Inc. v. Parco Brown & Root, Inc.*, 1984 WL 8255, at *2 (Del. Ch. Nov. 30, 1984) (citing *Waters v. Deutz Corp.*, 479 A.2d 273 (Del. 1984)). In that action, the court determined that advertising on three occasions in Delaware and isolated visits to the State by the corporation's personnel did not amount to a continuous course of activity.