

**UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA**

TIMEBASE PTY LTD.,

Plaintiff,

vs.

THE THOMSON CORPORATION,  
WEST PUBLISHING CORPORATION,  
and WEST SERVICES, INC.,

Defendants.

**Civil No. 07-1687 (JNE/JJG)**

**DEFENDANTS' MEMORANDUM IN  
SUPPORT OF THEIR MOTION FOR  
PROTECTIVE ORDER**

**INTRODUCTION**

Contrary to well-established law, TimeBase seeks to depose defendants' in-house litigation counsel, Mark Stignani. The rule in the Eighth Circuit is that depositions of an opposing party's litigation counsel are highly disfavored, and such depositions are routinely precluded when the information being sought is available from other knowledgeable witnesses. TimeBase has not come remotely close to meeting any exception to that rule. For each of the topics TimeBase has identified (save one), defendants already are providing a Federal Rule of Civil Procedure 30(b)(6) witness who will address the topic. The remaining topic—patents on which in-house counsel is listed as an inventor—bears no relevance to the case. Accordingly, defendants ask that the Court grant their motion for a protective order and prevent TimeBase from deposing defendants' in-house litigation counsel.

## LEGAL STANDARD

Pursuant to Fed. R. Civ. P. 26(c), the Court may enter a protective order “to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense.” Where one party seeks to depose the opposing party’s litigation counsel, the Eighth Circuit has established a three-prong test to determine whether a protective order is warranted. In *Shelton v. American Motors Corporation*, the Eighth Circuit stated that a party may depose opposing counsel only in “limited circumstances,” when “the party seeking to take the deposition has shown that (1) no other means exist to obtain the information than to depose opposing counsel, (2) the information sought is relevant and nonprivileged, and (3) the information is crucial to the preparation of the case.” 805 F.2d 1323, 1327 (8th Cir. 1986). It is the burden of the party seeking to depose opposing counsel to prove all three prongs. *Guantanamo Cigar Co. v. Corporacion Habanos, S.A.*, 263 F.R.D. 1, 8 (D.D.C. 2009) (applying the *Shelton* test).

*Shelton*’s first prong requires the deposing party to pursue all other sources of the information first before being allowed to depose opposing counsel. *Howard v. Securitas Sec. Servs., USA Inc.*, 630 F. Supp. 2d 905, 911 (N.D. Ill. 2009) (applying the *Shelton* test and saying that “a deposition of opposing counsel should not proceed unless there is a strong showing of need and evidence that all other discovery avenues have been exhausted.”). *Shelton*’s second requirement is that the subject matter be non-privileged and relevant. *See Shelton*, 805 F.2d at 1330. *Shelton*’s third factor prevents depositions of counsel on matters that are not absolutely crucial to the deposing party’s case. *See*

*Continental Coal, Inc. v. Cunningham*, No. 06-2122-KHV, 2008 WL 145245, at \*3 (D. Kan. Jan. 14, 2008) (applying *Shelton* test).

## BACKGROUND

On August 12, 2010, plaintiff TimeBase Pty Ltd served a notice of deposition for Mark Stignani, in-house counsel for defendants. (Frank Decl., Ex. A.) Mr. Stignani's title is Assistant General Counsel, Intellectual Property, and his duties include supervising the instant litigation. (Stignani Decl., ¶¶ 1–2.) In his role as supervising in-house counsel, Mr. Stignani has been intimately involved in all aspects of this litigation, and is in regular communication with defendants' employees, other in-house counsel, and outside litigation counsel concerning this litigation. (*Id.* at ¶ 3.)

Upon receiving the deposition notice for Mr. Stignani, defendants notified TimeBase that “[i]n this Judicial District, depositions of attorneys are highly disfavored, especially where there are other witnesses available who can provide the information.” (Frank Decl., Ex. B.) Defendants invited TimeBase to provide a list of topics that it intended to cover in the deposition so that the parties could further confer about the necessity and propriety of Mr. Stignani's deposition. Approximately seven weeks later, TimeBase's counsel provided a list of the following deposition topics for Mr. Stignani:<sup>1</sup>

1. Mr. Stignani's “meetings and communications with third parties.” For example, “the 2001 meeting and subsequent exchanges with Mr. Schnelle”;

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<sup>1</sup> TimeBase specifically stated that it did not want to be “limited” to these topics when deposing Mr. Stignani. Nonetheless, these are the only topics that TimeBase submitted for analysis under *Shelton* inquiry, and it is TimeBase's burden to show that each topic meets the *Shelton* test. See *Guantanamo Cigar Co.*, 263 F.R.D. at 8 (applying the *Shelton* test).

2. Mr. Stignani’s “first-hand knowledge” regarding “notice of the patent, knowledge of the patent”;
3. Mr. Stignani’s knowledge of “documents, see, for example TB001204, or 39399”;
4. Mr. Stignani’s “contacts with Ms. Muldoon [CEO of TimeBase]”;
5. Mr. Stignani’s patents; and
6. The two topics for which the defendants identified Mr. Stignani as a person with knowledge pursuant to Fed. R. Civ. P. 26(a)(I)(A)(i).

(Frank Decl., Ex. C.) After defendants received TimeBase’s list of topics, they reiterated to TimeBase that the deposition was improper under *Shelton*. During a meet-and-confer on the subject, defendants pointed out to TimeBase that:

- Defendants are providing Rule 30(b)(6) witnesses on all topics save one;
- Mr. Stignani is not the only knowledgeable individual for any of these topics; and
- Defendants will not be calling Mr. Stignani to testify at trial on these topics.

(Frank Decl., ¶ 4.) Nevertheless, TimeBase refused to withdraw its deposition notice, thus necessitating the instant motion.

## **ARGUMENT**

### **I. A Party May Not Depose Opposing Counsel Except Under Limited Circumstances.**

The practice of deposing opposing counsel is highly discouraged. *See Shelton*, 805 F.2d at 1327; *Theriot v. Parish of Jefferson*, 185 F.3d 477, 491 (5th Cir. 1999) (adopting *Shelton* test); *Pamida, Inc. v. E.S. Originals, Inc.*, 281 F.3d 726, 730 (8th Cir. 2002); *Nationwide Mut. Ins. Co. v. Home Ins. Co.*, 278 F.3d 621 (6th Cir. 2002) (same); *Boughton v. Cotter Corp.*, 65 F.3d 823 (10th Cir. 1995) (same). In fact, the Eighth Circuit

views the practice as “a negative development in the area of litigation.” *Shelton*, 805 F.2d at 1327. The deposition of opposing counsel “not only disrupts the adversarial system and lowers the standards of the profession, but it also adds to the already burdensome time and costs of litigation” and “detracts from the quality of client representation.” *Id.* It often is an attempt by a party to circumvent proper modes of discovery such as interrogatories, document requests, and depositions of lay persons. *Id.* Moreover, the practice can create a “chilling effect” on communications from the client to the attorney. *Id.*

For these reasons, the Eighth Circuit requires a party seeking to depose opposing counsel to satisfy the stringent, three-prong *Shelton* test. *See Pamida*, 281 F.3d at 730 (“Because this abuse of the discovery process had become an ever increasing practice, this Court erected the *Shelton* test as a barrier to protect trial attorneys from these depositions.”). Importantly, the party seeking the deposition must prove *all three* of *Shelton’s* requirements. Otherwise, the deposition is improper, and a protective order is warranted.

## **II. TimeBase Cannot Satisfy the *Shelton* Test for Any of Its Proposed Topics.**

TimeBase is attempting to depose Mr. Stignani, who has been in-house counsel for defendants for 10 years. (Stignani Decl., ¶ 1) He has supervised the current litigation since the case was filed in January, 2007. (*Id.* at ¶ 2.) Mr. Stignani has been involved in pre-suit communications, settlement discussions, discovery, pleadings, motions, strategic direction, and all other aspects of this case. (*Id.* at ¶ 3.) Just like the attorney in *Shelton*, Mr. Stignani is “assigned specifically to the case at bar as [the defendants’] supervising

‘in-house counsel.’” *Shelton*, 805 F.2d at 1325. In other words, Mr. Stignani is just the sort of lawyer that *Shelton* was meant to protect.

TimeBase cannot clear the high bar that *Shelton* sets for depositions of litigation counsel such as Mr. Stignani. For each of TimeBase’s stated topics, there are other sources of information and other witnesses. Moreover, much of the information TimeBase seeks is irrelevant. For these reasons, as discussed below in further detail, TimeBase should not be permitted to depose Mr. Stignani on any of its stated topics.

**A. TimeBase Cannot Depose Mr. Stignani on Topics for Which Defendants Are Providing a Rule 30(b)(6) Witness.**

Defendants are providing a corporate representative pursuant to Fed. R. Civ. P. 30(b)(6) to testify about all of TimeBase’s topics except one—Mr. Stignani’s patents, which are entirely irrelevant. For this reason, TimeBase cannot satisfy the first prong of the *Shelton* test for any of those topics.

When a party provides a corporate witness to testify about a topic in a Rule 30(b)(6) deposition, litigation counsel is not the only individual with knowledge about these topics, and the first *Shelton* requirement is not satisfied. Courts that have examined this issue agree: when a party provides a Rule 30(b)(6) witness to testify about a topic, litigation counsel cannot be deposed on that same topic. *See, e.g., WMH Tool Group, Inc. v. Woodstock Int’l, Inc.*, No. 07-CV-3885, 2009 WL 89935, at \*3 (N.D. Ill. Jan. 14, 2009) (“Rather than take the Fed. R. Civ. P. 30(b)(6) deposition, defendants demanded lead counsel’s deposition. . . . Without the Fed. R. Civ. P. 30(b)(6) deposition, defendants’ allegations regarding Mr. Clair’s unique knowledge are mere speculation. Accordingly,

plaintiff's request to preclude defendants from taking Mr. Clair's deposition is granted."); *State of Okla. ex rel Edmondson v. Tyson Foods, Inc.*, No. 05-CV-329-GKF-SAJ, 2007 WL 649335, at \*3 (N.D. Okla. Feb. 26, 2007) ("The first *Shelton* factor considers whether or not the Attorney General is the only person with the information and knowledge sought by Defendant. . . . Based on the availability of the Fed. R. Civ. Proc. 30(b)(6) deposition and because the Attorney General is a record attorney in this action the Court concludes the protective order should issue."); *Indus. Maritime Carriers v. Barwill Agencies A.S.*, No. Civ.A. 03-1668, 2005 WL 2060925, at \*5 (E.D. La. Aug. 23, 2005) ("Clearly, IMB/Intermarine's Turkish counselors are not the only source of the information presently sought by the defendants. In addition to the information previously provided by the plaintiffs, a Rule 30(b)(6) deposition of the plaintiffs will likely yield the balance of the factual information sought . . . ."); *Computer Assoc. Int'l, Inc. v. Quest Software, Inc.*, No. 02 C 4721, 2003 WL 22956127, at \*3 (N.D. Ill. Dec. 11, 2003) ("Under *Shelton*, defendants must show that no other means exist for obtaining the discovery they are seeking. . . . Rich's deposition will not be compelled because defendants can obtain the requested discovery from CA's 30(b)(6) witness.").

In this case, defendants are making corporate witnesses available to testify pursuant to Rule 30(b)(6) on the same topics on which TimeBase seeks to depose Mr. Stignani (except for certain patents on which Mr. Stignani is listed as an inventor that are not relevant to this case). The following chart lists the relevant Rule 30(b)(6) topic that corresponds to each of TimeBase's proposed deposition topics for Mr. Stignani:

<b><u>TimeBase’s Topic for Mr. Stignani</u></b>	<b><u>TimeBase’s Rule 30(b)(6) Deposition Topic<sup>2</sup></u></b>	<b><u>Defendants’ Designated Rule 30(b)(6) Witness<sup>3</sup></u></b>
<b>1. 2001 Meetings and Communications and Subsequent Exchanges</b>	1. Communications and meetings with TimeBase or its representatives or agents	Andrew Martens (October 27, 2010)
<b>2. Notice of the Patents and Knowledge of the Patents<sup>4</sup></b>	3. Knowledge of TimeBase’s intellectual property including the patents asserted in this litigation	Andrew Martens (October 27, 2010)
<b>4. Knowledge of Documents</b>	37. The documents produced by Thomson, including the search for and collection of documents in response to TimeBase’s requests  39. The organization and types of documents maintained by the defendant, either electronically or in paper form, that specify the design, construction and use of the accused products and services, and the databases used with them, including DTDs, schemas, software specifications and the like	Andrew Martens (October 27, 2010)  Darla Agard (October 21, 2010)
<b>5. Contacts with Ms. Muldoon</b>	1. Communications and meetings with TimeBase or its representatives or agents	Andrew Martens (October 27, 2010)
<b>5. Rule 26(a)(I)(A)(i) Disclosures:</b>  • <b>Defendants’ Knowledge of the</b>	3. Knowledge of TimeBase’s intellectual property including	Andrew Martens

<sup>2</sup> See Frank Decl., at Ex. D.

<sup>3</sup> See Frank Decl., at Ex E.

<sup>4</sup> Some of these interactions are inadmissible pursuant to Fed. R. Evid. 408. Defendants will not be providing a witness to testify about those protected communications.



<p><b>Patents</b></p> <p>• <b>Defendants’ Licensing Practices</b></p>	<p>the patents asserted in this litigation</p> <p>17. Licenses, contracts or other agreements entered into or acquired that are relevant to the design, development or use of any accused product or service, including the identification of the relevant documents and parties involved, and including the Shasta license and any other licenses</p>	<p>(October 27, 2010)</p> <p>Andrew Martens (October 27, 2010)</p>
<p><b>6. Mr. Stignani’s Patents</b></p>	<p><b>Not Relevant</b></p>	<p><b>Not Relevant</b></p>

As this chart reveals, defendants already are providing corporate designees to cover topics that include TimeBase’s proposed topics for Mr. Stignani.<sup>5</sup> Consequently, TimeBase cannot satisfy the first requirement of the *Shelton* test, and a protective order on all of these topics is warranted.

**B. TimeBase Cannot Depose Mr. Stignani on Topics When Other Knowledgeable Persons Already Have Been Deposed.**

TimeBase’s attempt to depose Mr. Stignani also fails because there are other witnesses with relevant knowledge who already have been deposed in this case. TimeBase, however, chose not to question those witnesses about the topics that it now seeks to question Mr. Stignani about. Under these circumstances, TimeBase cannot meet its burden under *Shelton*.

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<sup>5</sup> Defendants further note that TimeBase also has noticed the individual deposition of David Spencer, who may have relevant information on a number of these same topics, including the 2001 meetings and correspondence with TimeBase.

The law is clear that, where other witnesses have knowledge of the proposed topics, TimeBase cannot meet the first prong of the *Shelton* standard. *See, e.g., Harris v. Euronet Worldwide Inc.*, No. 06-2537-JTM-DWB, 2007 WL 1557415, at \*3 (D. Kan. May 29, 2007) (finding that “two of [defendants’] employees were in attendance” at the meeting and therefore defendant could not show that no means exist to obtain information about the meeting under the *Shelton* test); *Duggan v. Village of New Albany*, No. 2:08-cv-814, 2009 WL 3126555, at \*3 (S.D. Ohio Sept. 22, 2009) (“Unless [opposing counsel] was the only person present at a meeting, the other non-lawyer attendees can provide this information as well as he can.”) (applying *Shelton* test) (slip copy). This is especially true in the present case because TimeBase chose not to ask other knowledgeable deponents any questions about the desired topics. *See Boughton*, 65 F.3d at 830 (“[plaintiffs] did not even fully explore those matters upon which they wished to inquire of defendant’s counsel with the witnesses they did depose.”); *see also Desert Orchid Partners, L.L.C. v. Transaction Sys. Architects*, 237 F.R.D. 215, 218 (D. Neb. 2006) (“Further, even when a party meets two of the *Shelton* factors by showing the information sought is nonprivileged and crucial, that party’s failure to establish that the attorney deposition is the only reasonably practical means available for obtaining the information will still defeat an attempt to depose opposing counsel.”).<sup>6</sup>

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<sup>6</sup> For topics that include documents, TimeBase also would be barred from asking questions of Mr. Stignani because any such questions would inevitably call for the disclosure of attorney opinion or communications. *See Shelton*, 805 F.2d at 1328–29.

The chart below shows TimeBase’s proposed topics and the relevant witnesses who have already been deposed:

<b><u>TimeBase’s Topic</u></b>	<b><u>Completed Depositions</u></b>
<b>1. 2001 Meetings and Communications and Subsequent Exchanges</b>	<b>Christoph Schnelle Nicola (Abha) Lessing</b>
<b>2. Notice of the Patents and Knowledge of the Patents</b>	<b>Christoph Schnelle Nicola (Abha) Lessing</b>
<b>3. Knowledge of Documents</b>	<b>Christoph Schnelle Nicola (Abha) Lessing Roger Gerdes</b>
<b>4. Contacts with Ms. Muldoon</b>	<b>Leonie Muldoon</b>
<b>5. Rule 26(a)(I)(A)(i) Disclosures:</b> <ul style="list-style-type: none"> <li>• <b>Defendants’ Knowledge of the Patents</b></li> <li>• <b>Defendants’ Licensing Practices</b></li> </ul>	<b>Christoph Schnelle Nicola (Abha) Lessing</b>
<b>6. Mr. Stignani’s Patents</b>	<b>Not Relevant</b>

These individuals certainly have knowledge about the topics TimeBase is proposing for Mr. Stignani. Christoph Schnelle is a founder of TimeBase, and a named inventor on both patents-in-suit. Mr. Schnelle sat for a deposition in Sydney Australia on August 11, 2010. (Frank Decl., Ex. F.) Similarly, Nicola Jane (Abha) Lessing, a named inventor on both patents, and the former CEO of TimeBase, was deposed on August 10, 2010, in Sydney, Australia. (Frank Decl., Ex. G.) Roger Gerdes was a marketing consultant for TimeBase. He was deposed on July 13, 2010. (Frank Decl., Ex. H.) There can be no dispute that since these individuals participated in the 2001 meetings and

communications with defendants, these individuals have knowledge of those meetings and communications.

During those three depositions, TimeBase had the opportunity to ask these witnesses questions about the topics it now proposes to ask Mr. Stignani. For example, TimeBase has identified two specific pieces of correspondence about which it seeks Mr. Stignani's testimony. The first is a document produced by TimeBase, labeled TB001204. (Frank Decl., Ex. I.) It is a one-page email from Mr. Schnelle to Mark Stignani. Two other individuals—Ms. Abha Lessing and Mr. Roger Gerdes—were copied on the email as well. The second document TimeBase identified, TB39399, is a one-page letter from Mr. Stignani to Ms. Abha Lessing. (Frank Decl., Ex. J.) Others individuals were copied on this letter, including Mr. Schnelle and David Spencer. As stated above, TimeBase has deposed Mr. Schnelle, Ms. Lessing, and Mr. Gerdes, but it did not ask any of these individuals any substantive questions about these documents.<sup>7</sup> TimeBase cannot be permitted to depose Mr. Stignani about these when it has already squandered its other opportunities to ask knowledgeable witnesses these very questions.

**C. TimeBase Cannot Depose Mr. Stignani About His Patents Because They Are Irrelevant and Not “Crucial to the Preparation of the Case.”**

TimeBase also seeks to depose Mr. Stignani about some unspecified patents for which Mr. Stignani was named as an inventor. Mr. Stignani is not a named inventor on any of the patents-in-suit. The only patents on which he is an inventor are ones issued to Alliant Techsystems in the mid-1990s when Mr. Stignani was employed there:

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<sup>7</sup> Mr. Spencer's deposition is scheduled for October 26, 2010.

- 5,524,545 “Process and apparatus for photolytic degradation of explosives”
- 5,516,970 “Process and apparatus for photolytic degradation of explosives”
- 5,370,845 “Process and apparatus for photolytic degradation of explosives”
- 5,363,603 “Abrasive fluid jet cutting composition and method”

Clearly, none of these patents have anything to do with this lawsuit, and TimeBase cannot satisfy the second and third requirements of the *Shelton* analysis: these patents are irrelevant and are not crucial to TimeBase’s case. Consequently, TimeBase should not be permitted to depose Mr. Stignani about them.

In addition to these patents, Mr. Stignani has been named as an inventor on two pending patent applications:

- App. 12/415,917 (Pat. Pub. 2009/0327946) “Systems and methods for tracking patent related information”
- App. 11/897,995 (Pat. Pub. 2008/0082929) “Document-centric workflow systems, methods, and software based on document contents, metadata, and context”

TimeBase has not come remotely close to establishing how either of these applications are relevant, much less “crucial to the preparation of the case.” *Shelton*, 805 F.2d at 1327.<sup>8</sup> Neither of these patents are related to the inventions described in the patents-in-suit. For example, Application 12/415,917 describes a system that can extract information from patent file histories and display pertinent information about those file histories to a user. Application 11/897,995 describes a way of combining legal research

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<sup>8</sup> Defendants also note that Mr. Stignani is not the *only* named inventor on any patent, and therefore not the only person with knowledge about them.

tools, such as Westlaw, together with word processing applications, such as Microsoft Word.

Furthermore, any testimony about these patents or patent applications from Mr. Stignani inevitably would call for the disclosure of his opinions and/or client communications, all of which are privileged. This is exactly the situation that *Shelton* was designed to protect against. *Id.* at 1328 (protecting attorney from disclosing her “mental impressions, including thought processes, opinions, conclusions, and legal theories.”). Therefore, questions about these patents or patent applications also fail the second and third prongs of the *Shelton* test, and a deposition about them should not be allowed.

**D. Defendants’ Disclosure of Mr. Stignani Pursuant to Fed. R. Civ. P. 26(a)(1)(A)(i) Does Not Entitle TimeBase to Depose Mr. Stignani.**

Finally, TimeBase may argue that it is entitled to depose Mr. Stignani about two topics listed on the defendants’ Rule 26(a) disclosures. Defendants disclosed Mr. Stignani as one of several individuals with knowledge about two topics: (a) “Defendants’ Intellectual Property Licensing,” and (b) “Defendants’ Knowledge of TimeBase Regarding the ‘228 and ‘592 patents.” (Frank Decl., Ex. K at ¶¶ 91, 103.) Defendants already advised TimeBase, however, that they will not call Mr. Stignani to testify at trial about these topics. (Frank Decl., ¶ 4.) In addition, as shown above, TimeBase will be obtaining information about both of these topics during its Fed. R. Civ. P. 30(b)(6) deposition of defendants. Consequently, it is unnecessary and improper to depose Mr. Stignani about these topics. *See Probert v. The Clorox Co.*, 258 F.R.D. 491, 496, 499 (D.

Utah 2009) (finding that the party had not established that the information sought was nonprivileged and therefore could not depose opposing counsel despite that counsel was listed in the initial disclosures).

### **CONCLUSION**

For all of the foregoing reasons, defendants respectfully request that the Court enter a Protective Order precluding TimeBase from taking the deposition of defendants' litigation counsel, Mr. Mark Stignani.

Dated: October 11, 2010

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