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 5 HELIO MEDICAL SUPPLIES, INC.

6  
 7 UNITED STATES DISTRICT COURT  
 8 NORTHERN DISTRICT OF CALIFORNIA  
 9

10 HELIO MEDICAL SUPPLIES, INC.,  
 a California corporation;

11 Plaintiff,

12 v.

13 UPC MEDICAL SUPPLIES, INC., a  
 14 California corporation,  
 d.b.a. United Pacific  
 15 Company;

16 Defendant.

Case No. C02-03860 JW PVT

PLAINTIFF'S RESPONSE TO  
 SEPARATE STATEMENT OF  
 DISPUTED DISCOVERY REQUESTS;  
 REQUEST FOR SANCTIONS

Date: Sept. 30, 2003

Time: 10:00 a.m.

Place: Ct. 5

Hon. Patricia V. Trumbull

17  
 18 Plaintiff Helio Medical Supplies, Inc. ("Helio") submits the  
 19 following separate statement of disputed document requests in  
 20 opposition to the motion to compel filed by defendant UPC Medical  
 21 Supplies, Inc. ("UPC") seeking further document responses and  
 22 interrogatory answers from Helio.

23  
 24 DOCUMENTS REQUESTS AND RESPONSES IN DISPUTE

25 DOCUMENT REQUEST NO. 1:

26 All documents supporting your allegation that Helio  
 27 contracts for the photographing, developing and other production  
 28 of the product photographs and layouts appearing in all of

1 Helio's catalogs during the relevant dates.

2 RESPONSE TO DOCUMENT REQUEST NO. 1:

3         Responding party objects that this request is vague,  
4 irrelevant, overbroad, unduly burdensome, oppressive, harassing,  
5 and unlimited as to time. Plaintiff is prepared to meet and  
6 confer with defendant about this request.

7 HELIO'S RESPONSE:

8         This document request is moot as the requested documents  
9 have already been produced.

10         Following the parties' meet and confer session on July 15,  
11 2003, Helio agreed to make these documents available for inspection  
12 and copying by UPC. However, Gorman indicated that compilation of  
13 the requested documents would involve a substantial effort as many  
14 of the materials date back almost 10 years. Helio's counsel, John  
15 Gorman, subsequently informed UPC's counsel, Ksenya Medvedev, by  
16 phone that these materials were available.

17         On August 6, 2003, Gorman sent Medvedev an e-mail reciting  
18 that "I have previously advised you on multiple occasions that  
19 Helio's documents are available to be reviewed at my office in  
20 San Jose. (I did not promise to mail the documents to you). You  
21 indicated that you would plan to make arrangements to inspect the  
22 documents but have never done so. The documents are still here  
23 and available for you to inspect. I am still waiting for you to  
24 let me know when you want to look at Helio's documents."

25         On August 14, 2003, Gorman faxed Medvedev a letter stating  
26 that "Helio's documents are and have been available for your  
27 review in San Jose, yet UPC has never availed itself of the  
28 opportunity to conduct such an inspection."

1 UPC's counsel finally made arrangements to have a professional  
2 copy service, Ikon, make photocopies of Helio's documents on August  
3 28, 2003. UPC now has copies of all of the pertinent materials.

4  
5 DOCUMENT REQUEST NO. 2:

6 All documents showing costs associated with the production  
7 of all photographs which you allege UPC has misappropriated from  
8 Helio.

9 RESPONSE TO DOCUMENT REQUEST NO. 2:

10 Responding party objects that this request is vague,  
11 irrelevant, overbroad, unduly burdensome, oppressive, harassing,  
12 and unlimited as to time. Plaintiff is prepared to meet and  
13 confer with defendant about this request.

14 HELIO'S RESPONSE:

15 These materials were included among the materials produced  
16 to UPC on August 28, 2003. The documents had been available for  
17 UPC to review since late July 2003. See discussion concerning  
18 Document Request No. 1.

19  
20 DOCUMENT REQUEST NO. 18:

21 All documents which form the basis for Helio's entitlement  
22 to an award of attorney's fees as alleged in the Complaint.

23 RESPONSE TO DOCUMENT REQUEST NO. 18:

24 Helio objects that this request is vague, ambiguous,  
25 overbroad, unduly burdensome, oppressive, harassing, and fails to  
26 specify the documents being sought with reasonable particularity.  
27 Without waiver of these objections, Helio states that its prayer  
28 for attorneys' fees is statutory, not based on a contractual

1 agreement.

2 HELIO'S RESPONSE:

3 Helio's objections are well taken.

4 It is not clear what documents are being sought by UPC as  
5 the wording of this request is unduly vague. UPC seems to be  
6 trying to elicit the statutory basis upon which Helio is  
7 requesting legal fees, yet this is not an interrogatory. In any  
8 event, the Lanham Act provides for recovery of attorneys' fees in  
9 "exceptional cases." 15 U.S.C. § 1117(a). Attorneys' fees are  
10 also recoverable under state law doctrines such as "private  
11 attorney general" and "tort of another" theories. There are no  
12 "documents" that Helio can produce that say this -- other than  
13 perhaps a copy of a statute or case law. That is not a proper  
14 function of a document request.

15 The only other documents that might potentially bear on  
16 Helio's "entitlement to attorneys' fees" would be the billing  
17 records of Helio's counsel. Such materials are not relevant to  
18 the issues presently before the court and are protected by the  
19 attorney-client privilege and the work product doctrine (as they  
20 would reveal what legal work and research has been undertaken).

21

22 DOCUMENT REQUEST NO. 19:

23 All documents relating to any sale forecast, budget and/or  
24 business plan for Helio and products sold by Helio for any period  
25 prepared by or for Helio during the relevant period.

26 RESPONSE TO DOCUMENT REQUEST NO. 19:

27 Responding party objects that this request is vague,  
28 compound, irrelevant, overbroad, unduly burdensome, oppressive,

1 harassing, calls for trade secrets, and is unlimited as to time.  
2 Plaintiff is prepared to meet and confer with defendant about  
3 this request.

4 HELIO'S RESPONSE:

5 Helio's counsel agreed to look into whether Helio has any  
6 such documents. According to Helio's management, it does not  
7 utilize sales forecasts or budgets and thus has no responsive  
8 documents. Helio is willing to provide a supplemental response  
9 to this effect.

10  
11 DOCUMENT REQUEST NO. 21:

12 Documents sufficient to identify all of Helio's customers,  
13 whether current or prospective, relations with whom you allege  
14 have been interfered with by UPC.

15 RESPONSE TO DOCUMENT REQUEST NO. 21:

16 Responding party objects that this request is vague,  
17 irrelevant, overbroad, unduly burdensome, oppressive, harassing,  
18 calls for trade secrets, and fails to specify the documents being  
19 sought with reasonable particularity. In addition, this request  
20 appears to call for confidential trade secrets. This is a  
21 document request, not an interrogatory.

22 HELIO'S RESPONSE:

23 Helio does not know what this document request is supposed  
24 to be seeking. Helio has no documents listing the customers with  
25 which UPC has supposedly interfered. If that is what UPC wants,  
26 there are no responsive documents.

27 Moreover, this document request is not relevant. It is not  
28 necessary for a plaintiff to identify the specific customers who

1 were misled by the defendant's false advertising: "Such evidence  
2 is not a sine qua non of a Lanham Act claim, but rather goes to  
3 the quantum of proof." Grant Airmass Corp. v. Gaymar Industries,  
4 Inc., 645 F. Supp. 1507, 1514 (S.D.N.Y. 1986). Cf., Mishawaka  
5 Rubber & Woolen Manufacturing Co. v. S.S. Kresge Co., 316 U.S.  
6 203 (1942)(plaintiff not required to prove that particular  
7 customers would have bought from plaintiff but for defendant's  
8 misconduct; all of the infringer's sales are presumed to be  
9 attributable to the infringement unless rebutted by evidence  
10 produced by the defendant). This appears to be another attempt  
11 by UPC to use a document request as if it were an interrogatory.  
12 That is not proper.

13 Finally, to the extent that this request can be read as calling  
14 for production of Helio's entire customer list (an interpretation  
15 not articulated by UPC), that would also be irrelevant and calls for  
16 trade secret information.

17  
18 DOCUMENT REQUEST NO. 23:

19 Any documents and things, including, but not limited to,  
20 product samples, packaging, purchase orders, products received  
21 and/or ordered, supporting your allegation that products  
22 delivered by UPC are different from "inauthentic," or of lesser  
23 quality than the products shown in UPC's catalogs.

24 RESPONSE TO DOCUMENT REQUEST NO. 23:

25 All such documents and materials have been identified and  
26 produced as part of Helio's Initial Disclosure or are available  
27 for inspection as the offices of Gorman & Miller, P.C.

28 HELIO'S RESPONSE:

1 Helio acquired a sample of each imitation product and  
2 produced the pertinent invoice as part of its Initial Disclosure.  
3 The actual product samples and shipping boxes were produced for  
4 inspection on August 28, 2003, at which time Ikon took digital  
5 photographs of the various products and shipping containers.

6 Such items had been available for inspection by UPC's  
7 counsel since late July 2003. See discussion concerning Document  
8 Request No. 1.

9  
10 DOCUMENT REQUEST NO. 25:

11 All correspondence and documents to or from you concerning  
12 any communications regarding UPC or the present action.

13 RESPONSE TO DOCUMENT REQUEST NO. 25:

14 Responding party objects that this request is vague,  
15 unclear, overbroad, unduly burdensome, oppressive, and harassing.

16 HELIO'S RESPONSE:

17 This request is overbroad and improper to the extent that it  
18 calls for all communications about the "present action" (which  
19 could potentially call for attorney-client privileged materials  
20 and work product). Aside from these types of documents, Helio  
21 produced all documents in its possession that relate to UPC on  
22 August 28, 2003. Thus, this request is now moot.

23  
24 DOCUMENT REQUEST NO. 27:

25 Documents identifying Helio's source of all the Helio's  
26 Products, including the name and address of each such source.

27 RESPONSE TO DOCUMENT REQUEST NO. 27:

28 Responding party objects that this request is vague,

1 overbroad, unduly burdensome, oppressive, harassing, calls for  
2 work product, calls for trade secrets, and fails to specify the  
3 documents being sought with reasonable particularity. This is a  
4 document request, not an interrogatory.

5 HELIO'S RESPONSE:

6       Once again, UPC appears to be trying to use a document  
7 request as an interrogatory. If UPC wants to know the identities  
8 of the various vendors from which Helio has acquired the products  
9 that are in dispute, that may well be appropriate. However, it  
10 is patently unreasonable for UPC to demand that Helio produce  
11 every document that relates to every one of these vendors. No  
12 good cause exists for requiring that Helio undertake such an  
13 unreasonable burden.

14       If read literally, this request would require Helio to  
15 produce countless documents extending over a period of more than  
16 10 years. Moreover, some of the vendors in question supply  
17 multiple items to Helio that have nothing to do with the pirated  
18 artwork. The burden of trying to retrieve every invoice,  
19 purchase order, email, fax, product catalog, etc. that mentions  
20 any company that has supplied the disputed goods to Helio is  
21 grossly excessive and unreasonable.

22  
23                   INTERROGATORIES AND RESPONSES IN DISPUTE

24 INTERROGATORY NO. 2:

25       Describe in detail how Helio has suffered and is suffering  
26 damage, as alleged in the Complaint, including a statement of the  
27 dollar amount of such damages and the exact manner in which such  
28 damages were calculated.

1 RESPONSE TO INTERROGATORY NO. 2:

2 Helio objects that this question calls for expert discovery.  
3 Helio has already provided UPC with an expert report. Helio  
4 notes that UPC has not yet provided its sales and financial  
5 information to Helio and that the expert report is subject to  
6 amendment.

7 Without waiver of these objections, Helio states that UPC is  
8 diverting sales from Helio by falsely claiming to sell the same  
9 products as Helio. Every diverted sale is a loss to Helio.

10 Customers are also being given the false impression that UPC  
11 offers the same goods as Helio but at lower prices, thereby  
12 leading customers to switch their allegiance to UPC. In reality,  
13 UPC is substituting different and inferior goods even though it  
14 is depicting Helio's products in the UPC catalog. This also  
15 injures Helio's reputation as customers come to believe that the  
16 products in question are not of good quality.

17 UPC's theft of Helio's artwork also damages Helio because it  
18 saves a competitor, UPC, the time and expense of developing UPC's  
19 own artwork.

20 HELIO'S RESPONSE:

21 Helio submits that it has provided a full, complete, and  
22 meaningful answer to this interrogatory. Helio has described in  
23 detail why and how it believes it has been damaged and has also  
24 referred UPC to the damage report of its retained expert, Robert  
25 Sherwin.

26 Sherwin's extensive expert report was served on June 20, 2003.  
27 UPC conducted Sherwin's deposition on August 22, 2003 and has now  
28 had a chance to explore the basis for Sherwin's opinions and damage

1 calculations.

2 Helio further notes that UPC's sales records had not yet been  
3 produced to Helio's counsel at the time that this interrogatory was  
4 propounded. Such records support a disgorgement remedy. If and  
5 when the amount of the disgorgement claim is quantified, Helio would  
6 be happy be provide a supplemental response.

7

8 INTERROGATORY NO. 3:

9 Describe and identify all facts, evidence and documents that  
10 support your contention that UPC has violated the Lanham Act, 15  
11 U.S. C. § 1125.

12 RESPONSE TO INTERROGATORY NO. 3:

13 Helio objects to this interrogatory as being overbroad,  
14 unduly burdensome, oppressive, harassing, and calling for work  
15 product and legal analysis. In addition, this interrogatory is  
16 compound as it actually asks for three types of information.

17 Without waiver of these objections, Helio states that UPC  
18 has stolen artwork published by Helio in its catalog and  
19 reprinted such artwork in catalogs distributed by UPC. The  
20 stolen artwork depicts products offered for sale by Helio,  
21 several of which are proprietary to Helio. When customers order  
22 the products in questions, UPC does not ship the product depicted  
23 but instead substitutes a different and inferior product. UPC  
24 has never been authorized to use Helio's artwork or sell any of  
25 Helio's proprietary products.

26 UPC's theft of Helio's artwork also damages Helio because it  
27 unfairly saves UPC and its management and staff the time and  
28 expense of developing its own artwork.

1        See also Responses to Interrogatory Nos. 1 and 2.

2        HELIO'S RESPONSE:

3                This interrogatory is facially compound and improper to the  
4 extent that it calls for disclosure of "evidence." What  
5 "evidence" Helio will use to prove a particular point is a matter  
6 of work product.

7                Notwithstanding the validity of its objections, Helio  
8 submits that it has acted in good faith and provided a full,  
9 complete, and meaningful answer to this interrogatory. Helio's  
10 answer clearly explains how and why Helio believes that UPC has  
11 violated the Lanham Act.

12                [Helio also notes that it has incorporated by reference its  
13 response to Interrogatory No. 1, which enumerates the product  
14 names and model numbers of each of the products sold by UPC using  
15 pirated artwork.]

16

17        INTERROGATORY NO. 9:

18                Identify each photograph that you allege UPC has  
19 misappropriated from Helio.

20        RESPONSE TO INTERROGATORY NO. 9:

21                Helio objects that this interrogatory is overbroad, unduly  
22 burdensome, oppressive, harassing, and calls for work product.  
23 Helio's catalogs have been produced to UPC as part of its Initial  
24 Disclosure and are equally available to all parties. The  
25 products in question are identified in response to Interrogatory  
26 No. 1.

27        HELIO'S RESPONSE:

28                Notwithstanding its inclusion of objections, Helio has fully

1 answered this interrogatory. Every one of the products in  
2 question is listed in Helio's response to Interrogatory No. 1.  
3 Moreover, Helio produced copies of its catalogs and UPC's  
4 catalogs containing the stolen artwork as part of its Initial  
5 Disclosure.

6  
7 INTERROGATORY NO. 10:

8 Identify the source or sources of each Helio's Product.

9 RESPONSE TO INTERROGATORY NO. 10:

10 Helio objects that this interrogatory is vague, compound,  
11 irrelevant, overbroad, unduly burdensome, oppressive, harassing,  
12 and calls for trade secrets. This question has no possible  
13 relevance as to the nonproprietary products. Helio states that  
14 it is the source of the proprietary products as identified in  
15 response to Interrogatory No. 8.

16 HELIO'S RESPONSE:

17 This interrogatory was propounded prior to the entry of a  
18 protective order. Helio agreed that upon entry of a protective  
19 order, it would provide a supplemental response identifying the  
20 suppliers of the disputed products. Rather than wait for Helio's  
21 supplemental response to be provided, UPC proceeded to needlessly  
22 file this motion to compel.

23  
24 INTERROGATORY NO. 11:

25 Identify each statement made or disseminated by UPC which  
26 you allege in Paragraph 19 of the Complaint to be untrue or  
27 misleading.

28 RESPONSE TO INTERROGATORY NO. 11:

1 See Response to Interrogatory No. 3.

2 HELIO'S RESPONSE:

3 Helio's response is proper. Helio's complaint elates to use  
4 of stolen artwork. Its response to Interrogatory No. 3 explains  
5 the basis for Helio's claim and further references to responses  
6 to Interrogatories Nos. 1 (explaining how Helio was damaged) and  
7 2 (listing each of the products as to which UPC stole Helio's  
8 artwork).

9  
10 INTERROGATORY NO. 13:

11 Identify the basis for Helio's contention that it has  
12 standing to assert the Fourth Cause of Action in the Complaint,  
13 including in the identification the statutory or judicial  
14 authority.

15 RESPONSE TO INTERROGATORY NO. 13:

16 The basis is Cal. Health & Safety Code § 110390. UPC has  
17 violated this statute. Both Helio and the public have been  
18 damaged by UPC's conduct.

19 HELIO'S RESPONSE:

20 Helio's response is full and complete. The statutory basis  
21 for the claim asserted in the fourth cause of Action is identified.  
22 This is the question posed by UPC.

23  
24 GORMAN & MILLER, P.C.

25 By \_\_\_\_\_  
26 JOHN C. GORMAN  
27 Attorneys for Plaintiff Helio  
28 Medical Supplies, Inc.