STATEMENT OF GOOD CAUSE

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WHEREFORE, the discovery and trial of this case will involve the exchange of highly sensitive, technical, and proprietary information concerning, among other things, gyroscopic devices and associated components. Such information may include product lines, proprietary drawings, sensitive parts and part numbers, pricing information, and other financial data that are not available to

the public, but which are or would constitute confidential, proprietary, patented and otherwise trade secrets of each party.

WHEREFORE, disclosure of such sensitive documents and information is likely to occur as discovery and Rule 26 obligations will require disclosure of such confidential, proprietary, and trade secret-protected information.

NOW, THEREFORE, the parties agree and hereby stipulate that the disclosure of such highly confidential and sensitive information to the public may be detrimental to their respective commercial interests. Accordingly, pursuant to Rule 26(c) of the Federal Rules of Civil Procedure, it is hereby stipulated and agreed, by and between the parties to the above identified action, through their respective counsel, and ORDERED AND DECREED that the terms and conditions of this Stipulated [Proposed] Protective Order shall govern the production and handling of documents, answers to interrogatories, responses to requests for admissions, depositions, pleadings, exhibits and other information produced or exchanged during discovery or trial of this action.

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STIPULATED PROTECTIVE ORDER

- Any party or non-party providing or participating in discovery in this 1. action may designate as "CONFIDENTIAL" any information or thing provided or used by it in or pertaining to its business that is not generally known, which the designating party would not normally make publicly available and in which the party has a legitimate interest in limiting the disclosure; such as information relating to gyroscopic devices and associated components and parts, distinctive part numbers, product specifications and standardized drawings, product manufacturing techniques, information concerning development activities for products, customer lists and customer information, sales records, cost or pricing information (actual or projected), financial information, non-public patent applications and related communications, marketing strategies, strategic planning information, agreements with third parties, and "trade secrets" as that term is defined in California Civil Code § 3426.1. CONFIDENTIAL material as used in this Order shall refer to the original and copies of any so designated document, testimony or other discovery material, and shall also refer to the information contained in such material. All notes, extracts and summaries of CONFIDENTIAL material shall be considered CONFIDENTIAL material and be subject to the terms of this Order.
- 2. In designating information as CONFIDENTIAL, a party or non-party shall make such a designation only as to material that the party or non-party in good faith believes constitutes such material as matter used by it in, or pertaining to, its business, is not generally known or otherwise available to the public, which the party or non-party would normally not reveal to third parties or would cause third parties to maintain in confidence, or which is otherwise entitled to protection under Rule 26(c) of the Federal Rules of Civil Procedure. The party designating materials as CONFIDENTIAL bears the burden of establishing confidentiality.
- 3. Discovery material designated as CONFIDENTIAL shall be subject to the provisions of this Protective Order, and pending further order of the Court, shall be

maintained in confidence by the party (or other authorized person to whom such material is produced or given) as provided herein. CONFIDENTIAL materials may be disclosed only to the following persons:

- a) The Court and its officers and employees;
- b) Outside counsel of record, employees and agents of such outside counsel who are working under the direct supervision of such outside counsel, and outside vendors providing copying, coding, digitizing and/or trial support services;
- c) Non-party experts or other consultants who are not affiliated with a party and who are expressly engaged by outside counsel to provide expert testimony in this matter or to assist in discovery and/or preparation of this action for trial, with disclosure only to the extent necessary to perform such work ("outside consultants"), provided that before any materials are disclosed to any such individual, counsel desiring to disclose materials to such individuals shall first obtain a signed undertaking in the form of Appendix A hereto from each such individual and forward a copy of the undertaking to counsel for the designating party and other counsel of record; and
- d) Any other person as to whom the producing party agrees in writing in advance of any disclosure.

Upon receiving notice that a party intends to disclose CONFIDENTIAL materials to an individual identified in Paragraph 3(c), the designating party will have five business days to object to the disclosure of the information. Until the five day period expires, or objections are waived, no such materials shall be disclosed to that individual.

4. Inadvertent production of material subject to the attorney-client privilege, work product immunity, or other applicable privilege or immunity shall not constitute a waiver of any privilege or immunity <u>provided</u> that the producing party notifies the receiving party in writing promptly after discovery of such inadvertent production. Such inadvertently produced material shall be returned to the producing

party upon request. No use shall be made of such material during a deposition or at trial, nor shall such material be shown to anyone who has not already been given access to it subsequent to the request for its return. The party asserting that inadvertently-produced material is subject to an applicable privilege pursuant to this paragraph shall have the burden of establishing the existence of the privilege, and the absence of waiver.

- 5. Once a document or information has been: (a) produced in discovery; (b) used during a deposition; (c) used as an exhibit to a pleading filed with the Court; (d) identified for use at trial; or (e) otherwise disclosed to the Court, the producing party shall have twenty-one days from the date of disclosure to provide notice of any inadvertent production. Notwithstanding any other provision of this Protective Order, failure to provide notice within this twenty-one day period shall result in a rebuttable presumption of a waiver of any and all applicable privileges with respect to the inadvertently produced documents or information only.
- 6. In the event of any disclosure or use of CONFIDENTIAL material, other than in the manner authorized by this Order (or subsequent Court order), counsel for the party responsible for the disclosure shall immediately notify counsel of the party who produced the material of the facts and circumstances of such disclosure, including the identity of the unauthorized recipient(s) and the specific material disclosed to such person, and shall make every effort to prevent further unauthorized disclosure by, among other things, retrieving all such disclosed material and copies of such material.
- 7. No designation of documents, including the papers served and/or filed in this case, as CONFIDENTIAL information shall be effective unless the words "CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER" is placed or affixed on such material prior to its production. In the event that a producing party inadvertently fails to stamp or otherwise designate a document or other information as CONFIDENTIAL at the time of its production, it may be corrected by written

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notification to opposing counsel at any time, and the receiving party shall make a reasonable effort to mark the document or information in the manner requested by the producing party and thereafter treat the document in accordance with such marking. Opposing counsel and other authorized recipients of such information shall not be responsible for any otherwise proper actions it took with respect to such information before receiving notice of the designation. Any document produced prior to the execution of this Order shall not be treated as CONFIDENTIAL unless a party otherwise indicates before or after entry of this Order by written notification that the document should be treated as CONFIDENTIAL according to the terms of this agreement.

- 8. Testimony given at a deposition (including exhibits) may be designated as CONFIDENTIAL by an appropriate statement on the record at the time of the giving of such testimony, or within ten days after receipt of the transcript by the counsel for the party whose CONFIDENTIAL material was disclosed at the deposition. Counsel may designate the transcript as CONFIDENTIAL material during the ten day review period by written notification to opposing counsel. During the ten day review period, the entire transcript, including exhibits, shall be deemed CONFIDENTIAL material. If there is no statement on the record designating the transcript or any portion of the transcript as CONFIDENTIAL, and if no such designation is made within the ten day review period, the transcript shall not be considered CONFIDENTIAL, except for designations inadvertently omitted, which may be corrected by written notification as set forth in Paragraphs 5 and 7.
- All material designated CONFIDENTIAL shall be used solely in connection with the prosecution or defense of the claims in this action and shall not be used for any business, commercial, competitive, personal or other purpose, including patent prosecution. Counsel of record and the parties hereto shall take reasonable steps necessary to maintain such CONFIDENTIAL material in

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confidence and prevent persons from using, disclosing, or recording the CONFIDENTIAL material for any other purpose.

- 10. The recipient of any CONFIDENTIAL material that is provided under this Order shall maintain such information in a secure and safe area and shall exercise the same standard of due and proper care with respect to the storage, custody, use, and/or dissemination of such information as is exercised by the recipient with respect to its own proprietary information.
- 11. A party shall be required, pursuant to Local Rule 79-5 and as authorized by this Order and General Order 08-02(D), to file under seal any portion of a filing or submission that contains or otherwise discloses documents, information and/or transcripts of testimony that have been designated as CONFIDENTIAL material. including pages of deposition transcripts, exhibits, discovery responses, or memoranda purporting to contain or paraphrase such information. If material is filed under seal because it contains or discloses CONFIDENTIAL information, all court papers that refer to or rely on such evidence shall designate the particular aspects of such filings that are CONFIDENTIAL to enable the Court to maintain such confidentiality.
- 12. The restrictions provided for herein shall not terminate upon the conclusion of this action but shall continue until further order of this Court; provided, however, the restrictions set forth in any of the paragraphs of this Order shall not apply to information or material that may have been produced in discovery in this lawsuit and designated as CONFIDENTIAL if that information or material:
- a) was, is, or becomes public knowledge, in a manner not in violation of this Order:
- b) is acquired by the non-designating party from a third party having the right to disclose such information or material:
- c) was lawfully possessed by the non-designating party prior to entry by the Court of this Order; or

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- d) is otherwise covered by a Court Order allowing non-confidential disclosure of such material.
- 13. Notwithstanding any other provision of this Order, non-parties, including former officers or former employees of parties, may be examined at a deposition or trial in this action and may testify concerning any document containing CONFIDENTIAL information of a producing party that clearly appears on its face or from other documents or testimony to have been prepared by, received by, known by, or communicated to the non-party.
- 14. Each person who receives any CONFIDENTIAL material in accordance with any provision of this Order hereby agrees (or if a third party will be informed) that by virtue of their receipt of such CONFIDENTIAL material that they have subjected himself/herself to the terms of this Order and to the jurisdiction of this Court for the purpose of any proceeding relating to the performance under, compliance with, or violation of, this Order.
- 15. After a final, non-appealable termination of this case, receiving outside counsel may retain copies of all pleadings, correspondence, expert reports and documents considered by experts in preparing said reports, court filings, deposition transcripts and exhibits, court transcripts and exhibits, discovery requests and responses, and other documents, things, copies, and samples to the extent they include or reflect receiving attorney's work product. All other CONFIDENTIAL material produced by a party, and all copies, shall be destroyed, and counsel of record for the receiving party, if requested, shall certify in writing that such material 23 has been destroyed. The obligation on outside counsel to maintain the confidentiality of material designated as CONFIDENTIAL pursuant to this Order shall be deemed continuing.
 - 16. Any party may at any time seek modification of this Order or may challenge the appropriateness or propriety of a designation, by agreement, or failing agreement, by motion to the Court, pursuant to the Federal and Local Rules.

1	17. The provisions of this Order shall be available for application to non-
2	parties who are required to produce CONFIDENTIAL information in response to a
3	subpoena, and who in good faith believe that such material contains
4	CONFIDENTIAL information as defined herein. Any party to this action or a non-
5	party may designate information produced by the non-party as CONFIDENTIAL
6	within ten days of receipt of the information produced by the non-party. During the
7	ten day period, such information shall be deemed CONFIDENTIAL material. If no
8	such designation is made within the ten-day period, such information shall not be
9	considered to contain CONFIDENTIAL material, except for designations
10	inadvertently omitted, which may be corrected by written notification as set forth for
11	producing parties in Paragraphs 4, 5, and 7.
12	18. This Protective Order is without prejudice to the right of any party to
13	seek relief from the Court, for good cause shown, from any of the provisions
14	contained in paragraphs 1 through 18, inclusive, hereof.
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16	IT IS SO STIPULATED:
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20	Dated: January <u>21</u> , 2009 Respectfully submitted,
21	DROUBL MAUTE & MENUTOTICE LA D
22	BROWN, WHITE & NEWHOUSE LLP
23	By June B. Durhanz (1.E)
24	GEORGE B. NEWHOUSE, JR.
25	Attorneys for Plaintiff ATLANTIC INERTIAL SYSTEMS INC.
26	ATLANTIC INEXTIAL SYSTEMS INC.
27	

1	Dated: January <u>20</u> 2009	Respectfully submitted,
2		BROWNE WOODS GEORGE
3		
4		
5		By SUSAN KAY LEADER
6		Attorneys for Defendants CONDOR PACIFIC INDUSTRIES
7		CONDOR PACIFIC INDUSTRIES OF CALIFORNIA, INC. and
8		SIDNEY I. MELTZNER
9		
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11		IT IC CO ADDEDED
12		IT IS SO ORDERED.
13		DATED: 1/24/09
14		UNITED STATES MAGISTRATE HIDGE
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		10 STIPULATION AND IPROPOSED PROTECTIVE

C	ase 2:08-cv-02947-Flv.J-PJW Document 25 Filed 01/21,∠009 Page 12 of 12
1	9. After final termination of the case, I will return or destroy all CONFIDENTIAL materials
2	that come into my possession, and all documents or things which I have prepared relating to such
3	information, to an attorney representing the party that has employed or retained me.
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5	10. I submit to the jurisdiction of the United States District Court for the Central District of
6	California for the purpose of enforcement of the Protective Order.
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28	12 STIPULATION AND [PROPOSED] PROTECTIVE

Erin Gallagher

From:

cacd_ecfmail@cacd.uscourts.gov

Sent:

Wednesday, January 21, 2009 2:31 PM

To:

ecfnef@cacd.uscourts.gov

Subject: Activity in Case 2:08-cv-02947-FMC-PJW Atlantic Inertial Systems Inc. v. Condor Pacific Industries

of California, Inc. et al Stipulation for Protective Order

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UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA

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The following transaction was entered by Newhouse, George on 1/21/2009 at 2:31 PM PST and filed on 1/21/2009

Case Name:

Atlantic Inertial Systems Inc. v. Condor Pacific Industries of

California, Inc. et al

Case Number:

2:08-cv-2947

Filer:

Atlantic Inertial Systems Inc.

Document

25

Number:

Docket Text:

STIPULATION for Protective Order filed by Plaintiff Atlantic Inertial Systems Inc.. (Attachments: # (1) Proposed Order)(Newhouse, George)

2:08-cv-2947 Notice has been electronically mailed to:

Allan Browne

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Andrew W Dyer, JR

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Brian Bannon

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Jennifer Sunmi Keh jkeh@brownwhitelaw.com

Susan B. Flohr flohr@blankrome.com

2:08-cv-2947 Notice has been delivered by First Class U. S. Mail or by fax to: :

Susan Kay Leader Dreier Stein Kahan Browne Woods George 2121 Avenue of the Stars Suite 2400 Los Angeles, CA 90067

The following document(s) are associated with this transaction:

Document description: Main Document

Original filename: C:\Documents and Settings\egallagher\My Documents\Efiling Docs\2009.1.20 AIS Stipulation and [proposed] Protective Order.pdf

Electronic document Stamp:

[STAMP cacdStamp_ID=1020290914 [Date=1/21/2009] [FileNumber=7142074-0] [7969c5c9951d8c0256886708a57ba905a6d0daec7c0b708d44688791a79d8d8df113 b80cb61f1852af23b0753f36c4196eb06ba0b18bca784abcab0efc5a91c0]]

Document description:Proposed Order

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[STAMP cacdStamp_ID=1020290914 [Date=1/21/2009] [FileNumber=7142074-1] [31e6ffd337dfb1116d393b7c7c8a2dcb981c0d47c484a268d18b500a8cd528910211 d03a44adef7ab7ba3ef87b87995272bdb0c602fb800c561ad74a9b2f3230]]