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7 UNITED STATES DISTRICT COURT
8 SOUTHERN DISTRICT OF CALIFORNIA
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10 IN RE EX PARTE APPLICATION OF NETGEAR
11 INC. AND NETGEAR DEUTSCHLAND GMBH
12 FOR AN ORDER PURSUANT TO 28 USC 1782
13 TO OBTAIN DISCOVERY FOR USE IN
14 FOREIGN PROCEEDINGS
15

Case No.: 23MC794-BLM

**ORDER DENYING EX PARTE
APPLICATION OF NETGEAR INC. AND
NETGEAR GMHB TO MODIFY
PROTECTIVE ORDER**

[ECF NO. 23]

16
17 Currently before the Court is Petitioners Netgear Inc. and Netgear Deutschland GmbH's
18 *Ex Parte* Application to Modify Protective Order [ECF No. 23. ("Mot.")], Respondent Qualcomm
19 Incorporated's November 22, 2023 opposition to the motion [ECF No. 26 ("Oppo.")], and
20 Petitioners' December 1, 2023 reply [ECF No. 34 ("Reply")]. For the reasons set forth below,
21 Petitioners' motion is **DENIED**.

22 **PROCEDURAL BACKGROUND**

23 On June 14, 2023, Petitioners Netgear Inc. and Netgear Deutschland GmbH filed an *ex*
24 *parte* application requesting an order pursuant to 28 U.S.C. § 1782 granting leave to obtain
25 discovery (license agreements between Qualcomm Incorporated and Huawei) from Qualcomm
26 for use in two proceedings in the Dusseldorf Regional Court in the Federal Republic of Germany.
27 ECF No. 1-1 at 5; see also Oppo. at 11.

28 On July 3, 2023, Huawei filed an action against Petitioners in the Unified Patent Court

1 (“UPC”). Oppo. at 16. Petitioners were notified of the action that same day by the Presiding
2 Judge but declined to accept service of the complaint via email. Id.; see also ECF No. 26-1,
3 Declaration of David A. Kays In Support of Qualcomm’s Opposition to Netgear’s *Ex Parte*
4 Application to Modify Protective Order (“Kays Decl.”) at Ex. A. On August 7, 2023, Petitioners
5 were served with the complaint from the UPC proceeding. Mot. at 6.

6 On August 18, 2023, Qualcomm filed its response to Petitioners’ *Ex Parte* Application.
7 ECF No. 15.

8 On August 30, 2023, Petitioners filed a Reply in Further Support of *Ex Parte* Application.
9 ECF No. 16.

10 On August 31, 2023, the Court issued an Order Granting Netgear Inc. and Netgear
11 Deutschland GMBH’s *Ex Parte* Application. ECF No. 17.

12 On October 16, 2023, the parties filed a Joint Motion for Stipulated Protective Order. ECF
13 No. 18. The Court granted the parties’ motion on October 17, 2023. ECF No. 20. The order
14 provides the methods and procedures the parties will use to protect Confidential Information.
15 Id. The order defines key terms such as “Foreign Actions” which is defined as

16 legal proceedings initiated by Huawei Technologies Co., Ltd (“Huawei”) against
17 Applicants: (a) a patent infringement action regarding European Patent (“EP”) 3 337 077
18 B1, docket number 4c O 8/22, pending before the Dusseldorf Regional Court in the
19 Federal Republic of Germany, involving allegations that Applicants infringed certain
20 patents held by Huawei relating to Wi-Fi technology, (b) a patent infringement action
21 regarding EP 3 143 741 B1, docket number 4c O 9/22, pending before the Dusseldorf
Regional Court in the Federal Republic of Germany involving allegations that Applicants
infringed certain patents held by Huawei relating to Wi-Fi technology, and (c) any appeals
from either of the aforementioned proceedings.

22 Id. at 2. The order also discusses the scope of the protections, the method for challenging
23 Respondent’s confidentiality designations, the access permitted to Respondent’s material
24 including by outside consultants, protected material that is subpoenaed or ordered to be
25 produced in other litigation or foreign actions, unauthorized disclosure of Respondent’s
26 materials, the duration of the obligations imposed by the protective order, and the final
27 disposition of the protected materials produced in this action. Id. at 2-13. The order also notes
28 that Respondent or any party can “apply to this Court at any time for modification or amendment

1 of” the order and that the Court may modify the terms and conditions of the order “for good
2 cause, or in the interest of justice, or on its own order at any time during these proceedings.”
3 Id. at 13.

4 On November 9, 2023, Petitioners filed an *Ex Parte* Application to Modify Protective Order.
5 ECF No. 23. On November 14, 2023, the Court issued an Order Setting Briefing Schedule finding
6 that Petitioners did not meet their burden of demonstrating that *ex parte* relief is appropriate.
7 ECF No. 25. On November 22, 2023, Qualcomm filed a timely opposition. Oppo. Petitioners
8 filed their reply on December 1, 2023. ECF No. 34.

9 **THE GERMAN PROCEEDING**

10 In the German action, which was initiated in March 2022, Huawei alleged Petitioners
11 infringed two patents – EP 3 337 077 and EP 3 143 741 - that are essential to the Wi-Fi 6
12 standard. Mot. at 8. Specifically, Petitioners’ access points implementing the Wi-Fi 6 standard
13 infringed Huawei’s patents. Id. On May 11, 2023, the German Court dismissed Huawei’s
14 complaint regarding EP 3 143 741. Id. Huawei appealed the decision to the Dusseldorf Higher
15 Regional Court in the Federal Republic of Germany on August 11, 2023. Id. Petitioners filed
16 their defense of the appeal on October 31, 2023. Id. As part of their defense, Petitioners
17 submitted the 2020 License Agreement between Qualcomm and Huawei that Petitioners
18 obtained through the instant matter. Id. Petitioners allege that the Agreement is “critical” to
19 their defense of patent exhaustion. Id. at 9.

20 **THE UPC PROCEEDING¹**

21 In the UPC proceeding, Huawei is alleging that Petitioners infringed its patent – EP 3 611
22 989 - that relates to Wi-Fi 6. Mot. at 9; see also Oppo. at 16. The infringement involves
23 Petitioners’ access points that are also at issue in the German Proceeding. Id. at 9.

24
25 ¹ “The [] (UPC) is a Court, comprising judges from all participating Member States of the
26 European Union. It is set up to decide in particular on the infringement and validity of both
27 Unitary Patents and classic European Patents. The UPC is a Court common to currently
28 seventeen EU Member States for which the Agreement on a Unified Patent Court (UPCA) has
entered into force on 1 June 2023.” <https://www.unified-patent-court.org/en>.

1 **PETITIONERS' POSITION**

2 Petitioners seek an order "modifying the blanket protective order [] in the above-
3 captioned miscellaneous proceeding [] so that Netgear may use documents already produced
4 by Qualcomm Incorporated [] in a lawsuit [] pending in the local division of Unified Patent Court
5 (the "UPC") in Munich, Germany." Mot. at 5. Petitioners argue that modification of the
6 protective order is warranted under Ninth Circuit law as the documents at issue in this case are
7 also relevant to the UPC case and Respondent will not be prejudiced or have its interests violated
8 by the limited modification being sought. Id. at 14-18. Petitioners, however, will be greatly
9 prejudiced if the modification request is not granted. Id. at 16-18. Petitioners also argue that
10 Section 1782 favors modifying the protective order based on the merits of the statute (the
11 elements of the statute are satisfied, and all discretionary factors favor granting the application)
12 and the fact that Section 1782 does not prevent the subsequent use of discovery material
13 obtained pursuant to Section 1782. Id. at 20-24.

14 **RESPONDENT'S POSITION**

15 Respondent contends that Petitioners' motion should be denied. Oppo. at 11.
16 Respondent asserts that (1) this Court no longer has subject matter jurisdiction to modify the
17 protective order, (2) Petitioners are prohibited from using the confidential agreements at issue
18 outside of the German actions, and (3) the section 1782 proceeding has ended. Id. at 19-24.
19 Respondent also contends that Petitioners' motion is governed by Section 1782, not law
20 pertaining to the modification of protective orders and that the mandatory requirements under
21 Section 1782 do not support modification of the protective order. Id. at 24-31. Specifically, the
22 agreements being sought are not "for use" in the UPC action because they are not relevant to
23 the UPC action and the agreements constitute trade secrets which are not discoverable under
24 Section 1782. Id. at 27-28. Respondent further contends that the discretionary requirements
25 under Section 1782 do not support modification of the protective order because the discovery
26 at issue is available from Huawei in the UPC action and modifying the protective order would
27 cause an undue burden on Respondent who is not a party to the UPC action to protect the
28 confidentiality of its documents. Id. at 28-31. Respondent notes that even under the standard

1 of law governing the modification of protective orders, Petitioners fail to make the required
2 showing of good cause. Id. at 30-31.

3 **PETITIONERS' REPLY**

4 Petitioners reply that (1) this Court does have the authority to modify the protective order,
5 (2) Section 1782 does not restrict the subsequent use of material obtained under the statute,
6 (3) Ninth Circuit precedent applies and favors modification as evidenced by the fact that the
7 agreement at issue is extremely relevant, modification of the protective order will not prejudice
8 Respondent, and Petitioners will "suffer substantial prejudice without modification" of the
9 protective order, and (4) Section 1782 strongly favors modifying the protective order. Id. at 6-
10 15.

11 **LEGAL STANDARDS**

12 A. 28 U.S.C. § 1782 Application

13 A district court may grant an application under 28 U.S.C. § 1782, and order the production
14 of non-privileged documents or testimony for use in a foreign legal proceeding, when: 1) the
15 person from whom the discovery is sought resides in the district to which the application is
16 made; 2) the discovery is for use in a proceeding before a foreign tribunal; and, 3) the applicant
17 is a foreign or international tribunal or "interested person." 28 U.S.C. § 1782(a); Intel Corp. v.
18 Advanced Micro Devices, 542 U.S. 241, 246-47 (2004). Notwithstanding satisfaction of the
19 statutory criteria, a district court is not required to grant an application under 28 U.S.C. § 1782.
20 Intel, 542 U.S. at 246. The Court retains discretion to determine what discovery, if any, should
21 be granted. Id. When exercising its discretion, a Court should consider:

22 "(1) whether the material sought is within the foreign tribunal's jurisdictional reach
23 and thus accessible absent Section 1782 aid; (2) the nature of the foreign tribunal,
24 the character of the proceedings underway abroad, and the receptivity of the
25 foreign government or the court or agency abroad to U.S. federal-court
26 jurisdictional assistance; (3) whether the Section 1782 request conceals an
27 attempt to circumvent foreign proof-gathering restrictions or other policies of a
28 foreign country or the United States; and, (4) whether the subpoena contains
unduly intrusive or burdensome requests."

1 In re 2770095 Ontario, Inc., 2022 WL 183443, at *1 (N.D. Cal., Jan. 20, 2022) (quoting Intel
2 Corp., 542 U.S. at 264-65).

3 B. Foltz v. State Farm Mut. Auto. Ins. Co., 331 F.3d 1122 (9th Cir. 2003)

4 A collateral litigant seeking to modify a protective order must demonstrate the relevance of
5 the protected discovery being sought to the collateral proceedings and the general
6 discoverability of the discovery therein. Id. at 1132. The Court must “weigh the countervailing
7 reliance interest of the party opposing modification against the policy of avoiding duplicative
8 discovery.” Id. at 1133. Reliance will be less with a blanket [protective] order, because it is by
9 nature overinclusive.” Id. (quoting Beckman Indus., Inc. v. Int'l Ins. Co., 966 F.2d 470, 475
10 (9th Cir.1992)). “Reliance on a blanket protective order in granting discovery and settling a
11 case, without more, will not justify a refusal to modify.” Id.

12 C. Modification of Protective Orders Generally

13 Federal Rule of Civil Procedure (“Fed. R. Civ. P.”) 26(c) does not refer to modification of
14 protective orders, however, case law recognizes that a protective order may be modified for
15 good cause shown or vacated altogether. See Protective orders, Rutter Group Prac. Guide Fed.
16 Civ. Pro. Before Trial Ch. 11(III)-C (citing Osband v. Woodford, 290 F3d 1036, 1039 (9th Cir.
17 2002) (“A party subject to a protective order is generally free to return to the issuing court to
18 seek modification of the order.”). District courts have authority to grant a motion to modify a
19 protective order where good cause is shown. See CBS Interactive, Inc. v. Etilize, Inc., 257 F.R.D.
20 195, 201 (N.D. Cal. 2009) (citing Phillips ex rel. Estates of Byrd v. General Motors Corp., 307
21 F.3d 1206, 1213 (9th Cir. 2002)). The party asserting good cause has the burden to show that
22 specific prejudice or harm will result if the motion is not granted. Id. at 1210–11.

23 **DISCUSSION**

24 A. Jurisdiction

25 Petitioners argue that the Court has the authority to modify the Protective Order. Mot.
26 at 13. Respondent contends that the Court no longer has subject matter jurisdiction to modify
27 the Protective Order as jurisdiction is terminated once the subpoenaed party complies with the
28 discovery order. Oppo. at 19-24.

1 The Court finds that it has jurisdiction and the ability to decide whether to modify the
2 Protective Order. Initially, the Protective Order itself states that “[t]his Protective Order is
3 entered without prejudice to the right of any Party or Qualcomm to apply to this Court *at any*
4 *time* for modification or amendment of this Protective Order” and “[t]he Court may modify the
5 terms and conditions of the Order for good cause, or in the interest of justice, or on its own
6 order at any time *during these proceedings*.” ECF No. 20 at 13 (emphasis added). These
7 proceedings technically ended on August 31, 2023 when the case was closed. See Docket.
8 However, activity in the case continued after August 2023, including entry of the protective
9 order on October 17, 2023. ECF No. 20.

10 Next, contrary to Respondent’s contention, CPC Patent Technologies Pty Ltd. v. Apple,
11 Inc., 34 F.4th 801 (9th Cir. 2022) does not stand for the proposition that the Court loses
12 jurisdiction as soon as the Section 1782 motion is decided. CPC Patent found that a magistrate
13 judge's order denying an application under 28 U.S.C. § 1782 is dispositive, and therefore subject
14 to *de novo* review by the district court, because the order denies the only relief sought by the
15 applicant. Id. at 807. Once the Section 1782 case is decided, the decision is still considered to
16 be final even if later ancillary issues are raised such as a motion to quash or a request to clarify
17 the subpoena’s scope. Id. at 809.

18 Accordingly, the Court will consider Petitioners’ request.

19 B. Modification of the Protective Order – Section 1782

20 The mandatory Section 1782 factors are met. The application is being made in the
21 Southern District of California where Respondent resides, the sought after discovery is for use
22 in a proceeding before the UPC, and Petitioners, the applicants, are interested persons. Despite
23 this, the Court has the discretion to determine whether the request should be granted. Intel,
24 542 U.S. at 246. Here, the Court finds that the relevant factors do not support amending the
25 protective order. Initially, discovery is available in the UPC action. Mot. at 17-18; see also
26 Oppo. at 28-29. Petitioners argue that since Respondent is not a party to the UPC action, the
27 UPC cannot order Respondent to produce the documents being sought and that while Huawei
28 is a party to the UPC proceeding and presumably has the documents at issue, it is unclear if the

1 UPC would issue the necessary order and “there is doubt about whether the UPC—a newly
2 constituted tribunal whose jurisdiction extends only to EU member states—could enforce an
3 order requiring Huawei, which is in China, to produce this document.” Mot. at 22. Petitioners’
4 argument is mere speculation. Petitioners have not attempted to obtain the discovery from
5 Huawei in the UPC proceeding. They have not determined that Huawei does not possess the
6 desired discovery, that Huawei will not produce the desired discovery, or that the UPC tribunal
7 cannot or will not compel Huawei to produce the discovery. Rather, Petitioners speculate that
8 they might be unsuccessful and therefore seek to circumvent the UPC process by accessing this
9 Court’s procedures. Petitioners have not demonstrated that the desired discovery is unavailable
10 in the UPC proceeding and the Court therefore finds that the first factor weighs in favor of
11 denying the motion.

12 The second and third factors also weigh against modifying the protective order. Because
13 the UPC is a new entity, it is unclear how the UPC views section 1782 evidence or how receptive
14 it is to U.S. federal-court jurisdictional assistance. It also is unclear how the UPC will view
15 Petitioners’ attempt to obtain the evidence by modifying the protective order in this Court rather
16 than by utilizing the available UPC procedures to obtain the desired discovery from the UPC
17 party opponent, Huawei.

18 Finally, Respondent seeks to protect its trade secrets and expresses its concerns about
19 its ability to do so via a modified protective order in this court. Oppo. at 29-30. The burden of
20 protecting those secrets should not be placed on Respondent, a non-party to the UPC action,
21 nor should it be placed upon this court, a foreign tribunal. Rather this burden should be
22 shouldered by Petitioners, Huawei, and the UPC tribunal. There are significant differences
23 between the UPC tribunal and the German courts involved in the initial section 1782 request
24 that may negatively impact the protection of Respondent’s trade secrets. For example, the UPC
25 court records are open to the public and while there are procedures in the UPC court for handling
26 confidentiality concerns, those procedures should be undertaken by Petitioners and Huawei
27 through UPC discovery. If this Court modified the protective order entered in this case, the
28 burden of policing the confidentiality compliance in the UPC proceedings may shift to

1 Respondent, who is not a party to the proceedings, and potentially to this Court. This scenario
2 is not an efficient manner to handle the discovery process and creates an undue burden on
3 Respondent and this Court. Thus, the Court finds that the fourth discretionary factor favors
4 denying Petitioners' motion.

5 After considering all of the relevant factors and finding they weigh against Petitioners'
6 request, the Court finds that Section 1782 does not support Petitioners' motion.

7 C. Modification of the Protective Order – Generally

8 The Court finds that Petitioners have not demonstrated sufficient good cause for
9 modification of the protective order under the Federal Rules of Civil Procedure. The protective
10 order in this case was tailored to protect specific agreements that were provided to Petitioners
11 to use in litigation regarding two patents at issue in German courts where discovery is not
12 permitted. Petitioners now seek to modify the protective order to allow them to use the same
13 documents in a totally different court – a court that has its own discovery process - for different
14 patents. Petitioners do not provide an adequate explanation for their reluctance to partake in
15 the discovery process provided by the UPC. Petitioners argue that because there is doubt as to
16 whether the newly created UPC would issue a document production order against Huawei and
17 whether it could enforce such an order if it did, Petitioners are at risk of not being able to use
18 the documents in the UPC proceeding. Mot. at 17-18. Petitioners' speculation regarding how
19 the UPC may or may not handle a hypothetical discovery request is not good cause for modifying
20 the protective order. The Court notes that this same argument regarding the newness of the
21 UPC lends support to Respondent's position that because the UPC is new, it is unclear that its
22 policies and practices surrounding confidential documents will provide sufficient protection for
23 Respondent's trade secrets.

24 Petitioners also have not carried their burden of showing that specific prejudice or harm
25 will result if the motion is not granted and instead focus on their position that modifying the
26 protective order will not prejudice Respondent. Petitioners state that a denial of the protective
27 order modification will result in a "needless waste of resources" because Petitioners would have
28 to engage in discovery in the UPC proceeding, however, the Court does not find that the

1 standard costs of litigation constitute a substantial prejudice or harm for Petitioners. And again,
2 Petitioners' speculation about how the UPC discovery procedures may or may not work does not
3 constitutes good cause to circumvent them.

4 D. Modification of the Protective Order – Foltz v. State Farm Mut. Auto. Ins. Co.

5 Petitioners argue that Foltz is the appropriate standard for evaluating the request to
6 modify the protective order. Mot. at 14. Respondent contends that Foltz along with other cases
7 cited by Petitioners involves the modification of protective orders in US litigation for discovery
8 that will be used in a US court which does not extend to cases involving foreign discovery and
9 Section 1782. Oppo. at 25. Petitioners respond that the Fed. R. Civ. P. govern because Section
10 1782 is silent on later uses of discovery obtained under the statute and Section 1782 seeks to
11 provide efficient assistance to participants in international litigation. Reply at 8.

12 The Court is not persuaded by the cases cited in Petitioners' motion supporting
13 Petitioners' position that Foltz is the appropriate standard. As Respondent points out, the cases
14 replied upon by Petitioners do not involve Section 1782 or foreign proceedings. Oppo. at 24-
15 25. Oracle Corp. v. SAP AG, which does involve foreign proceedings, involved the modification
16 of a protective order to be reviewed by plaintiff's foreign counsel and not for use in foreign
17 litigation. 2010 WL 545842, at *3 (N.D. Cal. Feb. 12, 2010). Even if Foltz is the appropriate
18 standard, Petitioners' motion still fails.

19 As discussed above, Petitioners have not established the relevance of the protected
20 discovery to the UPC proceeding, whether the protected discovery is available and discoverable
21 in the UPC proceeding, and whether the desired discovery is duplicative. The instant Protective
22 Order governs documents produced by Respondent for use in specific German courts for
23 disputes involving two identified patents. In contrast, Petitioners seek to expand the Protective
24 Order to a new foreign court involving different patents. The Court finds that Foltz does not
25 govern this motion and, even if it did, it does not support modifying the Protective Order as
26 requested by Petitioners.


27 **CONCLUSION**

28 Petitioners' motion is **DENIED**. The Court will not modify the protective order to permit

1 the use of the Section 1782 discovery in the UPC proceedings.

2 **IT IS SO ORDERED.**

3 Dated: 1/30/2024


Hon. Barbara L. Major
United States Magistrate Judge

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