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NOT FOR CITATION
IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

LOUIS VUITTON MALLETIER, S.A.,

No. C07-03952 JW (HRL)

Plaintiff,

**ORDER (1) GRANTING PLAINTIFF’S
MOTION FOR MODIFICATION OF
INSPECTION PROTOCOL; AND (2)
DENYING PLAINTIFF’S REQUEST FOR
SANCTIONS**

v.

AKANOC SOLUTIONS, INC., MANAGED
SOLUTIONS GROUP, INC. STEVEN CHEN
and DOES 1 THROUGH 10,

[Re: Docket No. 137]

Defendants.

_____ /
This is an action for alleged trademark and copyright infringement. Plaintiff Louis Vuitton Malletier, S.A. (“plaintiff” or “Louis Vuitton”) claims that defendants are secondarily liable for infringement because they provide Internet hosting services for a number of websites that sell counterfeit Louis Vuitton merchandise. Defendants say that they simply provide access to the Internet by renting Internet Protocol (“IP”) addresses and Internet bandwidth to third-party resellers and other Internet hosting companies who, in turn, host individual websites. Defendants further contend that, unless a specific complaint is brought to their attention, they have no knowledge or control over the contents of websites hosted on their servers.

This court previously granted plaintiff’s motion to compel and ordered defendants to “(1) produce all responsive publicly posted Internet content evidencing offers made of counterfeit Louis Vuitton merchandise and traffic logs evidencing the volume of underlying

1 counterfeit activity, or (2) permit inspection of their servers to allow plaintiff an opportunity to
2 ascertain the same.” (Order, Docket No. 65 at 5). Discovery was limited to the 67 allegedly
3 infringing websites identified by plaintiff. (Id.). In the event plaintiff proceeded with an
4 inspection, the parties were directed to meet-and-confer to agree upon an appropriate protocol.
5 (Id. at 5-6). Defendants’ objections to that discovery order were overruled by Judge Ware.
6 (Order, Docket No. 76).

7 The parties were unable to agree on an inspection protocol. On March 10, 2009, this
8 court issued an order that, for the most part, adopted plaintiff’s proposed protocol. (See Docket
9 #124). Plaintiff’s forensic expert conducted an inspection on March 25-26, 2009 and now has
10 copies of the first five servers that were the subject of that inspection.¹

11 Now before this court is Louis Vuitton’s motion to modify the inspection protocol.
12 Louis Vuitton says that during the inspection, it learned that (a) multiple “problem IP
13 addresses” belonged to the same individuals identified in connection with prior infringement
14 notices/complaints – including those identified in connection with the 67 websites that were the
15 subject of the court’s prior discovery orders; and (b) at least four of the servers set aside for
16 inspection belonged to these customers. (Mot. at 3). Moreover, plaintiff says that additional
17 allegedly infringing websites have been brought to defendants’ attention since March 2008
18 when plaintiff first moved to compel this discovery. As such, Louis Vuitton argues that this
19 court’s prior orders re this discovery should now be modified to permit plaintiff to search for
20 information beyond the 67 websites identified when plaintiff first moved to compel this
21 discovery over a year ago. Plaintiff also requests monetary sanctions because it contends that
22 defendants have unjustifiably tried to thwart this discovery at every turn.

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¹ At the motion hearing, defendants indicated that the parties disagree whether
26 this court’s protocol inspection order requires plaintiff to provide defendants with a copy of
27 all of the copied server contents. Plaintiff contends that it is required to provide them with
28 only the search results. At oral argument, plaintiff’s counsel represented to this court that its
forensic expert has preserved a complete and pristine copy of the server contents that were
copied during the March 25-26, 2009 inspection. Based on that representation, defendants
agreed that they do not need a copy of the entire server contents.

1 In essence, defendants' opposition is two-fold. First, they contend that this case is
2 already too unwieldy to permit Louis Vuitton to now obtain discovery beyond that which
3 originally was ordered by this court. Here, they point out that they have just filed a motion
4 asking Judge Ware to direct plaintiff to pare down its infringement allegations. Second,
5 defendants say that they are still uncertain whether plaintiff's forensic expert can, in fact,
6 conduct a search that is limited to public, as opposed to private, communications. They contend
7 that there is no basis for any sanctions.

8 Upon consideration of the moving and responding papers and the arguments of counsel,
9 and after weighing competing legitimate interests and possible prejudice, this court concludes
10 that plaintiff's motion for modification should be granted. This court is persuaded that
11 information pertaining to websites beyond the 67 that were the subject of this court's prior
12 orders is relevant or reasonably calculated to lead to discovery of admissible evidence under
13 Fed. R. Civ. P. 26. Nothing in the record presented indicates that plaintiff intended to limit this
14 action to the previously identified 67 websites. (See First Amended Complaint, Docket #71, ¶
15 31). Moreover, the prior decision to limit defendants' production (or any inspection) to the 67
16 websites was made to relieve any undue burden that might be imposed on *defendants*. (See
17 Docket #65, July 15, 2008 Order at 5; see also Docket #76, Aug. 7, 2008 Order at 3). However,
18 those concerns as to burden are no longer an issue because plaintiff (i.e., its forensic expert) will
19 bear the entire burden of searching for responsive information.

20 At the motion hearing, plaintiff's counsel also discussed the search methodology to be
21 employed by its forensic expert. Based on that discussion, this court is satisfied that plaintiff's
22 expert will be able to conduct the search in such a way as to cull public Internet content, as
23 opposed to private communications. Essentially, before ever reviewing any content, plaintiff's
24 expert will search for particular types of files in directory locations commonly associated with
25 websites and will avoid certain types of files and directory locations commonly associated with,
26 for example, email communications. Defendants argue that, in their expert's opinion, this
27 methodology is oversimplified because there is no "standard" way to create a website. But, as
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1 discussed at oral argument, this suggests to the court that, if anything, plaintiff's expert's
2 methodology may well be underinclusive as to any public information that is extracted.

3 Accordingly, plaintiff shall be permitted to search for publicly posted Internet content
4 evidencing offers made of counterfeit Louis Vuitton merchandise and traffic logs evidencing
5 the volume of underlying counterfeit activity beyond the previously identified 67 websites. All
6 other aspects of this court's prior discovery orders otherwise remain in effect. This court will
7 leave it to Judge Ware to decide whether, as asserted by defendants, plaintiff's infringement
8 allegations must be pared down.

9 Plaintiff's request for sanctions is denied. Defendants correctly note that the motion was
10 not separately filed as required by Civil Local Rule 37-3. For various reasons, it has taken a
11 long time to get this discovery going. But, on the record presented, this court does not find that
12 sanctions are warranted.

13 SO ORDERED.

14 Dated: May 12, 2009

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17 HOWARD R. LLOYD
18 UNITED STATES MAGISTRATE JUDGE
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5:07-cv-3952 Notice has been electronically mailed to:

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