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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

DELPHON INDUSTRIES, LLC,)
)
 Plaintiff,)
 v.)
)
 INTERNATIONAL TEST SOLUTIONS,)
 INC, ET AL.,)
)
 _____)

Case No.: C 11-01338 PSG
ORDER GRANTING-IN-PART AND DENYING-IN-PART DEFENDANT AND COUNTERCLAIMANT INTERNATIONAL TEST SOLUTIONS, INC.'S MOTION TO COMPEL AND FOR PROTECTIVE ORDER
(Re: Docket No. 157)

Defendant and Counterclaimant International Test Solutions, Inc. (“ITS”) moves to compel further disclosure of trade secrets pursuant to California Code of Civil Procedure Section 2019.210 and an interrogatory on the subject. ITS also seeks to compel a further deposition of Claudia Allison (“Allison”) and a protective order against disclosure of its own trade secrets. Plaintiff Delphon Industries, LLC (“Delphon”) opposes the motion. On January 3, 2012, the parties appeared for hearing. Having reviewed the papers and considered the arguments of counsel,

IT IS HEREBY ORDERED that ITS’s motion to compel and for protective order is GRANTED-IN-PART and DENIED-IN-PART.

The background and history of this case are sufficiently presented in other court orders on the docket. The court therefore will focus on only those facts essential to the present dispute.

As part of its business, Delphon develops and manufactures gel products to allow for the safe

1 transport of delicate technology devices within, and between, laboratories. The gels themselves are
2 polymers and are created using proprietary formulas that consist of precise mixtures, blends, and
3 balances of specific chemical elements. In the first amended complaint, Delphon alleges a claim
4 against ITS for trade secret misappropriation.

5 On June 24, 2011, Delphon served an interrogatory response identifying the trade secrets it
6 claims were misappropriated, as including, but not being limited to, the following:

- 7 ● manufactures and suppliers of chemistries, adhesives, films and laboratory
8 equipment;
- 8 ● composition of gel material, various varieties of similar gel or gel like materials,
9 additives and fillers;
- 9 ● technologies and techniques to modify gel chemistry;
- 10 ● formulation or ratio of gel material and additives;
- 10 ● blending, mixing or dispersion of gel material and additives and methods;
- 11 ● filtering gel materials and additives;
- 11 ● composition of compatible materials with gel material, including additives and
12 layering materials;
- 12 ● controlling reaction of gel material or processing parameters, cure temperatures and
13 times;
- 13 ● solvents which would/would not damage gel material;
- 14 ● how to handle gel material in liquid and solid formats;
- 14 ● utilizing materials(s) to clean gel material and easily remove materials from it
- 15 ● method of application of the gel material, processes including equipment;
- 15 ● adhesive technology and how to best employ PSA (pressure sensitive) adhesives with
16 gel material or substrates;
- 16 ● how to build and manufacture gel material in low and high volumes;
- 17 ● how to coat gel material in low and high volumes (internal drawdown and external
17 coating line);
- 18 ● how to build and manufacture gel on silicon wafer through PSA adhesives and wet
18 layout process;
- 19 ● how to build and manufacture chemical clean, and utilize reservoir concept;
- 19 ● how to create matte finish on gel material;
- 20 ● specifications or target ranges of gel material and combinations thereof;
- 20 ● modification of standard test methods (ASTM and the like) to make applicable to
21 materials;
- 21 ● lamination materials, techniques and processes;
- 22 ● how to build vacuum release trays.

22 On November 23, 2011, Delphon revised its trade secret identification as follows:

23 Composition of Gel Material: Delphon customizes the composition of its gel materials to its
24 customers' needs. Specifically, the properties of the gel, including the tackiness can be
25 modified per customer requests. The varieties of Delphon gel materials (i.e., levels of
26 tackiness) and the ingredients, additives or fillers to manufacture each type of Delphon gel
27 are proprietary trade secrets.

28 Formulation of Gel Material: Delphon uses different ingredients from various suppliers to
29 manufacture its gel materials. The "recipe" for its different gel materials – including the
30 amount of each ingredient used, the process of combining the ingredients, the methods of
31 combining the ingredients, the use of solvents with gel materials, and the blending, mixing

1 and dispersion of additives into the gel material – is proprietary trade secret information.

2 Technology and Techniques Used in Manufacture of Gel Material: In the process of
3 manufacturing gel material, Delphon utilizes certain technologies and techniques to produce
4 a gel product that suits the customers’ needs. These techniques relate to the filtering of gel
5 materials and additives, the bonding of the gel material, method(s) of imparting surface
6 treatments to the top and/or bottom surface of the gel material (matte finish or clear finish),
7 the time and temperature(s) required to cure gel material, the layering of materials that
8 compose the gel product, how to clean and post-clean the gel materials (including the
9 substances, techniques and methods used to clean the gel), and the modification of standard
10 test methods (i.e., ASTM) for use with the gel products.

11 Application of Gel Material: Delphon applies the gel manufactured pursuant to its
12 proprietary formulas and techniques on various substances (including substrates and cleaning
13 wafers) for its customers. The process of applying the gel material to the substrate, cleaning
14 wafer or other material requested by the customer, including the equipment used for the
15 application of the gel material, the use of adhesives applied to gel material and substrates, the
16 coating of materials with gel products and the lamination of materials for gel products is
17 proprietary to Delphon.

18 Manufacture of Gel Materials in Low/High Volumes: Delphon can make a small amount
19 (low volume) of sample of a gel product requested by a customer. It also manufactures gel
20 products in high volumes. The process, technology, formulation and know-how required to
21 manufacture a specific gel product at both high volumes and low volumes is proprietary to
22 the company.

23 ITS complains that Delphon has not identified its trade secrets with reasonable particularity.
24 Until Delphon does so, as it is obligated to do under Section 2019.210, further discovery is not
25 warranted.

26 Delphon disputes that Section 2019.210 requires defining every minute detail of its trade
27 secrets. Because the composition and formulation of gel material, technology and techniques used
28 in the manufacture of gel material, application of the gel material, and manufacture of gel materials
in low and high volumes differ from customer to customer, the specific information that ITS seeks
simply cannot be provided. In support of this position, Delphon attaches the Allison deposition
transcript in which Delphon’s Director of Materials Technology explains that there is no single
formulation of gel products because they are formulated based on customer need and customer
specification, literally matched by the number of Delphon customers. Beginning with a “core
competency,” Allison further explains that specific gel formulations are extended using different
materials, combinations, ratios, and curing processes. Delphon therefore contends that its trade
secret designations are more than adequate and that ITS’s motion to compel is merely an effort to

1 impede further discovery.

2 Section 2019 provides that “[i]n any action alleging the misappropriation of a trade secret
3 under the Uniform Trade Secrets Act [(UTSA)], before commencing discovery relating to the trade
4 secret, the party alleging the misappropriation shall identify the trade secret with reasonable
5 particularity.” The early identification of claimed trade secrets serves four purposes: (1) it promotes
6 investigation of claims prior to suit and discourages the filing of meritless trade secret complaints;
7 (2) it prevents plaintiff from using the discovery process as a means to obtain the defendant’s trade
8 secrets; (3) it frames the appropriate scope of discovery; and (4) it enables the defendant to form
9 complete and well-reasoned defenses.¹ Courts have broad discretion in determining whether a
10 plaintiff’s disclosure satisfies Section 2019.210.²

11 “Trade secret identification does not require ‘every minute detail’ of the trade secret or the
12 ‘greatest degree of particularity possible.’”³ “Nor does [S]ection 2019.210 envision a ‘miniature trial
13 on the merits of a misappropriation claim before discovery may commence.’”⁴ “[W]here ‘the alleged
14 trade secrets consist of incremental variations on, or advances in the state of the art in a highly
15 specialized technical field, a more exacting level of particularity may be required to distinguish the
16 alleged trade secrets from matters already known to persons skilled in that field.’”⁵ Indeed, “when
17 the nature of the alleged trade secret or the technical field in which it arises makes a detailed
18 description alone inadequate to permit the defendant to learn the limits of the secret and develop
19 defenses or to permit the court to understand the secret and fashion discovery, the court may require
20 an explanation of how the alleged trade secret differs from matters known to skilled persons in the

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22 ¹ See *Computer Economic, Inc. v. Gartner Group, Inc.*, 50 F.Supp.2d 980, 985 (S.D. Cal. 1999).

23 ² See *Perlan Therapeutics, Inc. v. Super. Ct.*, 178 Cal.App.4th 1333, 1337, 101 Cal.Rptr.3d 211
24 (2009). California federal courts have long applied Section 2019, either under the *Erie* doctrine or
25 simply as a case management tool. See, e.g., *Computer Economics, Inc. v. Gartner Group, Inc.*, 50
26 F.Supp.2d 980 (S.D. Cal. 1999); *Interserve, Inc. dba TechCrunch v. Fusion Garage, PTE., Ltd.*, Case
27 No. 09-05812 JW (PVT), 2010 WL 1445553, at *3 (N.D. Cal. Apr. 9, 2010),

28 ³ *Id.* at 1346 (quoting *Advanced Modular Sputtering, Inc. v. Super. Ct.*, 132 Cal.App.4th 826,
830-31 (2005)).

⁴ *Id.*

⁵ *Id.*

1 field as necessary to satisfy those needs.”⁶ Nevertheless, “[u]nder this flexible standard, absent a
2 showing that the identification of the alleged trade secret alone lacks the particularity necessary to
3 serve the statutory purposes, the trade secret claimant need not specify how the secret or its elements
4 are distinguishable from matters known to skilled persons in the field.”⁷

5 Despite Delphon’s protestations that it cannot identify its gel formulations and compositions
6 beyond what already has been provided, the undersigned is not convinced that it has complied with
7 its obligations under Section 2019.210. In response to the interrogatory ITS propounded on Delphon
8 seeking the disclosure of trade secrets, Delphon explicitly admits that its description of them is
9 general. In fact, the description is so general that Delphon did not even bother to protect the
10 description under the terms of the Stipulated Protective Order. Allison further conceded at her
11 deposition that Delphon’s trade secret disclosures were “conceptual” and that they lacked specific
12 information identifying ingredient suppliers, recipe details such as amounts of ingredients, mixing
13 ratios, curing steps and manufacturing process details. Allison’s deposition testimony also confirmed
14 that Delphon has this specific information at hand but simply has not produced it to ITS. Finally,
15 Delphon offers no credible expert testimony suggesting that those in the field would be able to
16 review Delphon’s designations and distinguish the alleged trade secrets from information in the
17 field.⁸ The time for Delphon to refine its claims has long been at hand. Whatever Delphon wishes to
18 claim as trade secrets that ITS misappropriated, it must identify each particular composition,
19 formula, technology and manufacturing techniques, application and manufacture of gel materials
20 without further delay.

21 Notwithstanding this conclusion, the court does not agree that further discovery of ITS
22 should be stayed pending Delphon’s amended trade secret disclosures. The court has extended the
23 deadline for fact discovery once already and will not do so again.

24 ⁶ *Brescia v. Angelin*, 172 Cal.App.4th 133, 150 (2009).


25 ⁷ *Id.* at 149.

26 ⁸ *Cf. Advanced Modular Sputtering, Inc.*, 32 Cal.App.4th at 836 (“Where, as here, credible
27 experts declare that they are capable of understanding the designation and of distinguishing the alleged
28 trade secrets from information already known to persons in the field, the designation should, as a general
rule, be considered adequate to permit discovery to commence”).

1 No later than January 13, 2012, Delphon shall amend its trade secret disclosures in a manner
2 consistent with this order. No later than January 30, 2012, Allison shall appear for a further
3 deposition, lasting no longer than three hours.

4 **IT IS SO ORDERED.**

5 Dated: 1/4/2011

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7 PAUL S. GREWAL
8 United States Magistrate Judge
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