

Exhibit D



**LOUIS VUITTON MALLETIER, Plaintiff, -against- DOONEY & BOURKE, INC.,
Defendant.**

04 Civ. 5316 (RMB) (MHD)

**UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
NEW YORK**

2006 U.S. Dist. LEXIS 87096

**November 29, 2006, Decided
November 30, 2006, Filed**

SUBSEQUENT HISTORY: Sanctions disallowed by Malletier v. Dooney & Bourke, Inc., 2006 U.S. Dist. LEXIS 96796 (S.D.N.Y., Dec. 22, 2006)

PRIOR HISTORY: Louis Vuitton Malletier v. Dooney & Bourke, Inc., 2006 U.S. Dist. LEXIS 71091 (S.D.N.Y., Sept. 28, 2006)

COUNSEL: [*1] For Louis Vuitton Malletier, Plaintiff: Alison Jaye Besunder, Steven Kimelman, LEAD ATTORNEYS, Arent Fox PLLC, New York, NY; Kevin N. Ainsworth, Theodore Conrad Max, LEAD ATTORNEYS, Mintz Levin Cohn Ferris Glovsky & Popeo, P.C., New York, NY; Michael A. Grow, LEAD ATTORNEY, Arent Fox PLLC, Washington, DC.

For Dooney & Bourke, Inc., Defendant: Douglas D Broadwater, LEAD ATTORNEY, Cravath, Swaine & Moore LLP, New York, NY.

For Louis Vuitton Malletier, Counter Defendant: Steven Kimelman, LEAD ATTORNEY, Arent Fox PLLC, New York, NY.

For Louis Vuitton Malletier, Counter Claimant: Steven Kimelman, LEAD ATTORNEY, Alison Jaye Besunder, Arent Fox BLLC, New York, NY.

JUDGES: MICHAEL H. DOLINGER, UNITED

STATES MAGISTRATE JUDGE.

OPINION BY: MICHAEL H. DOLINGER

OPINION

MEMORANDUM & ORDER

MICHAEL H. DOLINGER

UNITED STATES MAGISTRATE JUDGE:

The parties are once again locked in a series of disputes about the propriety of their discovery requests and the adequacy of their discovery responses. We now address these disputes in roughly the order in which they have been presented to us.

I. Defendant's Motion for Preclusion of Secondary Meaning Evidence

Defendant Dooney & Bourke, Inc. ("DB") [*2] has moved for an order precluding plaintiff Louis Vuitton Malletier ("LV") from offering any evidence of secondary meaning. It bases this application on plaintiff's asserted failure to provide a responsive answer to an interrogatory (# 15) posed by defendant in December 2005. According to defendant, plaintiff's refusal to comply with its discovery obligations in this respect persisted in the face of two court orders and finally

necessitated the current motion.

The interrogatory in question instructed plaintiff to:

Identify each person involved in preparing or supervising any survey, focus group, or other consumer/market testing conducted by or for LV concerning any trademark or element thereof identified in Interrogatory No. 1 [LV's infringed trademarks], any product identified in Interrogatory No. 3 [LV's S-lock products], or any product identified in Interrogatory No. 7 [Dooney & Burke's infringing products].

(Declaration of Brian D. O'Reilly, Esq., executed Sept. 11, 2006, at Ex. B). In plaintiff's initial response, on February 14, 2006, it listed a series of boilerplate objections, and then offered the following as its complete response:

subject to [*3] and without waiving the foregoing objections . . . no survey is necessary or relevant concerning the S-Lock Trademark because the PTO Examiner determined that the S-Lock Trademark has acquired secondary meaning and Plaintiff owns an incontestable registration of said mark.

(*Id.*, Ex. C).

The unresponsiveness of this answer, as well as numerous other disputes between the parties, triggered a series of letter motions by both sides, starting in April 2006. While these many controversies were being briefed, plaintiff served amended responses to defendant's interrogatories and document requests on May 11, 2006. In the revised version of its answer to interrogatory 15, LV included its assertion of irrelevance in its objections as well as in its substantive answer. The substantive answer reiterated plaintiff's prior answer and then added one sentence:

Subject to and without waiving the foregoing . . . objections, Plaintiff states that no survey is necessary or relevant concerning the S-Lock trademark because the PTO determined that the S-Lock Trademark has acquired secondary

meaning and Plaintiff owns an incontestable registration of said mark. To date, Plaintiff has not conducted [*4] any survey, focus group, or other consumer/marketing specifically for the S-Lock Trademark concerning DBI's infringing products.

(Declaration of Alison Arden Besunder, Esq., executed Sept. 22, 2006, Ex. A). As is apparent from the text of the answer, it did not address at least two of the three items requested in the interrogatory, that is, surveys or other studies pertaining to LV's S-lock products (as distinguished from the S-lock trademark) and surveys or other studies concerning defendant's assertedly infringing products.

After further briefing on this interrogatory and the other discovery imbroglios, the court entered an order on July 20, 2006 disposing of all outstanding issues. With respect to interrogatory 15, it simply directed that LV was "to provide [a] complete textual answer" by August 3, 2006. *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 2006 U.S. Dist. LEXIS 52077, 2006 WL 2109472, at *7 (S.D.N.Y. July 20, 2006).

Plaintiff's attempted compliance with the July 20 order came in the form of a letter to defendant's counsel dated August 3, 2006. (O'Reilly Decl., Ex. F). With regard to interrogatory 15, plaintiff's counsel stated that "LV has already provided a complete [*5] textual response [apparently referring to the May 11 version of its answer and objections] and reiterates its response to that Interrogatory. LV cannot identify any individuals involved in a consumer survey because, as stated in its existing response to Interrogatory No. 15, no survey has been conducted to date." (*Id.*, Ex. F at 4).

The court conducted a hearing on remaining discovery disputes on August 7, 2006. At that time defendant raised, among other matters, the asserted inadequacy of plaintiff's response to interrogatory 15. In the course of the colloquy the court requested a copy of the interrogatory answer at issue, and plaintiff supplied -- albeit inadvertently -- a copy of its original (February) response, which the court unsurprisingly noted was entirely unresponsive. The court then directed that plaintiff supply a revised and more forthcoming answer. (Tr. 33).

On August 14, 2006 plaintiff served a modified

response. After reciting various objections, it stated:

To date, Plaintiff has not conducted any "survey, focus group, or other consumer/market testing" concerning "any trademark or element thereof identified in Interrogatory No. 1" or "any product identified [*6] in Interrogatory NO. 7". Accordingly, Plaintiff cannot identify any "person involved in preparing any survey, focus group, or other consumer/marketing testing" because none has been conducted to date.

Plaintiff is continuing to investigate whether any "survey, focus group, or other consumer/market testing" has been conducted concerning or otherwise related to any of the more than 300 products bearing the S-Lock Trademark which are identified in documents already produced to Dooney & Bourke, Inc. in response to Interrogatory No. 3 and will supplement this response with additional information if, as and when it becomes necessary.

(O'Reilly Decl., Ex. G). Finally, on September 15, 2006 plaintiff supplemented its response. In that supplementation, it added that it had not "yet" undertaken "any 'survey, focus group, or other consumer/market testing' concerning . . . any product identified in Interrogatory No. 3." It also included a somewhat cryptic caveat:

Plaintiff further states that although the survey conducted in the action captioned *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 340 F. Supp. 2d 415, by Jacob Jacoby PhD involved one photograph that depicted LV "multicolor" [*7] product bearing an S-Lock lock, the survey did not "concern" any S-Lock product or ask any question about the S-Lock design itself.

(Besunder Decl., Ex. D).

Shortly before the service of the latest version of plaintiff's response, defendant filed the current motion, seeking to preclude plaintiff from offering any evidence that the trademarks at issue had acquired secondary

meaning. Its application is based on the assertion that LV has repeatedly failed to provide a full and truthful response to interrogatory 15, and that its conduct violated both its discovery obligations and two court orders. Plaintiff of course opposes the motion.

There is no question that LV's original answer to the interrogatory was entirely unresponsive, since all that plaintiff said, in substance, was that the inquiry about surveys, focus groups and the like concerning (a) the trademark, (b) the LV products that carried the lock and (c) the assertedly infringing products of Dooney & Bourke called for information that was irrelevant, supposedly because of LV's registration of the trademark. 1 By its July 20 order and the directive it announced at the August 7 hearing, the court rejected that assertion [*8] and directed a responsive answer. *See Louis Vuitton Malletier*, 2006 U.S. Dist. LEXIS 52077, 2006 WL 2109472, at *7; Aug. 7, 2006 Tr. 33).

1 Apart from being unresponsive, this answer ignored the fact that defendant was seeking, by a counterclaim, a declaration that the trademark registration was invalid, hence posing the possibility that secondary meaning would be highly relevant in the litigation.

By its second amended response, on August 14, and its supplementation of that response on September 15, 2006, plaintiff appears to have supplied a fully responsive answer, although its reference to the "multicolor" study leaves one ambiguity. In substance, plaintiff has said that it had not -- as of at least September 15 -- undertaken any of the studies or tests that would be responsive to the defendant's inquiries. If that accurately characterizes plaintiff's intended meaning, then it has finally met its obligation with regard to the interrogatory in question.

In opposing that conclusion, defendant suggests that the truthfulness [*9] of the response is in question, not only because of the stated reservation with regard to the "multicolor" survey, but also because the lack of any such studies is entirely implausible, and would seem to put the lie to representations made by LV to the Patent and Trademark Office ("PTO") when seeking trademark registration. (DB Reply Mem. at 4-5, 6-7). Neither argument justifies preclusive sanctions.

To remedy the ambiguity resulting from the recently stated caveat about the "multicolor" survey, we direct that LV supply an affidavit to defendant by a knowledgeable

LV employee stating whether its denial of any such tests or studies concerning S-lock products in its September 15 response encompasses all of its products that have an S lock. As for defendant's qualms about the truthfulness of the interrogatory answer, Dooney & Bourke will be permitted -- if it so elects -- to depose a knowledgeable witness concerning the factual basis for the interrogatory answer. This is to be completed within the next ten days. Insofar as defendant contends that the absence of such studies or testing is arguably inconsistent with any representations that LV made to the PTO, DB is of course free to use [*10] such asserted inconsistencies to support its argument, either at trial or on summary judgment, that the trademark should be invalidated.

In view of these conclusions, defendant's demand for preclusion or equivalent sanctions cannot be justified. The record reflects slow and grudging responses by plaintiff, but not the sort of prejudicial misconduct that would justify case or issue-preclusive sanctions.² In short, this aspect of defendant's motion is denied.³

² Although we note plaintiff's resistance to full disclosure over a period of months, we do not agree with defendant's assertion that LV's September 15 supplementation was untimely or otherwise in violation of a court directive. Although we did direct that LV supplement its response within one week -- that is, by August 14 -- we also agreed to plaintiff's request that, to the extent that knowledgeable LV personnel were not available because of the August holiday period, responses could be delayed to September 15. (Aug. 7, 2006 Tr. 29-30). Plaintiff represents, without meaningful contradiction, that the individuals who could respond to interrogatory 15 with respect to the 300 or more S-lock products were unavailable in mid-August. (Declaration of Alison Arden Besunder, Esq., executed Sept. 22, 2006, at P 9; LV Mem. in Opp'n at 5).

[*11]

³ Under these circumstances, we need not address the question of whether the scope of the preclusion sought by defendant would be defensible if some form of preclusive sanction were justified.

II. Defendants' Motion to Compel Production or Listing of Registration-Related Documents

Defendant has filed a motion that seeks full

enforcement of its request for all documents concerning the design of the S-lock trademarks or the prosecution of those trademarks and any renewals, extensions and declarations designed to make the trademarks incontestable. (DB Mem. Supp. at 1, 7). The relief that DB seeks is an order requiring that LV either produce those documents or list them in a privilege log if it deems them privileged. (*Id.* at 7). Because plaintiff represents that it has produced all responsive non-privileged documents in its own possession (LV Mem. Opp'n at 6-7), in substance the defendant's motion targets those documents related to the trademark that are held by outside counsel to LV.⁴ According to DB, such attorney-held documents are within the custody or control of plaintiff, since [*12] the client has a right of access to the documents held by his attorney that were created in representing him. (DB Mem. at 5-6).

⁴ The parties spend much time and ink debating whether defendant asked for these documents in its first document request and whether the court ordered their production in its July 20 order. This dispute appears entirely irrelevant to the relief that defendant seeks. There is no question that DB sought these documents in its second request, and since plaintiff has plainly declined to search for or produce documents held by its outside attorneys, the issue for resolution does not turn on whether there was an order prior to August 7, 2006 that dealt with these documents.

Plaintiff has filed a cross-motion for a protective order and opposes DB's motion, albeit rather half-heartedly. It says that it has produced all of its non-privileged documents, including some documents that were transmitted between counsel and the company, but it concedes the possibility (which DB characterizes as a [*13] virtual certainty) that its outside attorneys are in possession of documents that have not been produced or placed on a privilege log. As to those documents, plaintiff says that DB should proceed by subpoenaing the law firm or firms in question rather than pressing its Rule 34 demand. It defends this suggestion by speculating that some of the withheld documents may constitute work product, and by noting that in such a case the attorneys would have a protectible interest in the confidentiality of the documents. (LV Mem. Opp'n at 1 n.1, 6 & n.8).

The short answer to LV's argument is that plaintiff has a right of access to documents held by its outside

counsel that pertain to work performed for it by those attorneys, *see, e.g., Martin v. Valley Nat'l Bank*, 140 F.R.D. 291, 320-21 (S.D.N.Y. 1991) (citing cases), and hence it has at least constructive control over those documents for purposes of Rule 34. *See, e.g., MTB Bank v. Federal Armored Exp., Inc.*, 1998 U.S. Dist. LEXIS 922, 1998 WL 43125, at *4 (S.D.N.Y. Feb. 2, 1998); *Variable-Parameter Fix. Dev. Corp. v. Morpheus Lights, Inc.*, 1994 U.S. Dist. LEXIS 11185, 1994 WL 419830, at *6 (S.D.N.Y. Aug. 10, 1994). *See generally M.L.C., Inc. v. North Am. Philips Corp.*, 109 F.R.D. 134, 136 (S.D.N.Y. 1986). [*14] Moreover, plaintiff's argument in favor of the subpoena process proves too much. First, even if the attorneys have an interest in their own work product, so too does the client. *See, e.g., Polin v. Wisheart & Koch*, 2002 U.S. Dist. LEXIS 9123, 2002 WL 1033807, at *2 (S.D.N.Y. May 22, 2002); *Martin*, 140 F.R.D. at 320 (attorney may not withhold work product from client) (citing cases).⁵ Second, it is still more likely that some of the documents held by the attorneys are protected by the attorney-client privilege, and that privilege belongs to the client. *See, e.g., United States v. Doe*, 429 F.3d 450, 452-53 (3d Cir. 2005); *United States v. Amodeo*, 71 F.3d 1044, 1052 (2d Cir. 1995). Given that fact, LV's reasoning -- that the demand should be made to the party with a legal interest in confidentiality -- actually supports the relief demanded by DB. Third, LV's reference to a possible work-product claim is entirely speculative on the current record,⁶ and in any event plaintiff and its outside lawyers can be expected to work cooperatively together to identify those documents that belong on a privilege list, whether as attorney-client privileged or as work [*15] product.

⁵ Indeed, as the court noted in *Martin*, in the event of a conflict between the client and the attorney, the client's interest in the work product is paramount, and the attorney cannot maintain its confidentiality in the face of the client's contrary posture. *Id.* at 321.

⁶ We note that work-product immunity does not ordinarily apply to the *ex parte* prosecution of a patent or trademark application. *See Amicus Communications, L.P. v. Hewlett-Packard Co.*, 1999 U.S. Dist. LEXIS 20901, 1999 WL 33117227, at *2 (D.D.C. Dec. 3, 1999); *In re Application of Minebea Co.*, 143 F.R.D. 494, 499 (S.D.N.Y. 1992). We address this issue more specifically in connection with still another motion by DB. *See pp. 47-48, infra.*

In short, there is no reason to require defendant to proceed by way of subpoena in this instance. Plaintiff is therefore directed to produce to DB, or list as privileged, the documents held by its outside counsel that pertain to the design of the trademarks or their registration. [*16] This is to be done within seven days.⁷

⁷ Plaintiff states in passing that the obligation to search for documents cannot extend to attorneys' offices that are overseas. (LV Mem. at 6n.7). It offers no basis for this limitation, and we see none. The documents are within the control of an entity that has chosen to litigate here and that consequently has an obligation to produce responsive documents in its custody or control irrespective of where on the globe they are located. *See, e.g., Societe Nationale Industrielle Aerospatiale v. United States Dist. Court*, 482 U.S. 522, 539-40, 107 S. Ct. 2542, 96 L. Ed. 2d 461 (1987).

III. Plaintiff's "Cross-Motion" to Determine the Scope of its Future Privilege Waiver

In response to DB's motion to compel, LV filed what it labels as a cross-motion. In that application, plaintiff invites the court to opine on the scope of the attorney-client privilege waiver that would be occasioned if LV agreed to produce to defendant otherwise privileged documents that pertain to the communications that [*17] DB contends constituted a fraud by LV on the PTO. (LV Mem. Opp'n at 7-11).

As characterized by plaintiff, defendant challenges the validity of the S-lock trademark registrations by asserting that two sets of documents submitted by LV to the PTO -- an Amendment to Allege Use signed by Audrey Sylvain-Richer in connection with one registration and the Section 8 and 15 Declaration signed by Yves Carcelle in connection with a second registration -- constituted a fraud on the PTO. According to plaintiff, it offered to produce to defendant "documents on the privilege log related to these topics *if* DB[]'s counsel would agree that such production would not effectuate a broader waiver of the privilege beyond those topics 'at issue.'" (LV Mem. Opp'n at 7) (emphasis in original).

Invoking Fed. R. Civ. P. 26(c), plaintiff asks the court to rule in advance that if it waived its attorney-client privilege for the limited purpose of producing documents in the described categories -- which

plaintiff views as responsive to those "subject matters that are placed 'at issue' by DB[]'s counterclaims alleging fraud" (*id.*) -- the waiver will not be deemed [*18] to extend beyond those subject matters. The particular concern expressed by LV is that the waiver not be deemed to extend to registrations other than for the specified trademarks, that is, "registrations entirely unrelated to this lawsuit." (*See id.* at 8).

Defendant has not specifically taken issue with this application, and we see no problem with responding to plaintiff's request, albeit at an appropriate level of generality, consistent both with the generality of plaintiff's description of the extent of its intended production and with the fact that plaintiff, having not clearly committed to any production, is seeking at least in part what seems to consist of an advisory opinion. The standards for determining the scope of a privilege waiver have been the subject of much judicial authorship in many contexts, and able counsel can read the cases as precisely as we can.

The plaintiff's description of the standards governing the scope of a waiver triggered by the voluntary production of documents in civil litigation -- that is, that the waiver is generally limited to the subject matter of the documents for which privilege has been surrendered and that the discovering party would [*19] have to justify any broader waiver (*id.* at 9) -- appears accurate, although we are obviously not in a position to provide LV with advance immunization from arguments that may be asserted by DB on the basis of facts unknown at the present, particularly those arising from the substance of the documents to be produced. Furthermore, if defendant has other theories of waiver -- that is, based on matters other than plaintiff's proposed voluntary production of privileged documents -- we cannot exclude them or reject them in the context of this motion.⁸

⁸ We note that in a later motion, which we address below, DB in fact advances a number of alternative waiver theories. *See* p. 43, *infra*.

In sum, plaintiff's motion on this topic is granted to the extent noted. If plaintiff intends to produce documents currently on its privilege log on a voluntary basis, it is to do so within seven days.⁹

⁹ We note that, in addressing DB's later motion to compel production of privileged documents, we reject certain categories of privilege claims by

LV. *See* pp. 45-48, *infra*. We assume that those overlap in part or in whole with the log entries at issue on LV's current motion.

[*20] IV. *Defendant's Motion to Preclude Regarding Customer Communications*

In December 2005 defendant served its first Rule 34 request, which sought from LV, among other items, "[a]ll documents concerning any customer communications regarding any LV product and/or any return of an LV product" (Declaration of Brian D. O'Reilly, Esq., executed Sept. 28, 2006, Ex. J at P 14). At plaintiff's request, the due date for responding to the entirety of the request was adjourned from January 9 to 14, then to February 9 and finally to February 14, 2006. No such documents were produced during this period. (DB Mem. Supp. at 6-7).

At a meet-and-confer on March 1, 2006, the subject of item 14 was discussed, and DB agreed to a request by LV to limit this item to customer communications about S-lock products, rather than all LV products, while LV agreed to supplement its production on other items. (O'Reilly Decl. at P 15). On March 10 LV provided additional documents but none reflecting customer communications. (*Id.*). After DB pointed out this omission, plaintiff's counsel represented that "LV is continuing to search for relevant documents reasonably responsive to Request No. 14." ([*21] *Id.*, Ex. L at 3).

At an April 6 status conference with the court, LV's attorney represented that the delay was attributable to "a bit of a logistical problem" but that the documents would be produced by April 14. (April 6, 2006 Tr. at 43, 62). Despite the court's directive that it comply with this deadline (*id.* at 63-64), LV produced no customer communications when it produced other documents on that date. (DB Mem. Supp. at 7).

One week later DB initiated a motion to compel production of many categories of documents, including customer communications. As characterized by DB on its motion, document request 14 "seeks documents concerning customer communications regarding any LV product and/or return of any LV product." (O'Reilly Decl., Ex. N at 11). In responding to the motion, LV asserted: "DB seeks 'customer communications' concerning S-Lock (as well as all LV) products LV has made a good faith effort to search for any documents responsive to this request and has determined that LV

does not have any e-mail or call center communications to LV related to the S-Lock design or S-Lock products. Accordingly, there is nothing to compel and DB[]'s motion should be denied [*22] on this point." (*Id.*, Ex. O at 15).

In ruling on the parties' various applications by Memorandum and Order dated July 20, 2006, the court relied on LV's representation about customer communications. Thus, it stated that "LV represents that it has no communications from customers about its S lock products. If DB questions this representation, it is free to pursue the matter by deposition." *Louis Vuitton Malletier*, 2006 U.S. Dist. LEXIS 52077, 2006 WL 2109472, at *6. The court also set a deadline of August 3, 2006 for LV to provide additional documents on a host of topics. 2006 U.S. Dist. LEXIS 52077, [WL] at *7.

Plaintiff did provide additional documents in compliance with the July 20 order. In its August 3 cover letter to DB, however, it referred to customer communications and stated that it was not producing any because "LV has no communications from customers about its S-Lock trademark." (O'Reilly Decl., Ex. P at 2). This statement, of course, was at odds with both parties' prior understanding that the request concerned communications about the S-lock products as well as the S-lock trademark, and it at least implicitly contradicted LV's prior representation to the court about having no communications responsive [*23] to that broader understanding of the request.

The court conducted another conference on August 7, at which the subject of customer communications again arose. At that time LV's counsel confirmed for the first time that his client was interpreting its obligation under request 14 to be limited to customer communications about the S-lock trademarks, and not S-lock products, and that plaintiff assumed that the court, in its July 20 order, had meant the same thing.

So I don't think, with all due respect, that you were suggesting customer communications about the product itself, but about the S-Lock that is in question in this lawsuit.

No customer came and said anything about the S-lock, and we have represented that. We have stated it time and time again. We are prepared to state it now. It

seems to me that is the intent of the question and the intent of the ruling.

(Aug. 7, 2006 Tr. 27).

In response, the court disabused counsel of that notion: "I used the word product, not trademark. I think there was ample reason for that. In any event, that is what I said and that is what I meant. You are expected to comply with it." (*Id.*). The court did grant plaintiff's request [*24] to delay the deadline for final compliance with court-ordered discovery obligations to September 15, 2006. (*Id.* at 29-30).

On September 15, LV failed to provide customer communications and advised DB's counsel that the company, "despite best efforts," had been unable to extract the pertinent e-mails from its "call center." (O'Reilly Decl. at P 23 & Ex. R). In the wake of follow-up correspondence in the following days, LV represented that "there are technical and other issues related to the recovery and collection of available data on this issue." (*Id.* at P 26 & Ex. U). It did not explain these issues, however, or specify a date for production. On September 26, 2006, LV produced 17 pages of call center reports, which summarized call center communications, some of which referred explicitly to the S-lock. (*Id.* at Ex. V). It also produced 278 pages of e-mails, but these were all documents that LV had produced to DB in 2004 in the parallel *Multicolor* case in the face of threatened preclusion by the court in that case. (*Id.*). This production did not purport to include any e-mails addressed to non-Multicolor products or to the trademark at issue here.

In the wake of [*25] LV's continuing failure to produce customer communications, DB filed the current motion. Noting that LV had refused to produce key documents pertaining to such communications, that it had misrepresented the scope of both the request and the court's order, and that it had done the same in the *Multicolor* case until faced with a threat of preclusion, DB seeks what it describes as targeted preclusion. Specifically, defendant would prevent plaintiff from offering any evidence to demonstrate qualitative differences between plaintiff's and defendant's products, consumer confusion or dilution of plaintiff's trademarks. (DB Mem. Supp. at 14-18).

In LV's response, it relies principally on an affidavit by Sven Dubois, an employee in the information technology department of LV, as well as a briefer

declaration of counsel. (Declaration of Sven Dubois, executed Oct. 5, 2006; Declaration of Alison Arden Besunder, Esq., executed Oct. 5, 2006). According to Mr. Dubois -- who, in the course of his declaration, never identifies the timing of LV's efforts to search for the communications requested last December -- LV has encountered "technical difficulties" in attempting to retrieve e-mails concerning [*26] customer communications from its database. (Dubois Decl. at P 1). His explanation starts with the assertion that the database in question, known as Kana Oracle, is not designed for random searching or "specialized e-mail management in the ordinary course of its operations." (*Id.* at PP 2-4). The principal problem, according to Dubois, is "that it is difficult to write an 'Oracle-SQL' request to search by keyword the e-mails stored in the database" (*Id.* at P 4).¹⁰

10 The reason for this difficulty is that "the e-mails are stored in a raw format which includes both HTML-formatted e-mails as well as e-mails with foreign-language encoding." (*Id.*).

According to Mr. Dubois, despite his long-held belief that it would be necessary to undertake a series of complex steps to extract the e-mails from the Kana Oracle system -- requiring the hiring of both a Kana specialist and a Lotus Notes specialist -- LV chose not to do so, purportedly because of cost. (*Id.* at P 5).¹¹ Instead, LV at some point [*27] used three in-house people who eventually developed a means of extracting some data from the database, although much of what has been obtained is "interspersed with technical coding that does not appear to have been part of the body of the original communication." (*Id.* at PP 7-10). What has been obtained does not lend itself to printing and hence was reproduced in electronic format. (*Id.* at P 11; Besunder Decl. at P 3).

11 The cost estimate by Dubois appears to be less than \$ 15,000.00 for such a process. He does not explain why this expense was viewed as unduly burdensome for LV, which describes itself as enormous and highly profitable. *See, e.g.,* LV Reply Memo in Support of Motion for Protective Order Preventing Depositions at 5-6 (emphasizing that LV "is a *multi-billion* dollar corporation with responsibility for more than 10,000 worldwide employees.") (emphasis by LV).

The fruits of these efforts were apparently turned

over to defendant on October 5, 2006. (*Id.* at P 3). It appears that [*28] the production was incomplete -- LV is silent on this point¹² -- and at least part of it was not usable. (DB Reply Mem. at 8-11).

12 At one point Dubois says, "We have extracted the data in the only manner in which it can be performed," but at another he refers to having, "to date," "extracted 'rows' of data evidencing certain communications with customers." (*See* Dubois Decl. at PP 12, 10).

Defendant seeks broad preclusion of any evidence relating to public confusion, comparative product quality and dilution. (DB Mem. at 1). Preclusion is one of the weapons in the court's armory for ensuring that the parties comply with their discovery obligations and that the discovering party is not prejudiced by virtue of an adversary's failure to meet these obligations. *See, e.g.,* Fed. R. Civ. P. 37(b)(2)(B) (sanctions for violation of court order). Among the considerations that the court must take into account in assessing a request for preclusion are (1) whether the discovered [*29] party has failed to comply with the discovery rules and with a court order, (2) whether that failure was attributable to "willfulness or bad faith, or is otherwise culpable," *Daval Steel Prods. v. M/V Fakredine*, 951 F.2d 1357, 1367 (2d Cir. 1991), (3) whether the discovering party has been prejudiced by the other side's failures and, if so, the degree of such prejudice and whether it is otherwise remediable, and (4) the prejudice that would be occasioned to the discovered party's case by the proposed preclusion. *See generally* *Softel, Inc. v. Dragon Med. & Scientific Communications, Inc.*, 118 F.3d 955, 961 (2d Cir. 1997); *Outley v. City of New York*, 837 F.2d 587, 590-91 (2d Cir. 1988). We address each factor *seriatim*.

There is no question that LV has failed to comply with its discovery obligations, misled its adversary and the court, and flouted a court order. The defendant's original request, from December 2005; was for customer communications for all LV products. Although this formulation was unquestionably overbroad, DB agreed in a March 1 meet-and-confer to narrow the demand to communications concerning LV's S-lock products, [*30] and LV in its turn gave no indication that it would resist that request; indeed, it welcomed the modification and indicated that it was searching for the documents. (*See* O'Reilly Decl., Ex. L at 3). LV nonetheless failed to produce the requested documents and did not offer DB

any reason for not doing so, much less suggest that it had attempted to retrieve them from its database and had been stymied in that effort. Indeed, it actually indicated at first that, despite some technical complications, it would produce the documents by mid-April 2006. Ultimately, LV simply ignored the request, thus prompting one element of DB's April 2006 motion to compel.

That application triggered a representation by LV that it had undertaken an appropriate search for customer communications about S-lock products and had no such communications. It is evident that this representation was false, and in the absence of any explanation by LV for this misstatement, we have no reason to infer that it was other than knowingly false.

Following entry of our July 20 order, which relied on this false representation, LV disclosed in an indirect and misleading fashion -- by its August 3 cover letter -- that it [*31] was withholding responsive documents. It did so by changing its stated definition of the scope of the request, limiting it to communications regarding the S-lock trademarks rather than including communications about the S-lock products, despite the fact that the request as amended by DB in March, plaintiff's response to that amendment and to DB's motion, and the court's July 20 order all made crystal clear that the request at issue covered the products as well as the trademark.

The inconsistency of LV's approach was apparent at the August 7 hearing, when its counsel sought to persuade the court that the dispute, and the court's prior ruling, had concerned only communications about the trademark. This prompted our August 7 order that all the communications (including those concerning the S-lock products) be produced, and our directive giving LV -- as it had requested -- until September 15 to comply. Plaintiff again failed to comply. Indeed, LV waited until September 26 to provide any documents, and the only production that it made turned out to consist almost entirely of the same documents as it had produced to DB in the parallel *Multicolor* litigation more than two years before.

[*32] As for LV's purported effort to comply with the court's August 7 order, even by LV's vague and ambiguous description it appears that plaintiff chose to eschew the most direct means of attempting to extract e-mails from its database -- by turning to outside specialists in the Kana Oracle system -- and instead it relied on its in-house personnel, who report that they

have been unable to produce a usable and complete set of documents, regardless of format, for defendant. Moreover, we note that plaintiff carefully avoids a proffer of any evidence as to when it undertook these efforts -- efforts that were required to begin upon receipt of defendant's request in December 2005, or at the very latest after the March 1 meet-and-confer. In short, we cannot credit plaintiff's implicit argument that it has done all that was possible to comply with its discovery obligations and with the court's order.

As for whether the plaintiff engaged in culpable conduct, the unavoidable conclusion is evident from the preceding summary. But there is more that supports this finding.

First, in the *Multicolor* litigation DB sought the same type of documents from LV, and in that case LV engaged in the same [*33] sort of behavior, triggering a warning from Magistrate Judge Peck that the customer communications in question had to be provided within one week or preclusion would follow. (*See* Declaration of Roger G. Brooks, Esq., executed Sept. 28, 2006, at PP 4-9 & Ex. 6; O'Reilly Decl. at Exs. C-G). That warning triggered immediate compliance, although LV apparently failed to provide translations for all documents, as ordered by the court. (Brooks Decl. at P 10). This experience not only provides helpful context in assessing LV's behavior in this case, but also raises the very serious question -- never answered by LV -- as to why, if it was able to retrieve customer communications in the *Multicolor* case, it was unable to do so here. Also left unanswered is the question of why LV was not alerted at the outset here to any technical problems with retrieving such communications from its Kana database.

Second, LV carefully avoids any indication as to when it turned its attention to the specific procedures necessary to determine whether it had responsive e-mails. Avoidance of that detail strongly suggests that it made no effort to do so until the proverbial eleventh hour, after it had made [*34] false representations to the court about the non-existence of responsive documents (the explanation of which it also never provides) and sometime after the August 7 order.

Third, LV's current motion papers reflect a continued reluctance to address the facts accurately when seeking to justify its behavior. Thus it contends that its delay in producing the e-mails requested by DB was due in substantial part to the court having ordered production of

a broader array of documents than DB had ever requested. (LV Mem. Opp'n at 4-6). This argument is so transparently false as to raise questions about every other representation in LV's papers. As noted, DB originally sought customer communications about all of LV's products and then narrowed the request to the S-lock products and trademarks, a scope that LV itself acknowledged in writing. Moreover, in briefing DB's motion LV again recognized the scope of DB's amended request as encompassing communications about the S-lock products, and it made the representation that it had no such documents. (O'Reilly Decl., Ex. O at 15) (no documents "related to the S-Lock design or S-Lock products"). In the July 20 order the court simply reiterated the scope [*35] of the dispute as both parties had acknowledged it and relied upon LV's specific representation that it had no responsive documents. Again, in our August 7 order we simply reiterated the obligation in the same terms.

In sum, there is no question on the current record that LV has acted with fault. Notwithstanding this conclusion, however, in assessing DB's demand for broad preclusion we must confront questions concerning prejudice and the availability of means to alleviate such prejudice.

In seeking to demonstrate irremediable prejudice, DB points out that in the *Multicolor* case the District Court relied on customer communications in concluding that LV had failed to demonstrate that defendant's allegedly infringing product was inferior, that the public had actually been confused and that LV's trademark had been diluted. (DB Mem. at 5-6) (citing *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 340 F. Supp. 2d 415, 441-42 (S.D.N.Y. 2004), *rev'd on other gds.*, 454 F.3d 108 (2d Cir. 2006)). Defendant implies therefore that LV has deliberately sought to withhold such potentially damaging communications in this case and that its doing so has deprived [*36] DB of potentially valuable evidence.

There is less to this contention than meets the eye, at least as a justification for the broad issue preclusion that defendant seeks. The ruling in the *Multicolor* case that defendant cites denied a preliminary injunction based on the court's conclusion that LV had not shown a likelihood of success on its trademark-infringement and dilution claims. *See Louis Vuitton Malletier*, 340 F. Supp. 2d at 447-48, 452-53. In discounting these claims, the court relied in part on its finding that the record -- including the

customer communications with LV -- did not reflect evidence of consumer confusion or differences in quality in the competing products or any indication of blurring or tarnishment. *Id.* at 441-42, 446, 449, 452-53.

By providing only partial production of customer communications in this case, LV has arguably handicapped DB in making an equivalent set of arguments here. That difficulty, however, may be readily surmounted by deeming as true the contentions that none of LV's customer communications evidenced any confusion as to origin and that none involved a complaint about the quality of a product distributed [*37] by defendant or evidenced any form of dilution. Such a remedy is specifically authorized by Rule 37(b)(2)(A) ("designated facts shall be taken to be established"), and it appropriately rights the balance that has been distorted by LV's failure to produce the requested communications. At the same time it avoids broad preclusion on key issues, the assessment of which can fairly be made in light of all the discovery and the more limited preclusion that we have outlined.

Finally, in view of the evident baselessness of the position taken by LV on this motion and its inexcusable non-performance in connection with the production of customer communications, we conclude that DB is entitled to the expenses of this motion, including an award of reasonable fees. Fed. R. Civ. P. 37(b)(2). Unless the parties agree on an appropriate figure, defendant is to serve and file its expense application, including contemporaneous time records, by December 4, 2006. Responding papers will be due by December 7, 2006.

V. LV's Motion to Preclude Depositions of Messrs. Carcelle and Stalla-Bourdillon

Plaintiff has moved for a protective order to avoid having to produce [*38] for deposition the Chairman and CEO of LV, Mr. Yves Carcelle, and LV's former general manager, Mr. Bertrand Stalla-Bourdillon. Proffering declarations from both men, plaintiff asserts that neither has any personal knowledge of pertinent facts or any non-personal knowledge beyond what has already been testified to by LV's Intellectual Property Director, Ms. Nathalie Moulle-Berteaux. (*See* LV Mem. Supp. at 1-7; Declaration of Yves Carcelle, executed Oct. 10, 2006; Declaration of Bertrand Stalla-Bourdillon, executed Oct. 10, 2006; Reply Declaration of Yves Carcelle, executed Oct. 23, 2006). Defendant opposes the motion, contending that each of the proposed witnesses has

knowledge of pertinent evidence that was not known by Ms. Mouille-Berteaux. (DB Mem. Opp'n at 6-17).¹³

13 We note that our brief characterization of this motion does not do justice to the overheated, and generally irrelevant, rhetoric that each side chooses to use to accuse its adversary of wrongdoing in their assertion of claims and counterclaims and their conduct during the litigation. For sheer bizarreness, we especially recommend footnote 1 of LV's reply memorandum, which somehow finds a basis for comparing defendant's approach to that of North Korea when it invaded the South in 1950.

[*39] As a general matter, senior corporate and governmental executives are subject to being deposed in litigation, just as any other employee may be. The limitation on that principle finds its source in the concern that litigants may be tempted to use such depositions -- and the disruption that they may occasion -- as a form of leverage or harassment by forcing senior officials to spend time in preparing for and attending a deposition when they have little or no pertinent testimony to offer. Accordingly, the courts have agreed that if a party seeks to depose a very senior official of an adversary entity, the adversary may obtain an order vacating the deposition notice if it can demonstrate that the proposed deponent has no personal knowledge of the relevant facts and no unique knowledge of those facts. *See, e.g., In re Ski Train Fire*, 2006 U.S. Dist. LEXIS 29987, 2006 WL 1328259, at *10 (S.D.N.Y. May 16, 2006); *Treppel v. Biovail Corp.*, 2006 U.S. Dist. LEXIS 7836, 2006 WL 468314, at *2-3 (S.D.N.Y. Feb. 28, 2006); *Consolidated Rail Corp. v. Primary Indus. Corp.*, 1993 U.S. Dist. LEXIS 12600, 1993 WL 364971, at *1 (S.D.N.Y. Sept. 10, 1993).

In this case DB seeks to depose both the former general manager of LV and its current [*40] CEO and Chairman. We address each separately.

Mr. Stalla-Bourdillon is no longer serving in LV itself, but has responsibility for two businesses, at least one of which is related to LV. (Stalla-Bourdillon Decl. at P 2 (CEO of Berluti and of Marc Jacobs)). Defendant's rationale for deposing him appears to be that he had overall responsibility for numerous departments at LV, including sales and intellectual-property enforcement. Hence, according to DB, he is likely to have knowledge of why LV pursued enforcement against DB and not against other infringers, and of the impact (if any) of

DB's alleged infringement on LV's business. (DB Mem. Opp'n at 10-12).

To the extent that these questions may have any relevance, DB fails to justify a deposition of Mr. Stalla-Bourdillon. There is no suggestion that he actually participated in any of the events at issue in this case, nor has DB presented a basis for suspecting that his necessarily generalized knowledge of the business of LV 14 is either unique or directly relevant to the issues in this case. Moreover, DB fails to show that Ms. Mouille-Berteaux was unable to answer questions that DB proposes to ask Mr. Stalla-Bourdillon. (*E.g.*, DB [*41] Mem. at 10-11 & n.3). Finally, the fact that he participated in settlement talks with a principal of DB concerning this case (Stalla-Bourdillon Decl. at P 7) offers no justification for deposing him. Such talks are not a proper subject of discovery, and there is no indication that his knowledge of the case, presumably acquired for purposes of that discussion, is anything but second-hand. Accordingly, plaintiff is granted a protective order with respect to this deposition.

14 Given the breadth of his responsibilities at LV, his representation of ignorance as to the specifics of this case (Stalla-Bourdillon Decl. at P 8) is entirely credible.

The situation with regard to Mr. Carcelle is somewhat different. There is no question that he signed a declaration that LV submitted to the PTO, and that it forms one basis for defendant's counterclaim to declare LV's trademark registration invalid as a fraud on the PTO. In pressing for a deposition, DB emphasizes that Ms. Mouille-Berteaux could not testify about Mr. Carcelle's [*42] knowledge of what was said in the declaration or even as to whether he had read it before signing it. (*See* DB Mem. at 6-7). In response LV offers two declarations by Mr. Carcelle, averring that he has no memory of signing the document or of what it contained or of whether he knew anything at the time about the facts pertinent to the accuracy of the statements that it contained. (Carcelle Decl. at P 6-8; Carcelle Reply Decl. at PP 2-4).¹⁵

15 LV also argues that DB's claim of fraud on the PTO is meritless, an assertion that is at best premature and certainly not a basis for precluding discovery directed to that claim.

From the declarations proffered by Mr. Carcelle, it

appears that a deposition may produce little in the way of useful information. Nonetheless, that is not a proper basis for refusing to allow a party to question a witness who has participated in events directly pertinent to at least one of the claims in the case. There is simply no basis for compelling DB to take at face value an assertion [*43] of lack of memory made in an affidavit by a witness. This scenario is simply not equivalent to those encountered in cases in which a senior executive has not participated in any activity relevant to the issues in the case. *See, e.g., Treppel*, 2006 U.S. Dist. LEXIS 7836, 2006 WL 468314, at *2; *Six West Retail Acquisition, Inc. v. Sony Theatre Mgt. Corp.*, 203 F.R.D. 98, 104 (S.D.N.Y. 2001). Mr. Carcelle has concededly participated directly in a pertinent event, and hence he is appropriately subject to questioning about his participation.

That said, it is equally appropriate to place significant limitations on such a deposition. *See, e.g., Holman v. ICN Pharms., Inc.*, 1999 U.S. Dist. LEXIS 20017, 1999 WL 1267459, at *1-2 (S.D.N.Y. Dec. 29, 1999). Those limitations follow from both Mr. Carcelle's senior position in, and responsibility for business affairs at, LV and the narrowness of the inquiries that may be appropriately directed to him. Accordingly, the deposition is to be limited to no more than three hours and is to be conducted at Mr. Carcelle's place of business unless DB chooses to take the deposition by telephone.¹⁶

16 In setting this time limit, we do not impose any subject-matter restriction on DB's questioning of the witness.

[*44] VI. *LV's Motion to Compel The Deposition Of DB Italia by Maurizio Nottoli*

Plaintiff has moved to compel DB to produce in New York for deposition a resident of Italy named Maurizio Nottoli. According to plaintiff, Mr. Nottoli is knowledgeable about the procurement of bags for DB, the disposition at the outset of this litigation of the bags that allegedly infringed LV's S-lock trademark and the design of bags for DB, possibly including the bags at issue here. (LV Mem. Supp. at 3-4). Plaintiff contends that it may use a Rule 30(b)(1) deposition notice to compel Nottoli's appearance here either because he is a managing agent of DB or because he is within the custody or control of DB. (*Id.* at 6-12). Defendant opposes the motion, contending that Nottoli is not a party to the litigation nor a managing agent of DB and that he may therefore be deposed only pursuant to the provisions

of the Hague Convention. (DB Mem. Opp'n at 7-15).

Nottoli's formal link to DB is through an entity known as DB Italia, which is based in Florence, Italy. Although the record is not pristine on the exact relationship between DB and DB Italia, a Dun & Bradstreet report reflects that DB owns 98 percent [*45] of the shares of DB Italia and Nottoli apparently owns the balance. (*See* Declaration of Alison Arden Besunder, Esq., executed Sept. 29, 2006, Ex. M).¹⁷ DB Italia has only one employee other than Nottoli (*id.*), and there is no indication that she plays any non-ministerial role in the affairs of the company. The directors of DB Italia consist of Peter Dooney and Mr. Nottoli. (*Id.*, Ex. M).

17 An alternative version of the relationship -- offered by DB -- is that the 98-percent share of DB Italia is held by two other entities apparently controlled by DB (Declaration of Jessica Selb, Esq., executed Oct. 10, 2006., Ex. 2), but there is no public record of the existence of these entities. (Reply Declaration of Alison Arden Besunder, Esq., executed Oct. 16, 2006, Ex. W). Moreover, DB's own attorneys have several times characterized DB Italia as a subsidiary of DB, and Peter Dooney has described it as DB's Italian office. (Besunder Decl., Ex. N at 38 & Ex. P at 13; Selb Decl., Ex. 1; Reply Declaration of Alison Arden Besunder, Esq., executed Oct. 16, 2006, Ex. CC).

[*46] There is no indication that DB Italia undertakes any significant business other than to serve as a vehicle for the design and acquisition of product for DB. Indeed, DB provides the accounting and payroll services for DB Italia and supplies its funding. (*Id.*, Ex. O at 53-54). Thus, although DB Italia pays Nottoli, it appears to be with funds supplied for that purpose by DB.

Similarly, Nottoli performs essential services directly for DB. Thus Nottoli and Dooney are described as working collaboratively in determining the design of DB bags, and Nottoli appears to be responsible for outsourcing the manufacture of those bags on behalf of DB. (Besunder Decl., Ex. P at 55-56, 105-07178-79). Similarly, when DB pulled the allegedly infringing bags from the market early in this lawsuit and arranged for them to be retrofitted with new locks, it appears that Nottoli handled these transactions. (*Id.*, Ex. R). Dooney speaks almost daily with Nottoli and travels to Italy to meet him every few months. (*Id.*, Ex. P at 58). Nottoli

himself travels periodically to the United States -- most recently several weeks ago (Oct. 31, 2006 letter to the Court from Michael A. Grow, Esq.; Nov. 8, 2006 letter [*47] to the Court from Steven Kimelman, Esq.) -- where he spends much of his time with Mr. Dooney. (Besunder Decl., Ex. P at 57; *id.*, Ex. Q at 26-27).

With this record in mind, we turn to LV's arguments. We conclude that Nottoli is to be made available by DB for deposition at his place of business in Italy.

We first reject LV's argument that Nottoli may be subjected to a deposition by notice because he is within the "custody or control" of DB. (LV Mem. at 10-12). That term is found in Rule 34, and refers to the production of documents held by, or available to, a litigant. The appropriateness of deposing a non-party witness pursuant to notice is governed by a separate rule, which uses different language, and is properly interpreted by somewhat different standards. Specifically, Rule 30(b)(1) refers to depositions of a corporation by its officers, directors or managing agents.

On the current motion, the central question concerns Nottoli's asserted status as a managing agent of DB. The party seeking the deposition bears the burden -- whether of production or persuasion is uncertain -- but that burden is "modest," since the movant need only demonstrate "'that there is at least a close [*48] question' as to whether the witness is a managing agent." *Boss Mfg. Co. v. Hugo Boss AG*, 1999 U.S. Dist. LEXIS 133, 1999 WL 20828, at *4 (S.D.N.Y. Jan. 13, 1999) (citing *United States v. Afram Lines (USA), Ltd.*, 159 F.R.D. 408, 413 (S.D.N.Y. 1994)). *Accord Dubai Islamic Bank v. Citibank, N.A.*, 2002 U.S. Dist. LEXIS 9794, 2002 WL 1159699, at *3-4 (S.D.N.Y. May 31, 2002). Moreover, for purposes of this analysis all doubts should be resolved in favor of the discovering party. *See* 2002 U.S. Dist. LEXIS 9794, [WL] at *4; *Afram Lines*, 159 F.R.D. at 413. In this manner, discovery may proceed on the basis of a provisional determination of managing-agent status, with the final resolution of that question left for post-discovery proceedings, when the trial court or fact-finder determines whether the testimony of the witness is binding on the party. *See, e.g., Dubai Islamic Bank*, 2002 U.S. Dist. LEXIS 9794, 2002 WL 1159699, at *4; *Boss Mfg.*, 1999 U.S. Dist. LEXIS 133, 1999 WL 20828, at *4; *Afram Lines*, 159 F.R.D. at 413-14; *Hughes Bros., Inc. v. Callanan Road Improvement Co.*, 41 F.R.D. 450, 454 (S.D.N.Y. 1967).

In assessing whether a proposed deponent is potentially a managing agent, we look [*49] to a variety of factors, none of which is necessarily controlling. *See, e.g., Boss Mfg.*, 1999 U.S. Dist. LEXIS 133, 1999 WL 20828, at *3. As typically articulated, the individual "should possess general powers to exercise judgment and discretion in corporate matters, . . . [,] should be a person who can be relied upon to give testimony, at the employer's request, in response to the demand of the examining party, . . . [and] should be a person who can be expected to identify with the interests of the corporation." 1999 U.S. Dist. LEXIS 133, [WL] at *3 (quoting 7 J. Moore, *Moore's Federal Practice* § 30.03[2] at 30-20 (3d ed. 1998)). Other factors recognized by some courts focus on "whether there are other persons 'in positions of higher authority than the individual designated in the area for which information is sought by the deposition' and 'the general responsibilities of the individual respecting the matters involved in the litigation.'" 1999 U.S. Dist. LEXIS 133, [WL] at *3 (citing *Moore* & cases).

In this case the record on the pertinent facts is sparse, consisting principally of snippets of testimony proffered by LV from depositions that it has taken in this litigation and in the *Multicolor* [*50] case. ¹⁸ Obviously LV cannot be expected to provide testimony from Nottoli as to the nature of his duties and the degree of judgment that he exercises in carrying them out. As for DB, it has not proffered any affidavits from either Dooney or Nottoli.

18 DB protests that LV should be precluded from using evidence obtained in the *Multicolor* case because a protective order there provides that confidential information supplied in that case may be used only for that litigation. (DB Mem. Opp'n at 4-7). Since, however, both parties have represented that they agree that the discovery obtained in each case should be utilized in both cases, there is no occasion to address this matter (other than to note that DB itself freely uses helpful information from the *Multicolor* case on this motion).

The limited record reflects that Mr. Nottoli performs functions for DB that seem to involve some degree of discretion, as we infer that he uses judgment not only in the design of bags for DB but also in the acquisition of [*51] products from other companies. He also appears to have played a central role in the return of the S-lock bags for retrofitting, and we infer that some degree of

discretion was afforded him in handling this matter. The record also supports the inference that Mr. Nottoli would comply with a request or direction by DB to appear for a deposition; indeed, DB's counsel has implied as much, suggesting that defendant would arrange for a deposition of him in Italy in exchange for LV submitting Messrs. Carcelle and Stalla-Bourdillon to deposition in New York. (Besunder Decl., Ex. F). The record is equally clear that Mr. Nottoli, who is employed by DB's subsidiary and paid, in effect, by DB, and who works hand-in-glove with Mr. Dooney, can be expected to identify with the interests of DB.

As for the remaining factors, DB makes the point that Peter Dooney has a position of superior authority in the pertinent areas (DB Mem. Opp'n at 11), an observation that we infer is correct, although not dispositive. Finally, there is no question that Nottoli's responsibilities are relevant to issues posed by this case. These include the procurement and possibly the design of the DB bags that are in issue here, [*52] and the retrofitting process for the unsold bags that were removed from the market by DB.

The record on a number of the key managing-agent considerations is admittedly sketchy. That is largely attributable to the decision of DB not to proffer any meaningful evidence pertinent to the relevant considerations, and it underscores the wisdom of leaving the definitive determination of managing-agent status to the post-discovery stage of the case. LV has certainly demonstrated that the question of Mr. Nottoli's status is at least a close question, and hence we conclude that DB is obligated to make him available for deposition based on LV's notice of deposition.

There remains the question of the location of the deposition. LV notes that Nottoli periodically comes to the New York area, and indeed he did so while this motion was pending. Nonetheless, since he apparently travels here only once or twice a year, it is highly unlikely that he will be back in the next few weeks, when all other discovery may be expected to be completed.

The ordinary rule is that the deposition of corporate employees is to be conducted where they work, particularly when the corporation is a defendant. *See, e. [*53] g., Boss Mfg.*, 1999 U.S. Dist. LEXIS 133, 1999 WL 20828, at *1. In this case we see no compelling reason to alter that presumption, and accordingly we direct that any deposition of Mr. Nottoli be taken in Italy.

VII. DB's Second Motion on Privilege Issues

DB has moved for an order compelling LV to produce certain documents listed on its privilege log. DB focuses on claims of privilege invoked by LV for communications with its in-house attorneys Nathalie Moulle-Berteaux and Emmanuel Barbault,¹⁹ and its work-product claim for documents prepared in anticipation of registration proceedings before the PTO. It also argues that LV has waived any privilege by virtue of deposition testimony by Ms. Moulle-Berteaux and that any privilege or work-product immunity should be invaded based on the crime-fraud exception.²⁰ LV opposes the motion while stating -- in what amounts to an elaboration of its prior motion for a protective order -- that it is willing to produce most of the previously withheld documents and that this intention moots DB's current motion to compel. (LV Mem. Opp'n at 2-5). We understand LV to be saying that it would produce most, though not all, of the documents in the prosecution [*54] files for registrations of its S-lock trademarks, and that it would withhold a small number of documents as work product, provided that the court rules in plaintiff's favor on its hypothesis as to the scope of the waiver that such a production would entail.²¹

19 Prompted by a comment in LV's responding memorandum, DB mentions documents involving Benjamin Dubuis, also an in-house attorney, for the first time in its reply memorandum. (DB Reply Mem. at 6). This is inadequate to present the issue of Mr. Dubuis's status on this motion, and we therefore do not address that question. In any event, for reasons to be noted, the question appears to be a moot one.

20 DB also suggests that several items listed on plaintiff's privilege log are not described with sufficient particularity to justify invocation of the privilege or work-product immunity.

21 LV refers to its intention to revise its privilege log to limit it to a few work-product-protected documents, but it does not specify which, other than indicating that they all date from 2004 or later. (LV Mem. Opp'n at 8). LV has never indicated that it has actually prepared a new version of its log.

[*55] LV states that it is prepared to waive any attorney-client privilege for documents in the prosecution files for its three S-lock trademarks and one pending

application. (*Id.* at 3-5). If correct, that would moot any argument about the validity of the privilege claim asserted for these documents. Nonetheless, LV then proceeds to brief the applicability of the privilege -- whether as a matter of caution or because there are other, unlogged documents that LV is withholding is unclear. In perhaps an excess of caution, we do likewise, and then turn to the work-product issue.

As we understand it, LV has asserted an attorney-client privilege for documents representing communications between its in-house counsel (Ms. Mouille-Berteaux, who is based in France, and Mr. Barbault, who practices in the United States) and other LV personnel concerning applications for registration of trademarks by the PTO. Both sides agree that American, rather than French, law governs the privilege. (*See* LV Mem. Opp'n at 12; DB Mem. Supp. at 3). Were it otherwise, the answer would be straightforward, since it is conceded that under French law these communications are not protected by any privilege. (*See* [*56] *id.* at 3 (quoting J. Copeman & K. Hurford, "Practical Considerations in Maintaining Privilege," *J. Int'l Banking L. & Reg.* 360, 364 (2005))).

The most obvious difficulty for LV's privilege claim is that neither Ms. Mouille-Berteaux nor Mr. Barbault are members of any bar (French or American), and they apparently have never been. (Declaration of Brian D. O'Reilly, Esq., executed Oct. 25, 2006, Ex. D at 56-57; *id.*, Ex. E). American courts have, with some consistency, held that the attorney-client privilege does not apply to communications with a law school graduate unless he or she is admitted to practice at the bar of a state or federal court (or possibly a foreign court), *see, e.g., In re Rivastigmine Patent Litig.*, 237 F.R.D. 69, 74 (S.D.N.Y. 2006); *A.I.A. Holdings, S.A. v. Lehman Bros., Inc.*, 2002 U.S. Dist. LEXIS 20107, 2002 WL 31385824, at *4 (S.D.N.Y. Oct. 21, 2002) (citing cases), thus leaving in serious question the availability of a privilege in this case.

To overcome this obstacle, LV notes that both Ms. Mouille-Berteaux and Mr. Barbault have full -- and indeed advanced -- legal training, and carry out the responsibilities of an in-house attorney that are the equivalent [*57] of what American in-house lawyers do. Arguing this functional equivalence as a basis for recognizing the privilege, they cite the decision in *Renfield Corp. V. E. Remy Martin & Co.*, 98 F.R.D. 442 (D. Del. 1982), which adopted the conclusion that they

press here. (LV Mem. Opp'n at 10-13).

As defendant properly points out, *Renfield* has not been followed elsewhere; indeed, a coordinate court in the Third Circuit explicitly disagreed with it and noted that Third Circuit law was inconsistent with its analysis. *See Honeywell, Inc. v. Minolta Camera Co.*, 1990 U.S. Dist. LEXIS 5954, 1990 WL 66182, at *2-3 (D.N.J. May 15, 1990). Plaintiff offers no compelling reason for deviating from the consistent line of authority that holds to the contrary. Moreover, it would seem that there is particularly little reason to do so here when the law under which Ms. Mouille-Berteaux and Mr. Barbault were practicing -- French and American, respectively -- did not protect their communications with their client.

It also bears noting that one key premise for assertion of the privilege is that the participants in the assertedly protected communication expect it to be treated as confidential. *See, e. [*58] g., United States v. Construction Prods. Research, Inc.*, 73 F.3d 464, 473 (2d Cir. 1996) (communication must have been intended to be confidential). Given the fact that communications of Ms. Mouille-Berteaux that are at issue apparently took place in France and the absence of any indication in the record that the participants in the communications nonetheless expected that they would be protected, the justification for an equivalence analysis is far less compelling since there is no reason to believe that there was any expectation by the participants that confidentiality could be maintained in the face of French law. As for Mr. Barbault, he was practicing in the United States, and hence was directly subject to American law, which gives no protection to the communications of an unlicensed attorney.

The difficulty with LV's equivalence argument surfaces in plaintiff's own analysis. Thus LV asserts that the protection it seeks should be afforded in deference to the fact that the French legal system operates in a somewhat different manner from the American, an apparent reference to the fact that in-house counsel in France may not belong to the Bar. (*See* LV Mem. Opp'n [*59] at 11 (referring to "the differences between the French and American legal systems")). This type of comity argument -- at least with regard to Ms. Mouille-Berteaux -- might well have some force if the communications in question were protected under French law. Since they are not, however, the proposed analysis amounts to cherry-picking segments of French law in

support of a legal protection afforded by neither French nor American law.

In sum, we conclude that LV cannot assert an attorney-client privilege for communications between its in-house counsel and the client. On that basis we need not address the impact of DB's argument for waiver by disclosure on the attorney-client privilege and its brief assertion of the crime-fraud exception to the privilege.²²

22 We do note in passing, however, that in asserting its crime-fraud argument DB fails to offer any evidence going to the fraudulent intent that it must show to establish that there is probable cause to believe that LV was seeking to mislead the PTO. Simple reliance on its own pleadings is simply not sufficient for this purpose.

[*60] As for the work-product question, although LV initially asserted this form of immunity for all of its logged documents (O'Reilly Decl., Ex A), it now concedes that such immunity does not extend to documents prepared solely for the *ex parte* proceeding before the PTO. (LV Mem. Opp'n at 7). It does assert -- correctly, we believe -- that documents prepared with a view to specific anticipated or ongoing litigation or substantially altered by the expectation or pendency of such litigation may be covered by work-product protection, subject to a showing of need by the other side. (*Id.* at 8).

LV indicates that it seeks to protect only a handful of documents on this basis, all of which were drafted in the context of either this lawsuit or the contested trademark cancellation proceeding pending before the PTO. (*Id.* at 8-9). Given this representation, LV is required to produce to DB all other documents listed on its privilege log and all documents (if any) not listed on a log but withheld as privileged within seven days. For any remaining asserted work product, LV is to submit the documents for *in camera* review within seven days, with a appropriate accompanying evidentiary submission [*61] demonstrating the factual basis for the work-product claim for each document.

VIII. LV's Deposition Motions

Plaintiff has filed two motions seeking sanctions for asserted misconduct by DB in connection with four depositions. Alternatively it seeks the scheduling of those

depositions.

For reasons specified in part at a telephone conference on November 21, 2006, no sanctions are warranted. The disputes are in part based on scheduling disputes occasioned by orders entered in the *Multicolor* litigation and in part are premised on disagreements as to whether plaintiff has been afforded sufficient time to depose two senior DB officers, Peter Dooney and Philip Kinsley.

The depositions of two of the witnesses, Ms. Armenise and Ms. Kopp, were finally scheduled by the parties for November 30 and 27, 2006, respectively. In our telephone conference, we ordered that they be conducted on those dates. As for Mr. Kinsley, although LV has had two deposition sessions with him, at the same telephone conference we authorized plaintiff to continue the deposition for no longer than two hours. This addition was justified only by the fact that defendant produced a quantity of invoices and related [*62] documents the day before the witness's last deposition session and has since produced a few e-mails that involve or concern him.

As for Mr. Dooney, who was named as a Rule 30(b)(6) witness and separately noticed for deposition in his personal capacity, LV has had one session with him that totaled somewhat more than six hours. Although DB complains that LV spent a large amount of time at the first session on marginal or irrelevant matters, the breadth of his involvement in DB's affairs and the events at issue here amply justify requiring him to return for one more deposition session, not to exceed seven hours.

CONCLUSION

For the reasons noted, the discovery and sanctions motions of the parties are granted in part and denied in part, to the extent indicated. To facilitate the completion of outstanding discovery proceedings, we extend the deadline for fact discovery to December 31, 2006.

Dated: New York, New York

November 29, 2006

MICHAEL H. DOLINGER

UNITED STATES MAGISTRATE JUDGE