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NOT FOR PUBLICATION

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6 **IN THE UNITED STATES DISTRICT COURT**  
7 **FOR THE DISTRICT OF ARIZONA**  
8

9 Nikon Corporation,

No. MC-17-00035-PHX-JJT

10 Petitioner,

**ORDER**

11 v.

12 ASML US Incorporated,

13 Respondent.  
14

15 At issue is Petitioner Nikon Corporation's ("Nikon") Application for an Order  
16 Directing ASML US, Inc. to Respond to Requests for Documents Pursuant to 28 U.S.C.  
17 § 1782 (Appl., Doc. 1), to which Respondent ASML US, Inc. ("ASML US") filed a  
18 Response (Resp., Doc. 22), and in support of which Nikon filed a Reply (Reply,  
19 Doc. 23). Pursuant to LRCiv 7.2(f), the Court concludes this matter is suitable for  
20 resolution without oral argument. Accordingly, the Court grants in part and denies in part  
21 Petitioner's Application.

22 **I. BACKGROUND**

23 The application before the Court seeks the production of documents for use in  
24 European and Asian litigation concerning the alleged patent infringement of  
25 microlithography systems. (Appl. 2-3.) The systems at issue are critical to the  
26 manufacture of integrated circuit chips, as this equipment is capable of printing the small  
27 and precise circuit patterns that comprise the modern semiconductor chip. (Schuster Decl.  
28 ¶ 11, Doc. 22-3.) As technology has improved, microlithography systems have enabled

1 the shrinking size of circuit chips, making possible many of the products considered  
2 indispensable to 21st-century life. (Appl. 2; Schuster Decl. ¶ 11.) Given the importance  
3 of the technology to the electronics industry, it is unsurprising that these systems are the  
4 subject of frequent international patent litigation.

5 The parties before the Court are familiar faces in that industry. Nikon is an  
6 international manufacturer of microlithography systems, holding nearly a dozen patents  
7 in both Europe and Japan. (Appl. 2–3; Londen Decl. ¶ 4, Doc. 1-6.) To protect these  
8 patents, Nikon has initiated legal proceedings in the Netherlands and Japan against  
9 ASML Holding, N.V. (“ASML NV”)—a Dutch entity that manufactures  
10 microlithography systems. (Appl. 1.) Similarly, Nikon has filed suit in Germany against  
11 Carl Zeiss SMT GmbH (“Zeiss”), which supplies optical components to ASML NV.  
12 Nikon’s current application, however, requests production by an indirect subsidiary of  
13 ASML NV, ASML US, which is incorporated in Delaware and maintains its principal  
14 place of business in Chandler, Arizona. (London Decl. ¶¶ 7–8.)

## 15 **II. LEGAL STANDARD**

16 Under 28 U.S.C. § 1782, a district court may, upon application, order the  
17 production of documents for use in legal proceedings abroad. A petitioner for discovery  
18 must, however, satisfy three statutory requirements before a district court can grant the  
19 request. First, the person from whom discovery is sought must “reside” or “be found” in  
20 the district. 28 U.S.C. § 1782(a). Next, the discovery must be “for use” in a proceeding in  
21 a foreign tribunal. *Id.* Finally, the applicant must be either the foreign tribunal or an  
22 “interested person” in the litigation. *Id.*

23 Even if a petitioner satisfies these conditions, a court may still exercise its  
24 discretion in determining whether to grant or deny a Section 1782 application. As such,  
25 courts may give consideration to the following factors: (1) whether “the person from  
26 whom discovery is sought is a participant in the foreign proceeding”; (2) the nature of the  
27 foreign tribunal, the character of the proceedings underway, and the receptivity of the  
28 court to U.S federal-court assistance; (3) whether the Section 1782 request “conceals an

1 attempt to circumvent foreign proof-gathering restrictions or other policies”; and (4)  
2 whether the request is “unduly intrusive or burdensome.” *Intel Corp. v. Advanced Micro*  
3 *Devices, Inc.*, 542 U.S. 241, 264–65 (2004). Additionally, the court may consider  
4 “whether the requested materials are located outside the United States.” *Salcido-Romo v.*  
5 *S. Copper Corp.*, No. CV-16-01639-PHX-DLR, 2016 WL 3213212, at \*1 (D. Ariz. June  
6 10, 2016) (citing *Four Pillars Enter. Co., v. Avery Dennison Corp.*, 308 F.3d 1075,  
7 1079–80 (9th Cir. 2002)).

### 8 **III. APPLICATION**

#### 9 **A. Statutory Requirements**

10 Nikon satisfies the statutory requirements imposed by Section 1782. First, ASML  
11 US maintains its principal place of business in Chandler, Arizona, which is located within  
12 the District. (Londen Decl. ¶¶ 7-8.) As such, it is “found” within the District of Arizona.  
13 Further, as a party to the ongoing litigation in the Netherlands, Germany, and Japan,  
14 Nikon qualifies under the statute as an “interested party.” *See Intel*, 542 U.S. at 256.  
15 Finally, Nikon has met its burden to show that the documents sought are “for use.” To the  
16 extent that ASML contests this final requirement, its concerns that Nikon is merely  
17 engaging in a “fishing expedition” are more appropriate for evaluation in Section 1782’s  
18 discretionary considerations.

#### 19 **B. Discretionary Factors**

##### 20 **1. Participant in the Foreign Proceeding**

21 Under *Intel*’s first discretionary factor, courts consider whether “the person from  
22 whom discovery is sought is a participant in the foreign proceeding.” *Intel*, 542 U.S. at  
23 264. When the party from whom discovery is sought is a participant in that proceeding,  
24 the need for discovery under Section 1782 “is not as apparent as . . . when evidence is  
25 sought from a nonparticipant” because the foreign court “has jurisdiction . . . and can  
26 itself order them to produce evidence.” *Id.* As such, Section 1782 discovery proves  
27 particularly useful for evidence “available in the United States, [that] may be  
28 unobtainable absent § 1782(a) aid.” *Id.* In contrast, when a petitioner seeks documents

1 under Section 1782 that are actually “within the foreign tribunal’s jurisdiction reach,”  
2 courts routinely weigh the first *Intel* factor in favor of denying the application for  
3 discovery. *See, e.g., In re Kreke Immobilien KG*, No. 13 Misc. 110(NRB), 2013 WL  
4 5966916, at \*5 (S.D.N.Y. Nov. 8, 2013); *In re Astronics Advanced Elec. Sys.*, No. C12-  
5 0776-JCC, 2012 WL 12874764, at \*2 (W.D. Wash. Sept. 19, 2012), *aff’d*, 561 F. App’x  
6 605 (9th Cir. 2014); *In re LG Elecs. Deutschland GmbH*, No. 12cv1197-LAB (MDD),  
7 2012 WL 1836283, at \*2 (S.D. Cal. May 21, 2012); *In re OOO Promnefstreoy*, Misc. No.  
8 M 19-99(RJS), 2009 WL 3335608, at \*5 (S.D.N.Y. Oct. 15, 2009).

9         Although Nikon’s subpoena names an entity—ASML US—that is not involved in  
10 litigation abroad, Nikon’s discovery requests also target documents under the control of  
11 Respondent’s parent, ASML NV, which itself *is* a party to those proceedings. Indeed,  
12 Nikon’s discovery proposal seeks not only those documents under the control of ASML  
13 US, but also those controlled by “all its predecessors, successors, parents, subsidiaries  
14 and affiliates.” (Appl. Exh. A, Doc. 1-1.) This inherently encompasses both documents  
15 stored in the Netherlands by ASML NV—a Dutch entity—and those stored stateside by  
16 ASML US. As such, this weighs against granting Nikon’s application insofar as it seeks  
17 the documents stored in the Netherlands.

18         Petitioner’s arguments to the contrary are not persuasive. Rather than focusing on  
19 the jurisdiction of the foreign courts to reach the documents in question, Nikon only  
20 contends that the courts of the Netherlands, Germany, and Japan are “unlikely to provide  
21 any meaningful discovery.” (Appl. 6.) With respect to the courts of the Netherlands,  
22 Nikon points to the procedural hurdles that a party must go through to obtain discovery  
23 and to the Dutch courts’ tendency to deny discovery requests even when a party complies  
24 with its procedural requirement. (Appl. 6.) Nikon’s discussion of the German and  
25 Japanese courts focuses on the same issue: “the limitations of . . . procedural rules.”  
26 (Appl. 8.) This line of argument misses the crux of the first *Intel* factor. The appropriate  
27 inquiry is not about likely “availability” of discovery in a foreign court, but rather about  
28 that court’s jurisdiction to access the documents. *See Intel*, 542 U.S. at 264. At no point

1 does Nikon suggest that these courts do not have the jurisdiction to reach the documents  
2 listed in the subpoena. (*See* Appl. 5–8; Reply 2–3.) Accordingly, the Court weighs the  
3 first *Intel* factor against granting the entirety of Nikon’s request.

## 4                   **2.       Receptivity of Foreign Courts to Evidence**

5           The second *Intel* factor tasks the Court with considering how receptive foreign  
6 courts are to receiving evidence obtained through Section 1728 discovery. When the  
7 parties do not produce evidence showing that a foreign court would reject evidence  
8 obtained under Section 1782, courts tend to allow discovery. *See In re Kreke*, 2013 WL  
9 5966916, at \*5. As Petitioner has shown—and Respondent has not contested—all three  
10 foreign courts appear to be receptive to evidence obtained through Section 1782.  
11 (Haedicke Decl. ¶¶ 11-13, Doc. 1-3; Heemskerk Decl. ¶¶ 20–25, Doc. 1-3; Kobayashi  
12 Decl. ¶ 12, Doc. 1-4.) Accordingly, the second *Intel* factor weighs in favor of granting  
13 discovery.

## 14                   **3.       Circumvention of Foreign Policies**

15           Turning to the third *Intel* factor, courts may examine whether the application  
16 request “conceals an attempt to circumvent foreign proof gathering restrictions or other  
17 policies.” *Intel*, 542 at 265. In analyzing this factor, courts in the Ninth Circuit have  
18 rejected a “quasi-exhaustion” requirement for discovery under Section 1782, *see, e.g., In*  
19 *re O’Keeffe*, No. 2:14-cv-01518-RFB-CWH, 2015 WL 1308546, at \*4–5 (D. Nev. Mar.  
20 24, 2015); *In re Cathode Ray Tube Antitrust Litig.*, No. C-07-5944-SC, 2013 WL  
21 183944, at \*3 (N.D. Cal. Jan. 17, 2013); however, “[a] perception that an applicant has  
22 side-stepped less-than-favorable discovery rules by resorting immediately to § 1782” may  
23 . . . be a factor in the analysis, *In re Varian Med. Sys. Int’l AG*, No. 16-mc-80048-MEJ,  
24 2016 WL 116158, at \*5 (N.D. Cal. Mar. 24, 2016).

25           In opposing Nikon’s discovery request, ASML US again focuses on the actual  
26 location of the documents described in the subpoena, noting that most of documents at  
27 issue are located in the Netherlands. (Resp. 11–12.) Although the Court agrees that  
28 Nikon’s use of Section 1782—rather than foreign discovery procedures—to get at

1 documents stored abroad suggests an attempt to side-step the burdens of those  
2 procedures, (Resp. 12–13), that alone is not enough to weigh this factor against the  
3 Petitioner. Indeed, ASML US has not pointed to any particular policy or restriction that  
4 would be usurped by granting at least some discovery in this matter. This Court finds  
5 instructive the distinction drawn between attempts to bypass “technical requirements”  
6 and attempts to bypass “foreign proof-gathering restrictions” by the court in *Siemens AG*  
7 *v. Western Digital Corp.*, No. 8:13-cv-01407-CAS-(AJWx), 2013 WL 5947973, at \*3  
8 (C.D. Cal. Nov. 4, 2013). Although Nikon’s attempt to get at ASML’s documents  
9 through this Court surely is an attempt to bypass the “technical requirements” of foreign  
10 discovery, this Court does not find that Nikon’s conduct rises to the level of an attempt to  
11 bypass “foreign proof-gathering restrictions.” *See Siemens AG*, 2013 WL 5947973, at \*3.  
12 Accordingly, this factor neither weighs for nor against granting Nikon’s discovery  
13 request.

#### 14 **4. Burden on the Party**

15 Finally, under the fourth *Intel* factor, a court may reject or trim a discovery request  
16 that is “unduly intrusive or burdensome.” *Intel*, 542 at 265. “When the information  
17 sought is equally available through the foreign proceeding,” courts are more likely to  
18 determine that a request for that information in the United States “unduly burdensome.”  
19 *See In re Macquarie Bank Ltd.*, No. 2:14-cv-00797-GMN-NJK, 2015 WL 3439103, at \*9  
20 (D. Nev. May 28, 2015).

21 As noted previously, Nikon’s proposed subpoena reaches not only those  
22 documents that are under the control of ASML US and located in the United States, but  
23 also documents held and stored in the Netherlands, electronically or otherwise, by ASML  
24 NV. Further, as ASML US notes, the scope of Nikon’s proposed subpoena is vast,  
25 encompassing all documents related to a dozen ASML products. (Resp. 16; Appl. Exh. A  
26 3–15.) As such, the Court agrees that permitting discovery as proposed by Nikon would  
27 constitute an undue burden on ASML US. Accordingly, the fourth *Intel* factor weighs in  
28 favor of trimming Nikon’s discovery requests.

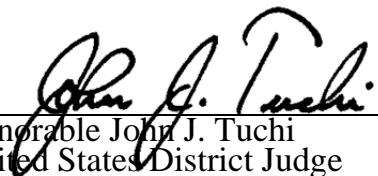
1 **IV. CONCLUSION**

2 A careful balancing of the *Intel* factors weighs against granting Nikon’s  
3 application in its entirety, as the request would force ASML US to produce a vast array of  
4 documents that ASML NV controls and over which the courts of the Netherlands have  
5 jurisdiction. Rather than deny the Application in full, however, the Court exercises its  
6 discretion to trim the discovery request to a more appropriate scope. The Court will grant  
7 Petitioner’s application only to the extent that it seeks documents that are possessed,  
8 controlled or stored by ASML US in the United States. This expressly does not extend to  
9 any electronically stored information (“ESI”) that may be stored on servers in the  
10 Netherlands, even if remotely accessible by ASML US employees. Any such information  
11 is equally accessible by ASML NV and is within the jurisdiction of Dutch courts. As  
12 such, the *Intel* factors weigh against granting production of that information by ASML  
13 US.

14 **IT IS THEREFORE ORDERED** granting in part and denying in part Petitioner  
15 Nikon’s Application for an Order Directing ASML US, Inc. to Respond to Requests for  
16 Documents Pursuant to 28 U.S.C. § 1782.

17 **IT IS FURTHER ORDERED** that the parties shall meet and confer and, within  
18 ten (10) days of the date of this Order, submit to the Court a joint proposed Document  
19 Production Schedule that is territorially limited as set forth above and that provides for  
20 the production of responsive United States-resident ESI consistent with this Order.

21 Dated this 12th day of September, 2017.

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24 \_\_\_\_\_  
25 Honorable John J. Tuchi  
26 United States District Judge  
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