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4 UNITED STATES DISTRICT COURT  
5 NORTHERN DISTRICT OF CALIFORNIA  
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7 AVAGO TECHNOLOGIES FIBER IP  
8 (SINGAPORE) PTE. LTD., et al.,

9 Plaintiffs,

10 v.

11 IPTRONICS INC., et al.,

12 Defendants.

Case No. [5:10-cv-02863-EJD](#)

**ORDER DENYING MOTION FOR  
CONTEMPT AND SANCTIONS**

**(Re: Docket No. 706)**

13 Defendants IPtronics Inc. et al. allege that Plaintiffs Avago Technologies Inc. et al. failed  
14 to obey the court's orders to produce a Rule 30(b)(6) witness,<sup>1</sup> and move for monetary and  
15 preclusion sanctions.<sup>2</sup> IPtronics' motion is DENIED.

16 **I.**

17 The origins of this dispute go back to November 2014, when IPtronics noticed a 30(b)(6)  
18 deposition on topics relating to Avago's trade secret, Lanham Act and unjust enrichment claims.<sup>3</sup>  
19 After IPtronics experienced significant difficulty in scheduling the deposition, they successfully  
20 moved to compel.<sup>4</sup> IPtronics then deposed Sharon Hall, Avago's designated witness, on March  
21 18, 2015, but Hall was unable to speak to over a third of the noticed topics and could address the  
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24 <sup>1</sup> See Docket Nos. 537, 580.

25 <sup>2</sup> See Docket No. 705-4.

26 <sup>3</sup> See Docket No. 705-4 at 2-3.

27 <sup>4</sup> See Docket Nos. 527, 537.

1 rest only in-part, citing confidentiality concerns.<sup>5</sup> Following another motion by IPtronics,<sup>6</sup> the  
2 court found that Avago had violated its previous discovery order, imposed monetary sanctions on  
3 Avago, ordered Avago to make available by June 1, 2015 “one or more 30(b)(6) witnesses  
4 adequately prepared on the noticed topics,” and ordered Avago to produce any outstanding  
5 documents reviewed by the witness in preparation for the deposition at least three days before the  
6 additional deposition.<sup>7</sup>

7 On May 27, 2015, three business days before the deposition deadline, Avago amended  
8 their trade secret designations, reducing their trade secrets from 40 to three.<sup>8</sup> On May 28, 2015,  
9 Avago produced documents that Hall had reviewed and would rely on.<sup>9</sup> On June 1, 2015,  
10 IPtronics deposed Hall on the new trade secret designations.<sup>10</sup> The next day, June 2, 2015, Avago  
11 produced two additional pages of documents.<sup>11</sup>

12 Over a month and a half later, IPtronics notified Avago that they believed Avago had not  
13 “complied with the court’s order in requiring production of a 30(b)(6) witness on the trade secret  
14 issues, particularly in light of amending the trade secrets immediately before the deposition.”<sup>12</sup>  
15 IPtronics stated that this conduct prejudiced their ability to defend against “continually shifting”  
16 and “unsupportable” claims, and they would be moving for sanctions.<sup>13</sup> Avago responded that  
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18 <sup>5</sup> See Docket No. 580 at 3.

19 <sup>6</sup> See Docket No. 542.

20 <sup>7</sup> Docket No. 580 at 4, 8, 10-11.

21 <sup>8</sup> Compare Docket No. 452-6 with Docket No. 705-6.

22 <sup>9</sup> See Docket No. 706-11 at 1.

23 <sup>10</sup> See

24 <sup>11</sup> See Docket No. 706-7; Docket No. 735-1 at ¶ 6.

25 <sup>12</sup> Docket No. 706-8 at 52:12-22.

26 <sup>13</sup> Docket No. 706-9.

1 they had complied—they had made Hall available for deposition on June 1, 2015, and produced  
2 the documents she reviewed and relied upon on May 28, 2015.<sup>14</sup> Moreover, IPtronics had neither  
3 raised any issue about the new designations during the deposition, nor made any “claim about the  
4 sufficiency of Ms. Hall’s testimony” since the deposition.<sup>15</sup> As for the amended trade secret  
5 designations, Avago stated that they were not newly formulated, but that they were “either the  
6 same as or compiled and re-stated from the previously designated trade secrets,” and explained  
7 how the new designations were related to the old designations.<sup>16</sup>

8 Following an unsuccessful meet and confer, IPtronics now moves for an order precluding  
9 Avago from presenting, in support of their trade secret claims, any evidence 1) concerning the  
10 trade secrets that were the subject of Avago’s September 12, 2012 and December 11, 2014 trade  
11 secret designations; 2) concerning the trade secrets that were the subject of Avago’s May 27, 2015  
12 trade secret designation and 3) that was first disclosed at the March 18, 2015 or June 1, 2015 Hall  
13 depositions.<sup>17</sup> IPtronics also seeks to preclude Avago from further amending its trade secret  
14 designations and seeks its fees for the June 1, 2015 30(b)(6) deposition and for its motion for  
15 contempt and sanctions.<sup>18</sup>

16 **II.**

17 The court has jurisdiction under 28 U.S.C. §§ 1331, 1338(a), 1338(b) and 1367(a). This  
18 matter was referred to the undersigned pursuant to Fed. R. Civ. P. 72(a).

19 Fed. R. Civ. P. 37 allows the court to impose evidentiary and monetary sanctions for  
20 discovery violations.<sup>19</sup> Furthermore, “Rule 37 sanctions are mandatory and must be applied

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22 <sup>14</sup> See Docket No. 706-11 at 1.

23 <sup>15</sup> Id. at 1-2.

24 <sup>16</sup> Id. at 2.

25 <sup>17</sup> See Docket No. 705-4 at 1, 9-10.

26 <sup>18</sup> Id. at 1.

27 <sup>19</sup> See *Grimes v. City and County of San Francisco*, 951 F.2d 236, 241 (9th Cir. 1991).

1 diligently both to penalize those whose conduct may be deemed to warrant such a sanction, [and]  
2 to deter those who might be tempted to such conduct in the absence of such a deterrent.”<sup>20</sup>

3 Under Fed. R. Civ. P. 37(b)(2)(A), the court may sanction a party’s failure to obey an order  
4 to provide discovery by “prohibiting the disobedient party from supporting or opposing designated  
5 claims or defenses, or from introducing designated matters into evidence.” “Preclusive sanctions  
6 are within the court’s discretion,”<sup>21</sup> and magistrate judges may issue monetary and other non-  
7 dispositive sanctions.<sup>22</sup>

8 Fed. R. Civ. P. 37(b)(2)(C) provides that when a party or its counsel violates a discovery  
9 order, the court must order the party, its counsel or both to pay the “reasonable expenses,  
10 including attorney’s fees, caused by the failure” to comply with a discovery order, unless the  
11 failure was “substantially justified or other circumstances make an award of expenses unjust.”

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13 <sup>20</sup> *Wingnut Films, Ltd. v. Katja Motion Pictures Corp.*, Case No. 05-cv-1516-RSWL, 2007 U.S.  
14 Dist. LEXIS 72953, at \*54 (C.D. Cal. Sept. 18, 2007); see also *Navellier*, 262 F.3d at 947; Fed. R.  
15 Civ. P. 37(b)(2)(A) (“(2) Sanctions Sought in the District Where the Action Is Pending. (A) For  
16 Not Obeying a Discovery Order. If a party or a party’s officer, director, or managing agent—or a  
17 witness designated under Rule 30(b)(6) or 31(a)(4)—fails to obey an order to provide or permit  
18 discovery, including an order under Rule 26(f), 35, or 37(a), the court where the action is pending  
19 may issue further just orders. They may include the following: . . . (ii) prohibiting the disobedient  
20 party from supporting or opposing designated claims or defenses, or from introducing designated  
21 matters in evidence”).

22 <sup>21</sup> See *Apple Inc. v. Samsung Electronics Co.*, Case No. 5:11-cv-1846-LHK, 2012 WL 1595784, at  
23 \*3 (N.D. Cal. May 4, 2012) (citing *Navellier v. Sletten*, 262 F.3d 923, 947 (9th Cir. 2001)  
24 (“Sanctions may be warranted under Federal Rule of Civil Procedure 37(b)(2) for failure to obey a  
25 discovery order as long as the established issue bears a reasonable relationship to the subject of the  
26 discovery.”)).

27 <sup>22</sup> See *Apple Inc. v. Samsung Electronics Co.*, 888 F. Supp. 2d, 976, 985-86 (N.D. Cal. 2012)  
28 (citing *Herson v. City of Richmond*, Case No. 4:09-cv-02516-PJH, 2011 WL 3516162, at \*2 (N.D.  
Cal. Aug. 11, 2011)); *Io Grp. Inc. v. GLBT Ltd.*, Case No. 3:10-cv-1282-MMC, 2011 WL  
4974337 (N.D. Cal. Oct. 19, 2011); *Dong Ah Tire & Rubber Co., Ltd. v. Glasforms, Inc.*, Case No.  
5:06-cv-3359-JF, 2009 U.S. Dis. LEXIS 62668 (N.D. Cal. July 2, 2009); see also *Grimes v. City  
and County of San Francisco*, 951 F.2d 236, 240 (9th Cir. 1991) (holding monetary sanctions  
imposed under Rule 37 are nondispositive); *Maisonville v. F2 America, Inc.*, 902 F.2d 746, 747-48  
(9th Cir. 1990) (finding monetary sanction imposed pursuant to Rule 11 are non-dispositive);  
*Keithley v. Homestore.com, Inc.*, Case No. 3:03-cv-04447-SI, 2008 WL 4830752 (N.D. Cal. Nov.  
6, 2008).

1 “The burden is on the disclosing party to show that the failure to disclose information or witnesses  
2 was justified or harmless.”<sup>23</sup>

3 **III.**

4 Cutting to the chase, the dispositive question in determining whether monetary and  
5 preclusion sanctions are appropriate here is whether Avago violated the court’s order. The court  
6 ordered Avago to do two things: first, to produce a 30(b)(6) witness “adequately prepared on the  
7 noticed topics,” and second, to produce any outstanding documents at least three days before the  
8 deposition.<sup>24</sup> Regarding the 30(b)(6) deposition, IPtronics did not allege, either in its  
9 communications with Avago or in its motion to the court, that Hall was unprepared for the  
10 deposition.<sup>25</sup> While Avago changed the scope of the trade secrets claimed just two days before the  
11 deposition, IPtronics has not identified any questions that Hall could not answer or any topic on  
12 which she was not prepared.<sup>26</sup> Regarding the document production, Avago produced the  
13 documents that Hall had reviewed and intended to rely upon in her deposition on May 29, 2015,  
14 three days before the June 1, 2015 deposition.<sup>27</sup> Although Avago also produced other documents  
15 on June 2, 2015, these documents were unrelated to the trade secret claims and the 30(b)(6)  
16 deposition, and Hall did not review them in preparation for her deposition.<sup>28</sup> Because the court’s  
17 order covered only documents relating to the 30(b)(6) deposition, Avago has not violated the  
18 court’s order.

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21 <sup>23</sup> FormFactor, Inc. v. Micro-Probe, Inc., Case No. 4:10-cv-3095-PJH, 2012 U.S. Dist. LEXIS  
22 62233, at \*26 (N.D. Cal. May 3, 2012) (citing Yeti by Molly, Ltd. v. Deckers Outdoor Corp., 259  
23 F.3d 1101, 1107 (9th Cir. 2001)).

24 <sup>24</sup> Docket No. 580 at 8, 10-11.

25 <sup>25</sup> See Docket Nos. 706-8, 706-9, 706-10, 705-4.

26 <sup>26</sup> See Docket Nos. 706-8, 706-9, 706-10, 705-4.

27 <sup>27</sup> See Docket No. 735 at 4, 9.

28 <sup>28</sup> See Docket No. 735-1 at ¶ 6.

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**SO ORDERED.**

Dated: December 18, 2015

  
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PAUL S. GREWAL  
United States Magistrate Judge