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9 Attorneys for Defendants Zulily, LLC
 (erroneously sued as Zulily, Inc.)
 10 and GMPC LLC

11 **UNITED STATES DISTRICT COURT**
 12 **CENTRAL DISTRICT OF CALIFORNIA**

13
 14 STAR FABRICS, INC., a California
 Corporation,

15 Plaintiff,

16 vs.

17
 18 ZULILY, INC., a Delaware Corporation;
 SHOSHO FAHION, INC., a California
 19 Corporation; MODDEALS LLC, a
 California Limited Liability Company;
 20 GWBG, INC., a California Corporation;
 AMERICAN VISION, a business entity of
 21 form unknown; GMPC LLC, a California
 Limited Liability Company; JASMINE
 22 TRADING CORP., a New York
 Corporation; MODMERICA GROUP LLC,
 23 a California Limited Liability Company;
 and DOES 1 through 10,

24 Defendants.
 25
 26

Case No. 2:16-cv-00693 ODW (GJSx)

PROTECTIVE ORDER

27 Complaint Filed: February 1, 2016
 28 Trial Date: May 23, 2017

1 On stipulation of the Parties, the Court enters a Protective Order¹ in this matter as
2 follows:

3 1. A. PURPOSES AND LIMITATIONS

4 Discovery in this action is likely to involve production of confidential,
5 proprietary, or private information for which special protection from public disclosure
6 and from use for any purpose other than prosecuting this litigation may be warranted.
7 Accordingly, the parties hereby stipulate to and petition the Court to enter the following
8 Stipulated Protective Order. The parties acknowledge that this Order does not confer
9 blanket protections on all disclosures or responses to discovery and that the protection it
10 affords from public disclosure and use extends only to the limited information or items
11 that are entitled to confidential treatment under the applicable legal principles. The
12 parties further acknowledge, as set forth in Section 12.3, below, that this Stipulated
13 Protective Order does not entitle them to file confidential information under seal; Civil
14 Local Rule 79-5 sets forth the procedures that must be followed and the standards that
15 will be applied when a party seeks permission from the court to file material under seal.

16 B. GOOD CAUSE STATEMENT

17 This action is likely to involve trade secrets, customer and pricing lists and other
18 valuable research, development, commercial, financial, technical and/or proprietary
19 information for which special protection from public disclosure and from use for any
20 purpose other than prosecution of this action is warranted. Such confidential and
21 proprietary materials and information consist of, among other things, confidential
22 business or financial information, information regarding confidential business practices,
23 or other confidential research, development, or commercial information (including
24 information implicating privacy rights of third parties), information otherwise generally
25 unavailable to the public, or which may be privileged or otherwise protected from
26 disclosure under state or federal statutes, court rules, case decisions, or common law.

27 _____
28 ¹ This Stipulated Protective order is substantially based on the model protective order provided under Magistrate Judge
Gail J. Standish's Procedures.

1 Accordingly, to expedite the flow of information, to facilitate the prompt resolution of
2 disputes over confidentiality of discovery materials, to adequately protect information
3 the parties are entitled to keep confidential, to ensure that the parties are permitted
4 reasonable necessary uses of such material in preparation for and in the conduct of trial,
5 to address their handling at the end of the litigation, and serve the ends of justice, a
6 protective order for such information is justified in this matter. It is the intent of the
7 parties that information will not be designated as confidential for tactical reasons and
8 that nothing be so designated without a good faith belief that it has been maintained in a
9 confidential, non-public manner, and there is good cause why it should not be part of
10 the public record of this case.

11 C. ACKNOWLEDGMENT OF PROCEDURE FOR FILING UNDER SEAL

12 The parties further acknowledge, as set forth in Section 12.3, below, that this
13 Stipulated Protective Order does not entitle them to file confidential information under
14 seal; Local Civil Rule 79-5 sets forth the procedures that must be followed and the
15 standards that will be applied when a party seeks permission from the court to file
16 material under seal.

17 There is a strong presumption that the public has a right of access to judicial
18 proceedings and records in civil cases. In connection with non-dispositive motions,
19 good cause must be shown to support a filing under seal. See *Kamakana v. City and*
20 *County of Honolulu*, 447 F.3d 1172, 1176 (9th Cir. 2006), *Phillips v. Gen. Motors*
21 *Corp.*, 307 F.3d 1206, 1210-11 (9th Cir. 2002), *Makar-Welbon v. Sony Electronics, Inc.*,
22 187 F.R.D. 576, 577 (E.D. Wis. 1999) (even stipulated protective orders require good
23 cause showing), and a specific showing of good cause or compelling reasons with
24 proper evidentiary support and legal justification, must be made with respect to
25 Protected Material that a party seeks to file under seal. The parties' mere designation of
26 Disclosure or Discovery Material as CONFIDENTIAL does not—without the
27 submission of competent evidence by declaration, establishing that the material sought
28

1 to be filed under seal qualifies as confidential, privileged, or otherwise protectable—
2 constitute good cause.

3 Further, if a party requests sealing related to a dispositive motion or trial, then
4 compelling reasons, not only good cause, for the sealing must be shown, and the relief
5 sought shall be narrowly tailored to serve the specific interest to be protected. See
6 *Pintos v. Pacific Creditors Ass’n*, 605 F.3d 665, 677-79 (9th Cir. 2010). For each item
7 or type of information, document, or thing sought to be filed or introduced under seal in
8 connection with a dispositive motion or trial, the party seeking protection must
9 articulate compelling reasons, supported by specific facts and legal justification, for the
10 requested sealing order. Again, competent evidence supporting the application to file
11 documents under seal must be provided by declaration.

12 Any document that is not confidential, privileged, or otherwise protectable in its
13 entirety will not be filed under seal if the confidential portions can be redacted. If
14 documents can be redacted, then a redacted version for public viewing, omitting only
15 the confidential, privileged, or otherwise protectable portions of the document, shall be
16 filed. Any application that seeks to file documents under seal in their entirety should
17 include an explanation of why redaction is not feasible.

18
19 **2. DEFINITIONS**

20 2.1 Action: *Star Fabrics, Inc. v. Zulily, Inc.*, Case No. 16-cv-00693-ODW-
21 GJS.

22 2.2 Challenging Party: a Party or Non-Party that challenges the designation of
23 information or items under this Order.

24 2.3 “CONFIDENTIAL” Information or Items: information (regardless of how
25 it is generated, stored or maintained) or tangible things that qualify for protection under
26 Federal Rule of Civil Procedure 26(c), and as specified above in the Good Cause
27 Statement.

1 2.4 Counsel: Outside Counsel of Record and House Counsel (as well as their
2 support staff).

3 2.5 Designating Party: a Party or Non-Party that designates information or
4 items that it produces in disclosures or in responses to discovery as
5 “CONFIDENTIAL.”

6 2.6 Disclosure or Discovery Material: all items or information, regardless of
7 the medium or manner in which it is generated, stored, or maintained (including, among
8 other things, testimony, transcripts, and tangible things), that are produced or generated
9 in disclosures or responses to discovery in this matter.

10 2.7 Expert: a person with specialized knowledge or experience in a matter
11 pertinent to the litigation who has been retained by a Party or its counsel to serve as an
12 expert witness or as a consultant in this Action.

13 2.8 House Counsel: attorneys who are employees of a party to this Action.
14 House Counsel does not include Outside Counsel of Record or any other outside
15 counsel.

16 2.9 Non-Party: any natural person, partnership, corporation, association or
17 other legal entity not named as a Party to this action.

18 2.10 Outside Counsel of Record: attorneys who are not employees of a party to
19 this Action but are retained to represent or advise a party to this Action and have
20 appeared in this Action on behalf of that party or are affiliated with a law firm which
21 has appeared on behalf of that party, and includes support staff.

22 2.11 Party: any party to this Action, including all of its officers, directors,
23 consultants, retained experts, and Outside Counsel of Record (and their support staffs).

24 2.12 Producing Party: a Party or Non-Party that produces Disclosure or
25 Discovery Material in this Action.

26 2.13 Professional Vendors: persons or entities that provide litigation
27 support services (e.g., photocopying, videotaping, translating, preparing exhibits or
28

1 demonstrations, and organizing, storing, or retrieving data in any form or medium) and
2 their employees and subcontractors.

3 2.14 Protected Material: any Disclosure or Discovery Material that is
4 designated as “CONFIDENTIAL.”

5 2.15 Receiving Party: a Party that receives Disclosure or Discovery
6 Material from a Producing Party.

7
8 3. SCOPE

9 The protections conferred by this Stipulation and Order cover not only Protected
10 Material (as defined above), but also (1) any information copied or extracted from
11 Protected Material; (2) all copies, excerpts, summaries or compilations of Protected
12 Material; and (3) any testimony, conversations, or presentations by Parties or their
13 Counsel that might reveal Protected Material.

14 Any use of Protected Material at trial shall be governed by the orders of the trial
15 judge. This Order does not govern the use of Protected Material at trial.

16
17 4. DURATION

18 Once a case proceeds to trial, information that was designated as
19 CONFIDENTIAL or maintained pursuant to this protective order used or introduced as
20 an exhibit at trial becomes public and will be presumptively available to all members of
21 the public, including the press, unless compelling reasons supported by specific factual
22 findings to proceed otherwise are made to the trial judge in advance of the trial. See
23 *Kamakana*, 447 F.3d at 1180-81 (distinguishing “good cause” showing for sealing
24 documents produced in discovery from “compelling reasons” standard when merits-
25 related documents are part of court record). Accordingly, the terms of this protective
26 order do not extend beyond the commencement of the trial.

1 5. DESIGNATING PROTECTED MATERIAL

2 5.1 Exercise of Restraint and Care in Designating Material for Protection.

3 Each Party or Non-Party that designated information or items for protection under this
4 Order must take care to limit any such designation to specific material that qualifies
5 under the appropriate standards. The Designating Party must designate for protection
6 only those parts of material, documents, items, or oral or written communications that
7 qualify so that other portions of the material, documents, items, or communications for
8 which protection is not warranted are not swept unjustifiably within the ambit of this
9 Order.

10 Mass, indiscriminate, or routinized designations are prohibited. Designations that
11 are shown to be clearly unjustified or that have been made for an improper purpose
12 (e.g., to unnecessarily encumber the case development process or to impose
13 unnecessary expenses and burdens on other parties) may expose the Designating Party
14 to sanctions.

15 If it comes to a Designating Party's attention that information or items that it
16 designated for protection do not qualify for protection, that Designating Party must
17 promptly notify all other Parties that it is withdrawing the inapplicable designation.

18 5.2 Manner and Timing of Designations. Except as otherwise provided in this
19 Order (see, e.g., second paragraph of section 5.2(a) below), or as otherwise stipulated or
20 ordered, Disclosure or Discovery Material that qualifies for protection under this Order
21 must be clearly so designated before the material is disclosed or produced.

22 Designation in conformity with this Order requires:

23 (a) for information in documentary form (e.g., paper or electronic documents,
24 but excluding transcripts of depositions or other pretrial or trial proceedings), that the
25 Producing Party affix at a minimum, the legend "CONFIDENTIAL" (hereinafter
26 "CONFIDENTIAL legend"), to each page that contains protected material. If only a
27 portion of the material on a page qualifies for protection, the Producing Party also must
28

1 clearly identify the protected portion(s) (e.g., by making appropriate markings in the
2 margins).

3 A Party or Non-Party that makes original documents available for inspection
4 need not designate them for protection until after the inspecting Party has indicated
5 which documents it would like copied and produced. During the inspection and before
6 the designation, all of the material made available for inspection shall be deemed
7 “CONFIDENTIAL.” After the inspecting Party has identified the documents it wants
8 copied and produced, the Producing Party must determine which documents, or portions
9 thereof, qualify for protection under this Order. Then, before producing the specified
10 documents, the Producing Party must affix the “CONFIDENTIAL legend” to each page
11 that contains Protected Material. If only a portion of the material on a page qualifies for
12 protection, the Producing Party also must clearly identify the protected portion(s) (e.g.,
13 by making appropriate markings in the margins).

14 (b) for testimony given in depositions that the Designating Party identifies the
15 Disclosure or Discovery Material on the record, before the close of the deposition all
16 protected testimony.

17 (c) for information produced in some form other than documentary and for any
18 other tangible items, that the Producing Party affix in a prominent place on the exterior
19 of the container or containers in which the information is stored the legend
20 “CONFIDENTIAL.” If only a portion or portions of the information warrants
21 protection, the Producing Party, to the extent practicable, shall identify the protected
22 portion(s).

23 5.3 Inadvertent Failures to Designate. If timely corrected, an inadvertent
24 failure to designate qualified information or items does not, standing alone, waive the
25 Designating Party’s right to secure protection under this Order for such material. Upon
26 timely correction of a designation, the Receiving Party must make reasonable efforts to
27 assure that the material is treated in accordance with the provisions of this Order.

1 6. CHALLENGING CONFIDENTIALITY DESIGNATIONS

2 6.1 Timing of Challenges. Any Party or Non-Party may challenge a
3 designation of confidentiality at any time that is consistent with the Court’s Scheduling
4 Order.

5 6.2 Meet and Confer. The Challenging Party shall initiate the dispute
6 resolution process under Local Rule 37.1 et seq.

7 6.3 The burden of persuasion in any such challenge proceeding shall be on the
8 Designating Party. Frivolous challenges, and those made for an improper purpose (e.g.,
9 to harass or impose unnecessary expenses and burdens on other parties) may expose the
10 Challenging Party to sanctions. Unless the Designating Party has waived or withdrawn
11 the confidentiality designation, all parties shall continue to afford the material in
12 question the level of protection to which it is entitled under the Producing Party’s
13 designation until the Court rules on the challenge.

14
15 7. ACCESS TO AND USE OF PROTECTED MATERIAL

16 7.1 Basic Principles. A Receiving Party may use Protected Material that is
17 disclosed or produced by another Party or by a Non-Party in connection with this
18 Action only for prosecuting, defending or attempting to settle this Action. Such
19 Protected Material may be disclosed only to the categories of persons and under the
20 conditions described in this Order. When the Action has been terminated, a Receiving
21 Party must comply with the provisions of section 13 below (FINAL DISPOSITION).

22 Protected Material must be stored and maintained by a Receiving Party at a
23 location and in a secure manner that ensures that access is limited to the persons
24 authorized under this Order.

25 7.2 Disclosure of “CONFIDENTIAL” Information or Items. Unless otherwise
26 ordered by the court or permitted in writing by the Designating Party, a Receiving Party
27 may disclose any information or item designated “CONFIDENTIAL” only to:
28

1 (a) the Receiving Party’s Outside Counsel of Record in this Action, as well as
2 employees of said Outside Counsel of Record to whom it is reasonably necessary to
3 disclose the information for this Action;

4 (b) the officers, directors, and employees (including House Counsel) of the
5 Receiving Party to whom disclosure is reasonably necessary for this Action;

6 (c) Experts (as defined in this Order) of the Receiving Party to whom disclosure
7 is reasonably necessary for this Action and who have signed the “Acknowledgment and
8 Agreement to Be Bound” (Exhibit A);

9 (d) the court and its personnel;

10 (e) court reporters and their staff;

11 (f) professional jury or trial consultants, mock jurors, and Professional Vendors
12 to whom disclosure is reasonably necessary for this Action and who have signed the
13 “Acknowledgment and Agreement to Be Bound” (Exhibit A);

14 (g) the author or recipient of a document containing the information or a
15 custodian or other person who otherwise possessed or knew the information;

16 (h) during their depositions, witnesses, and attorneys for witnesses, in the Action
17 to whom disclosure is reasonably necessary provided: (1) the deposing party requests
18 that the witness sign the form attached as Exhibit 1 hereto; and (2) they will not be
19 permitted to keep any confidential information unless they sign the “Acknowledgment
20 and Agreement to Be Bound” (Exhibit A), unless otherwise agreed by the Designating
21 Party or ordered by the court. Pages of transcribed deposition testimony or exhibits to
22 depositions that reveal Protected Material may be separately bound by the court reporter
23 and may not be disclosed to anyone except as permitted under this Stipulated Protective
24 Order; and

25 (i) any mediator or settlement officer, and their supporting personnel, mutually
26 agreed upon by any of the parties engaged in settlement discussions.

1 8. PROTECTED MATERIAL SUBPOENAED OR ORDERED PRODUCED IN
2 OTHER LITIGATION

3 If a Party is served with a subpoena or a court order issued in other litigation that
4 compels disclosure of any information or items designated in this Action as
5 “CONFIDENTIAL,” that Party must:

6 (a) promptly notify in writing the Designating Party. Such notification shall
7 include a copy of the subpoena or court order;

8 (b) promptly notify in writing the party who caused the subpoena or order to
9 issue in the other litigation that some or all of the material covered by the subpoena or
10 order is subject to this Protective Order. Such notification shall include a copy of this
11 Stipulated Protective Order; and

12 (c) cooperate with respect to all reasonable procedures sought to be pursued by
13 the Designating Party whose Protected Material may be affected.

14 If the Designating Party timely seeks a protective order, the Party served with the
15 subpoena or court order shall not produce any information designated in this action as
16 “CONFIDENTIAL” before a determination by the court from which the subpoena or
17 order issued, unless the Party has obtained the Designating Party’s permission. The
18 Designating Party shall bear the burden and expense of seeking protection in that court
19 of its confidential material and nothing in these provisions should be construed as
20 authorizing or encouraging a Receiving Party in this Action to disobey a lawful
21 directive from another court.

22
23 9. A NON-PARTY’S PROTECTED MATERIAL SOUGHT TO BE PRODUCED
24 IN THIS LITIGATION

25 (a) The terms of this Order are applicable to information produced by a Non-
26 Party in this Action and designated as “CONFIDENTIAL.” Such information produced
27 by Non-Parties in connection with this litigation is protected by the remedies and relief
28

1 provided by this Order. Nothing in these provisions should be construed as prohibiting
2 a Non-Party from seeking additional protections.

3 (b) In the event that a Party is required, by a valid discovery request, to produce
4 a Non-Party's confidential information in its possession, and the Party is subject to an
5 agreement with the Non-Party not to produce the Non-Party's confidential information,
6 then the Party shall:

7 (1) promptly notify in writing the Requesting Party and the Non-Party that
8 some or all of the information requested is subject to a confidentiality agreement with a
9 Non-Party;

10 (2) promptly provide the Non-Party with a copy of the Stipulated
11 Protective Order in this Action, the relevant discovery request(s), and a reasonably
12 specific description of the information requested; and

13 (3) make the information requested available for inspection by the Non-
14 Party, if requested.

15 (c) If the Non-Party fails to seek a protective order from this court within 14
16 days of receiving the notice and accompanying information, the Receiving Party may
17 produce the Non-Party's confidential information responsive to the discovery request.
18 If the Non-Party timely seeks a protective order, the Receiving Party shall not produce
19 any information in its possession or control that is subject to the confidentiality
20 agreement with the Non-Party before a determination by the court. Absent a court order
21 to the contrary, the Non-Party shall bear the burden and expense of seeking protection
22 in this court of its Protected Material.

23
24 10. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL

25 If a Receiving Party learns that, by inadvertence or otherwise, it has disclosed
26 Protected Material to any person or in any circumstance not authorized under this
27 Stipulated Protective Order, the Receiving Party must immediately (a) notify in writing
28 the Designating Party of the unauthorized disclosures, (b) use its best efforts to retrieve

1 all unauthorized copies of the Protected Material, (c) inform the person or persons to
2 whom unauthorized disclosures were made of all the terms of this Order, and (d)
3 request such person or persons to execute the “Acknowledgment and Agreement to Be
4 Bound” that is attached hereto as Exhibit A.

5
6 11. INADVERTENT PRODUCTION OF PRIVILEGED OR OTHERWISE
7 PROTECTED MATERIAL

8 When a Producing Party gives notice to Receiving Parties that certain
9 inadvertently produced material is subject to a claim of privilege or other protection, the
10 obligations of the Receiving Parties are those set forth in Federal Rule of Civil
11 Procedure 26(b)(5)(B). This provision is not intended to modify whatever procedure
12 may be established in an e-discovery order that provides for production without prior
13 privilege review. Pursuant to Federal Rule of Evidence 502(d) and (e), insofar as the
14 parties reach an agreement on the effect of disclosure of a communication or
15 information covered by the attorney-client privilege or work product protection, the
16 parties may incorporate their agreement in the stipulated protective order submitted to
17 the court.

18
19 12. MISCELLANEOUS

20 12.1 Right to Further Relief. Nothing in this Order abridges the right of any
21 person to seek its modification by the Court in the future.

22 12.2 Right to Assert Other Objections. By stipulating to the entry of this
23 Protective Order, no Party waives any right it otherwise would have to object to
24 disclosing or producing any information or item on any ground not addressed in this
25 Stipulated Protective Order. Similarly, no Party waives any right to object on any
26 ground to use in evidence of any of the material covered by this Protective Order.

27 12.3 Filing Protected Material. A Party that seeks to file under seal any
28 Protected Material must comply with Local Civil Rule 79-5. Protected Material may

1 only be filed under seal pursuant to a court order authorizing the sealing of the specific
2 Protected Material at issue. If a Party’s request to file Protected Material under seal is
3 denied by the court, then the Receiving Party may file the information in the public
4 record unless otherwise instructed by the court.
5

6 13. FINAL DISPOSITION

7 After the final disposition of this Action, as defined in paragraph 4, within 60
8 days of a written request by the Designating Party, each Receiving Party must return all
9 Protected Material to the Producing Party or destroy such material. As used in this
10 subdivision, “all Protected Material” includes all copies, abstracts, compilations,
11 summaries, and any other format reproducing or capturing any of the Protected
12 Material. Whether the Protected Material is returned or destroyed, the Receiving Party
13 must submit a written certification to the Producing Party (and, if not the same person
14 or entity, to the Designating Party) by the 60 day deadline that (1) identifies (by
15 category, where appropriate) all the Protected Material that was returned or destroyed
16 and (2) affirms that the Receiving Party has not retained any copies, abstracts,
17 compilations, summaries or any other format reproducing or capturing any of the
18 Protected Material. Notwithstanding this provision, Counsel are entitled to retain an
19 archival copy of all pleadings, motion papers, trial, deposition, and hearing transcripts,
20 legal memoranda, correspondence, deposition and trial exhibits, expert reports, attorney
21 work product, and consultant and expert work product, even if such materials contain
22 Protected Material. Any such archival copies that contain or constitute Protected
23 Material remain subject to this Protective Order as set forth in Section 4 (DURATION).

24 ///
25 ///
26 ///
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28 ///

1 14. VIOLATION

2 Any violation of this Order may be punished by appropriate measures including,
3 without limitation, contempt proceedings and/or monetary sanctions.
4

5 FOR GOOD CAUSE SHOWN, IT IS SO ORDERED.

6 DATED: August 5, 2016



8 GAIL J. STANDISH
9 UNITED STATES MAGISTRATE JUDGE

1 EXHIBIT A

2 ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

3
4 I, _____ [print or type full name], of _____
5 [print or type full address], declare under penalty of perjury that I have read in its
6 entirety and understand the Stipulated Protective Order that was issued by the United
7 States District Court for the Central District of California on [date] in the case of *Star*
8 *Fabrics, Inc. v. Zulily, Inc.*, Case No. 16-CV-0693-ODW-GJS. I agree to comply with
9 and to be bound by all the terms of this Stipulated Protective Order and I understand
10 and acknowledge that failure to so comply could expose me to sanctions and
11 punishment in the nature of contempt. I solemnly promise that I will not disclose in any
12 manner any information or item that is subject to this Stipulated Protective Order to any
13 person or entity except in strict compliance with the provisions of this Order.

14 I further agree to submit to the jurisdiction of the United States District Court for
15 the Central District of California for enforcing the terms of this Stipulated Protective
16 Order, even if such enforcement proceedings occur after termination of this action. I
17 hereby appoint _____ [print or type full name] of
18 _____ [print or type full address and
19 telephone number] as my California agent for service of process in connection with this
20 action or any proceedings related to enforcement of this Stipulated Protective Order.

21
22 Date: _____

23 City and State where sworn and signed: _____

24 Printed name: _____

25 Signature: _____