



LEXSEE 2010 U.S. DIST. LEXIS 97582

Jay DesMarteau, Plaintiff, v. CIT Group, Inc., et al., Defendants.

Civil Action No. 09-5361 (SRC)(MAS)

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

2010 U.S. Dist. LEXIS 97582

September 17, 2010, Filed

NOTICE: NOT FOR PUBLICATION

COUNSEL: [*1] For JAY DES-MARTEAU, Plaintiff, Counter Defendant: STEPHEN R. BOSIN, LEAD ATTORNEY, RIVER EDGE, NJ.

For CIT GROUP, INC., THE EMPLOYEE BENEFIT PLANS COMMITTEE OF CIT, Defendants, Counter Claimants: AMY KOMOROSKI WIWI, JEFFREY WILD, LOWENSTEIN SANDLER, PC, ROSELAND, NJ.

JUDGES: HONORABLE MICHAEL A. SHIPP, United States Magistrate Judge.

OPINION BY: MICHAEL A. SHIPP

OPINION

OPINION & ORDER

THIS MATTER comes before the Court by way of the parties' joint letter submission dated August 2, 2010, which sets forth several discovery disputes. (Doc. No. 21 ("Joint Ltr."))

Specifically, the parties are disputing whether Defendants CIT Group, Inc. and The Employee Benefit Plans Committee of CIT (collectively, "Defendants") must provide supplemental responses to Plaintiff's Interrogatory Numbers 8 and 15 and Document Requests Numbers 10, 14 and 19, which Defendants assert, among other arguments, are irrelevant and overly-broad. (See generally id.) On August 30, 2010, Plaintiff Jay DesMarteau ("Plaintiff") submitted a letter to this Court regarding supplemental Interrogatory Numbers 18, 19 and 20. (Doc. No. 22 ("Pl.'s Ltr.")) Defendants oppose Plaintiff's request that this Court compel responses to same. (Doc. No. 23 ("Defs.' Ltr."))

I. STATEMENT [*2] OF FACTS

As the parties are well-versed in the underlying facts of this matter, the Court will only address those facts relevant to the application currently pending before this Court. This matter pertains to a bonus and severance compensation that is allegedly due to Plaintiff from Defendants. (Joint Ltr. 1.) Defendants argue that Plaintiff was not entitled to a bonus or severance, because bonuses are discretionary and

severance compensation requires a "good reason resignation," which Defendants argue Plaintiff did not demonstrate because, among other things, he violated the executive severance plan when he went to work for an alleged competitor, TD Bank. (*Id.*) Defendants further assert that Plaintiff engaged in "prohibited activity," which also precludes severance compensation. (*Id.*)

II. LEGAL STANDARD & ANALYSIS

The methods, scope, limits and process of discovery are defined under *Federal Rule of Civil Procedure 26*. For instance, *Rule 26(b)* provides that parties may obtain discovery regarding any party's claim or defense and that for good cause shown, the court may order discovery of any matter relevant to the subject matter involved in the action. *Fed. R. Civ. P. 26(b)*. As this Court [*3] has recognized, "[c]ourts have construed this rule liberally, creating a broad vista for discovery." *Tele-Radio Sys. Ltd. v. De Forest Elecs., Inc.*, 92 F.R.D. 371, 375 (D.N.J. 1981) (citing *Oppenheimer Fund, Inc. v. Sanders*, 437 U.S. 340, 351, 98 S. Ct. 2380, 57 L. Ed. 2d 253 (1978)); see also *Evans v. Employee Benefit Plan*, No. 03-4915, 2006 U.S. Dist. LEXIS 95782, 2006 WL 1644818, at *4 (D.N.J. June 6, 2006).

In interpreting *Rule 26(b)*, the District Court must be mindful that relevance is a broader inquiry at the discovery stage than at the trial stage. See *Nestle Food Corp. v. Aetna Cas. & Surety Co.*, 135 F.R.D. 101, 103 (D.N.J. 1990). "Relevant information need not be admissible at the trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence." *Fed. R. Civ. P. 26(b)(1)*. However, the burden remains on the party seeking discovery to "show that the information sought is relevant to the subject matter of the action and may lead to admissible evidence." *Caver v. City of Trenton*, 192 F.R.D. 154, 159 (D.N.J. 2000); see also *Nestle*, 135 F.R.D. at 104.

Moreover, when the burden of a discovery request is likely to outweigh the benefits, *Rule 26(b)(2)(C)(iii)* vests the District Court with the authority to limit [*4] a party's pursuit of otherwise discoverable information. As recognized by the Third Circuit, the right to discovery, although broad, "is not unlimited and may be circumscribed." *Bayer AG v. Betachem, Inc.*, 173 F.3d 188, 191 (3d Cir. 1999). Accordingly, a discovery request may be denied if, after assessing "the needs of the case, the amount in controversy, the parties' resources, the importance of the issues at stake in the action, and the importance of the discovery in resolving the issues," the District Court finds that there exists a likelihood that the resulting benefits would be outweighed by the burden or expense imposed as a consequence of the proposed discovery. *Fed. R. Civ. P. 26(b)(2)(C)(iii)*. The purpose of this rule of proportionality is "to guard against redundant or disproportionate discovery by giving the court authority to reduce the amount of discovery that may be directed to matters that are otherwise proper subjects of inquiry." *Bowers v. Nat'l Collegiate Athletic Ass'n.*, No. 97-2600, 2008 U.S. Dist. LEXIS 14944, at *14 (D.N.J. Feb. 27, 2008) (quoting *Leksi, Inc. v. Fed. Ins. Co.*, 129 F.R.D. 99, 105 (D.N.J. 1989)).

Considering the aforementioned legal standard, the [*5] Court shall now address each discovery dispute below.

A. Plaintiff's Interrogatory No. 8 - With respect to any position that had been offered to Plaintiff in connection with CIT's restructuring[,] state the compensation history for the years 2007, 2008, and 2009 for the person who held that position prior to it being offered to Plaintiff.

This Court finds Interrogatory No. 8 is relevant and may lead to admissible evidence. Plaintiff's claim that he is owed severance requires him to establish that the position offered to him was not commensurate with his status as

a senior executive of the company in all material aspects, as to provide good cause for his resignation. The salary of previous individuals who held similar positions is a material aspect of whether the proposed positions were commensurate to Plaintiff's previous position. Thus, Defendants shall provide a complete and supplemental response to Interrogatory No. 8. To the extent that certain positions discussed with Plaintiff did not exist prior to 2009, Defendants shall certify to same. Accordingly, Plaintiff's request that this Court require Defendants to supplement their response to Interrogatory No. 8 is granted.

B. Plaintiff's [*6] Interrogatory No. 15 - State the name of each employee who received all or part of his bonus for the calendar year 2008 in cash rather than stock and the percentage received in cash and in stock.

The Court finds Plaintiff's Interrogatory No. 15 is relevant. While the form of other executive's bonuses has a merely tenuous connection to whether or not Plaintiff was entitled to his bonus for meeting objective standards, such documents could provide relevant details on how CIT Group grants bonuses, how often stock and cash bonuses are granted or may otherwise lead to other relevant, admissible evidence. However, this Court finds that Plaintiff need not know the individual names of each employee. Rather, Defendants may redact each employee's name and other personal information and replace same with descriptions that provide the employee's title, position, pay level or pay classification group, with explanations and/or definitions. While there may be some other privacy interests implicated by this request, the parties have entered into a Discovery Confidentiality Order, which should sufficiently address Defendants' concerns. As such, Plaintiff's request to compel a supplementary response [*7] to Interrogatory No. 15 is granted.

C. Plaintiff's Document Request No. 10 - Any document which describes each line of business including target markets, industry credit rating, and required rates of return for the CIT Group, Inc. [sic] as of May 2009.

The Court finds that Plaintiff's Document Request No. 10 is relevant, but overly-broad. Defendants argue that Plaintiff is not entitled to severance because he violated the executive severance plan when he went to work for a competitor, TD Bank. Plaintiff asserts that he may be able to use the requested information to make comparisons and establish that CIT Group and TD Bank are not true competitors. Defendants objected to this request, but subject to the objection, directed Plaintiff to a specific page of its website and noted that Defendants consider its CIT Small Business Lending group to be in competition with TD Bank.

Here, Plaintiff's request is overly-broad and, as such, is denied without prejudice. However, because it is relevant, the Court will give Plaintiff one last opportunity to narrow the scope of the request to documents specifically related to business documents and services that would or would not demonstrate that TD Bank [*8] is in a competing line of business with Defendants, as defined by the executive severance plan. Defendants shall be obligated to provide Plaintiff with information relevant to its proffered defense that Plaintiff breached his agreement by working for a competitor. Production of documents that reveal more about the extent and nature of CIT Group operations, as they relate to competition, certainly are well within the bounds of reasonable discovery.

D. Plaintiff's Document Request No. 14 - The P&L statement for CIT's Equipment Finance Division for 2007, 2008, and 2009.

Plaintiff's request for a supplemental response to Document Request No. 14 is denied without prejudice. This Court is simply unconvinced by Plaintiff's assertion that profit and loss statements are relevant or necessary to

show that Plaintiff earned his bonus. As mentioned by Defendants, there are no performance goals under the bonus structure, and as such, such financial information is irrelevant to Plaintiff's claims. This Court has no reason to believe that Defendants are misrepresenting the facts, as Plaintiff asserts. Moreover, the Court finds that the other discovery produced thus far or that shall be forthcoming is [*9] sufficient and may, in fact, include repetitive and cumulative information. Accordingly, Defendants need not provide a supplemental response to Document Request No. 14.

E. Plaintiff's Document Request No. 19 - Defendants' 2008 Corporation Finance bonus worksheets, and all iterations and drafts that show Plaintiff's evaluation, accrued bonus pools, and how they were allocated to him and his peer group.

The Court finds that Plaintiff's Document Request No. 19 is relevant and Plaintiff's request that Defendants provide a supplemental response is granted. Disclosure of evaluations and bonus records for other similarly-situated employees may establish a pattern of bonus thresholds. Defendants' privacy concerns are legitimate, but can be addressed by the Discovery Confidentiality Order and Defendants' redaction of employees' names and other personal identification information. However, Defendants shall be required to replace the redacted information with the employees' title, position or other descriptive information that will allow Plaintiff to make comparisons relevant to his claims. Thus, Defendants must provide any and all responsive documents that may include information regarding how [*10] or why bonuses were awarded, Plaintiff's evaluations or that could otherwise be interpreted to include objective analyses, criteria or standards in relation to bonuses. To the extent Defendants claim that no such responsive documents exist, Defendants shall certify to and explain same.

F. Plaintiff's Supplemental Interrogatory Nos. 18, 19 and 20.

As mentioned above, on August 30, 2010, Plaintiff submitted a letter to this Court requesting that Defendants be instructed to respond to Supplemental Interrogatory Nos. 18, 19 and 20. (Pl.'s Ltr. 1.) Defendants argue that the Supplemental Interrogatories should not be permitted, as they were served three months after this Court's deadline. (Defs.' Ltr. 1.) To the extent additional information is needed, Defendants argue that it can be obtained by way of depositions. (*Id.*)

Fact discovery closes on October 12, 2010. While this Court does not condone a party's failure to meet a court-imposed deadline, because supplemental discovery is being permitted, this Court finds that permitting Supplemental Interrogatory Numbers 18, 19 and 20 will not cause undue delay or prejudice to Defendants. As the parties did not provide the substance of the Supplemental [*11] Interrogatories, this Court cannot assess whether they are relevant. However, to the extent that they reword previously served Interrogatories, as asserted by Defendants, and Defendants have not provided full and complete responses, Defendants shall supplement their responses accordingly.

III. CONCLUSION

Based on the foregoing, and for good cause shown, it is on this 17th day of September, 2010, **ORDERED THAT:**

1. Plaintiff's request for supplemental responses to Document Request Nos. 10 and 14 is denied without prejudice. Pursuant to the instructions set forth in this Opinion, Plaintiff shall narrow the scope of Document Request No. 10, which shall be served upon Defendants by **September 21, 2010**.

2. Subject to the limitations expressed above and redaction of certain information, Defendants shall provide full, complete and supplemental responses to Plaintiff's Interrogatory Nos. 8 and 15, Document Request No. 19, Supplemental Interrogatory Nos. 18, 19 and 20 and Plaintiff's narrowed Document Request No. 10 by **October 1, 2010**.

3. Fact discovery is extended to **October 29, 2010**.

4. All other dates set forth in this Court's April 12, 2010 Pretrial Scheduling Order (Doc. No. 16) shall remain in [*12] full force and effect.

/s/ Michael A. Shipp

HONORABLE MICHAEL A. SHIPP

United States Magistrate Judge



LEXSEE 2009 U.S. DIST. LEXIS 13113



Analysis
As of: Dec 15, 2010

EMERSON ELECTRIC COMPANY, et al., Plaintiffs, v. LE CARBONE LORRAINE, S.A., et al., Defendants.

Civil Action No. 05-6042 (JBS)

**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF
NEW JERSEY**

2009 U.S. Dist. LEXIS 13113

**February 18, 2009, Decided
February 18, 2009, Filed**

PRIOR HISTORY: *Emerson Elec. Co. v. Le Carbone Lorraine, S.A., 2009 U.S. Dist. LEXIS 8831 (D.N.J., Feb. 4, 2009)*

COUNSEL: [*1] For EMERSON ELECTRIC COMPANY, VALEO, S.A., VALEO, INCORPORATED; VIACOM, INCORPORATED, ELECTROLUX HOME CARE PRODUCTS, INCORPORATED, ROCKWELL AUTOMATION, INCORPORATED, DELPHI CORPORATION, ROBERT BOSCH GMBH, ROBERT BOSCH CORPORATION, A.O. SMITH CORPORATION, VISTEON CORPORATION, BALDOR ELECTRIC COMPANY, FASCO INDUSTRIES, INCORPORATED, SIEMENS TRANSPORTATION SYSTEMS, INCORPORATED, Plaintiffs: DANIEL A. SASSE, LEAD ATTORNEY, CROWELL & MORING, IRVINE, CA;

JEROME A. MURPHY, KENT A. GARDINER, MATTHEW J. MCBURNEY, LEAD ATTORNEYS, COUNSEL NOT ADMITTED TO USDC-NJ BAR, CROWELL & MORING, LLP, WASHINGTON, DC; JOEL H. SERLIN, RONALD L. CORNELL, JR., LEAD ATTORNEYS, COUNSEL NOT ADMITTED TO USDC-NJ BAR, SEYBURN, KAHN, SOUTHFIELD, MI.

For MORGAN CRUCIBLE COMPANY, PLC, MORGANITE INDUSTRIES, INCORPORATED, MORGANITE, INCORPORATED, MORGAN ADVANCED MATERIALS AND TECHNOLOGIES, INCORPORATED, MORGANITE ELECTRICAL CARBON LTD, Defendants: ROBERT M. OSGOOD, LEAD ATTORNEY, COUNSEL NOT ADMITTED TO USDC-NJ

BAR, SULLIVAN & CROMWELL, NEW YORK, NY.

For **LE CARBONE LORRAINE, S.A.**, Defendant: **HARRIS NEAL FELDMAN**, *LEAD ATTORNEY*, **JAMES RICHARD COSTELLO, II**, *SCHNADER, HARRISON, SEGAL & LEWIS, LLP, CHERRY HILL, NJ.*

For **CARBONE [*2] LORRAINE NORTH AMERICA CORPORATION**, Defendant: **HARRIS NEAL FELDMAN**, **JAMES RICHARD COSTELLO, II**, *LEAD ATTORNEYS*, *SCHNADER, HARRISON, SEGAL & LEWIS, LLP, CHERRY HILL, NJ*; **MARY ELLEN HENNESSY**, *LEAD ATTORNEY*, *COUNSEL NOT ADMITTED TO USDC-NJ BAR, KATTEN, MUCHIN & ROSEMAN, LLP, CHICAGO, IL.*

For **CARBONE OF AMERICA INDUSTRIES CORPORATION**, Defendant: **HARRIS NEAL FELDMAN**, *LEAD ATTORNEY*, **JAMES RICHARD COSTELLO, II**, *SCHNADER, HARRISON, SEGAL & LEWIS, LLP, CHERRY HILL, NJ*; **MARY ELLEN HENNESSY**, *LEAD ATTORNEY*, *COUNSEL NOT ADMITTED TO USDC-NJ BAR, KATTEN, MUCHIN & ROSEMAN, LLP, CHICAGO, IL.*

For **SCHUNK GMBH, SCHUNK KOHLENSTOFF-TECHNIK GMBH**, Defendants: **MATTHEW M. NEUMEIER**, *LEAD ATTORNEY*, *COUNSEL NOT ADMITTED TO USDC-NJ BAR, JENNER & BLOCK LLP, CHICAGO, IL.*

For **SCHUNK OF NORTH AMERICA, INCORPORATED, SCHUNK GRAPHITE TECHNOLOGY, L.L.C.**, Defendants: **MATTHEW M. NEUMEIER**, *LEAD ATTORNEY*, *COUNSEL NOT ADMITTED TO USDC-NJ BAR, JENNER & BLOCK LLP, CHICAGO, IL*; **JOSEPH A. MARTIN**,

KERRI E. CHEWNING, *ARCHER & GREINER, PC, HADDONFIELD, NJ.*

For **HOFFMANN CARBON, INCORPORATED**, Defendant: **JOSEPH A. MARTIN**, **KERRI E. CHEWNING**, *ARCHER & GREINER, PC, HADDONFIELD, NJ.*

For **SGL CARBON AG, SGL CARBON, LLC**, Defendants: **JEROME S. FORTINSKY**, [*3] *LEAD ATTORNEY*, *COUNSEL NOT ADMITTED TO USDC-NJ BAR, SHEARMAN & STERLING LLP, NEW YORK, NY.*

For **EMILIO DIBARNARDO**, Defendant: **HARRIS NEAL FELDMAN**, *LEAD ATTORNEY*, *SCHNADER, HARRISON, SEGAL & LEWIS, LLP, CHERRY HILL, NJ.*

For **SCHUNK OF NORTH AMERICA, INC.**, *Schunk Graphite Technology, LLC*, Defendants: **KERRI E. CHEWNING**, *LEAD ATTORNEY*, *ARCHER & GREINER, PC, HADDONFIELD, NJ.*

JUDGES: HON. JEROME B. SIMANDLE, United States District Judge.

OPINION BY: JEROME B. SIMANDLE

OPINION

MEMORANDUM OPINION

SIMANDLE, DISTRICT JUDGE:

This matter comes before the Court on three motions for issuance of request for international judicial assistance pursuant to *Rule 28(b), Fed. R. Civ. P.*, and *28 U.S.C. § 1781*, filed by Plaintiffs [Docket Items 140, 141 and 146]. THIS COURT FINDS AS FOLLOWS:

1. Plaintiffs seek to depose three non-party witnesses -- Robin D. Emerson, Richard Fourcault, and Jacques Marquand -- all of whom reside abroad and all of whom, Plaintiffs allege,

were involved in an international conspiracy to fix the price of electrical carbon product in the United States. Both Mr. Fourcault and Mr. Marquand were employed by Defendant Le Carbone Lorraine, S.A. ("LCL") -- Mr. Fourcault as Vice President of LCL's Consumer Division and Mr. [*4] Marquand as President of that division. Mr. Emerson was employed by a subsidiary of The Morgan Crucible Company, PLC, which is a former defendant in this matter. The facts are well-known to all parties and the Court will not reiterate them here.

2. Defendants do not oppose Plaintiffs' motions in their entirety, but instead ask the Court to limit the questions that may be asked in the following ways:

. Questions relating to the European Commission's investigation should be stricken from the request

. Questions for examination relating to Defendants' activities in Europe should be stricken

. Questions for examination relating to the isostatic graphite industry should be stricken from the request

. Questions relating to Mr. Emerson's communications with and documents he produced to the U.S. Department of Justice relating to his obstruction of justice guilty plea should be stricken from the request

. The request should be limited to cover the defined relevant period of October 1988 to September 2001

. The request should be amended to make clear that Defendants will be entitled to attend any examination proceedings and question the witness

3. The scope of proper discovery is governed by *Rule 26(b)(1), Fed. R. Civ. P.*:

Parties [*5] may obtain discovery regarding any nonprivileged matter that is relevant to any party's claim or defense--including the existence, description, nature, custody, condition, and location of any documents or other tangible things and the identity and location of persons who know of any discoverable matter. For good cause, the court may order discovery of any matter relevant to the subject matter involved in the action. Relevant information need not be admissible at the trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence. All discovery is subject to the limitations imposed by *Rule 26(b)(2)(C)*.

4. *Rule 26(b)(2)(C)* incorporates the rule of proportionality. Thus, *Rule 26(b)(2)(C)* requires the Court to limit the extent of the discovery when, inter alia, "the burden or expense of the proposed discovery outweighs its likely benefit" or the information can be obtained from another, less burdensome, source.

5. The Court rejects Defendants' request to strike questions related to the European Commission investigation and the witnesses' conduct in Europe. In previous discovery disputes, Defendants have similarly argued that Plaintiffs are not entitled [*6] to information about the European conspiracy to fix the price of electrical carbon products, given this Court's decision that it lacks subject matter jurisdiction over claims of conspiracy to purchase these products abroad. *Emerson Elec. Co. v. Le Carbone*

Lorraine, S.A., 500 F.Supp.2d 437 (D.N.J. 2007) ("Emerson I"). Plaintiffs maintain, however, that efforts to fix prices in the United States occurred, and may have been based, in Europe. In particular, Plaintiffs accuse LCL, a French business, of orchestrating a conspiracy targeted, at least in part, in the United States. Further, the European Commission, though it ultimately found insufficient evidence that the European cartel extended beyond Europe and the Middle East, was investigating the "same conspiracy" at issue here. *Emerson Elec. Co. v. Le Carbone Lorraine, S.A.*, No. 05-6042, 2008 U.S. Dist. LEXIS 72705, 2008 WL 4126602, at *8 (D.N.J. Aug. 27, 2008) ("Emerson II"). Finally, the Court has reviewed the proposed questions for each of the three motions and does not find undue emphasis placed on European activity and does not find the burden of answering those questions that do pertain to European activities outweigh their relevance. Therefore, these questions [*7] will be permitted.

6. The Court likewise will not strike questions relating to the isostatic graphite industry. Defendants LCL and its North American subsidiaries pled guilty to a price-fixing conspiracy in the isostatic graphite industry. The Court has previously found that information about this conspiracy is relevant because "[s]imilar cartel activities undertaken in a similar marketplace may be probative of the motive, opportunity, intent, preparation, plan knowledge, identity or absence of mistake" of Defendants. *Emerson II*, 2008 U.S. Dist. LEXIS 72705, [WL] at *6. Furthermore, the Court finds that the few, relatively narrow, proposed questions on the isostatic graphite industry are focused on its connection to electrical carbon products and are not unduly burdensome, and should be permitted.

7. The Court further will not strike questions related to Mr. Emerson's guilty plea for obstruction of justice. Plaintiffs maintain, and Defendants do not contest, that Mr. Emerson

pled guilty to obstructing the Department of Justice investigation into price-fixing in the electrical carbon products industry. It makes little difference that Mr. Emerson was convicted of obstruction of justice, not violating antitrust law. The [*8] Court, therefore, finds this subject highly relevant and questioning on the subject would not be unduly burdensome and will be allowed.

8. The Court does accept Defendants' request that these probing questions be limited to the defined "relevant period" of October 1988 to September 2001. Plaintiffs have offered no defense for inquiring beyond this period - already a lengthy one. Information beyond this period has limited relevance and creates the risk of a truly limitless inquiry. The Court finds the period to be a reasonable, and necessary, limit tailored to the relevant time period.

9. The Court also orders Plaintiffs to permit Defendants to attend any examination proceedings. To the extent that the judiciary of the United Kingdom permit counsel for both parties to question the witnesses, Defendants are permitted to question the witnesses within the scope of Plaintiffs' examination. To the extent that the French judiciary will provide an official inquisitor, Defendants' questions are included with the proposed questions to be attached to the Court's request for international assistance. The Court has reviewed all proposed questions from both Plaintiffs and Defendants and concludes [*9] that all questions are proper for the purpose of these depositions.

10. An accompanying Order will be entered.

February 18, 2009

Date

/s/ **Jerome B. Simandle**

JEROME B. SIMANDLE

United States District Judge



LEXSEE 2008 U.S. DIST. LEXIS 14944



Positive
As of: Dec 15, 2010

**KATHLEEN BOWERS, Plaintiff, v. NATIONAL COLLEGIATE
ATHLETIC ASSOCIATION, et al., Defendants.**

Civil Action No. 97-2600 (JBS)

**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF
NEW JERSEY**

2008 U.S. Dist. LEXIS 14944

February 27, 2008, Decided

February 27, 2008, Filed

SUBSEQUENT HISTORY: Motions ruled upon by, Sanctions disallowed by, in part *Bowers v. NCAA, 2008 U.S. Dist. LEXIS 50557 (D.N.J., June 27, 2008)*

PRIOR HISTORY: *Bowers v. NCAA, 2007 U.S. App. LEXIS 5447 (3d Cir. N.J., Mar. 8, 2007)*

COUNSEL: [*1] For **JOHN M. BOYLE, Mediator: JOHN M. BOYLE, LEAD ATTORNEY, LINDABURY, MCCORMICK & ESTABROOK, PC, WESTFIELD, NJ.**

For **KATHLEEN BOWERS, Plaintiff: NOAH HARRIS CHARLSON, RICHARD L. BAZELON, LEAD ATTORNEYS, BAZELON, LESS & FELDMAN, P.C., MARLTON, NJ.**

For **THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION, as an Association and a Representative of its Member Schools, also known as NCAA, Defendant: DANIEL H. AIKEN, LEAD ATTORNEY, DRINKER, BIDDLE & REATH, LLP, PRINCETON, NJ; J. FREEDLEY HUNSICKER, LEAD ATTORNEY, DRINKER, BIDDLE & SHANLEY, LLP, PRINCETON, NJ; KATHRYN ELIZABETH BISORDI, DRINKER BIDDLE & REATH LLP, PHILADELPHIA, PA.**

For **THE NCAA INITIAL-ELIGIBILITY CLEARINGHOUSE, Defendant, Cross Defendant: J. FREEDLEY HUNSICKER, LEAD ATTORNEY, DRINKER, BIDDLE & SHANLEY, LLP, PRINCETON, NJ; NICHOLAS M. KOULETSIS, LEAD AT-**

TORNEY, PEPPER HAMILTON LLP, PRINCETON, NJ.

For CEDRIC W. DEMPSEY, *Executive Director of the NCAA, in his individual and official capacities*, Defendant: J. FREEDLEY HUNSICKER, LEAD ATTORNEY, DRINKER, BIDDLE & SHANLEY, LLP, PRINCETON, NJ.

For TEMPLE UNIVERSITY OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION, Defendant, Cross Defendant, Third Party Plaintiff: JOHN B. LANGEL, LEAD ATTORNEY, BALLARD, [*2] SPAHR, ANDREWS & INGERSOLL, LLP, PHILADELPHIA, PA.

For ACT, INC., Defendant, Cross Defendant: NICHOLAS M. KOULETSIS, LEAD ATTORNEY, PEPPER HAMILTON LLP, PRINCETON, NJ.

For UNIVERSITY OF IOWA, Defendant: GORDON E. ALLEN, LEAD ATTORNEY, MARK SCHANTZ, OFFICE OF THE IOWA ATTORNEY GENERAL, DES MOINES, IA; JACK JAY WIND, LEAD ATTORNEY, MARGULIES WIND, JERSEY CITY, NJ; ROBERT E. MARGULIES, LEAD ATTORNEY, MARGULIES WIND, PC, JERSEY CITY, NJ.

For CEDRIC W. DEMPSEY, Cross Defendant: J. FREEDLEY HUNSICKER, LEAD ATTORNEY, DRINKER, BIDDLE & SHANLEY, LLP, PRINCETON, NJ.

For THE STATE OF NEW JERSEY, Intervenor Defendant: JEFFREY C. BURSTEIN, LEAD ATTORNEY, Equal Employment Opportunity Commission, NEWARK, NJ.

For THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION, also known as NCAA, Cross Defendant: DANIEL H.

AIKEN, LEAD ATTORNEY, DRINKER, BIDDLE & REATH, LLP, PRINCETON, NJ; J. FREEDLEY HUNSICKER, LEAD ATTORNEY, DRINKER, BIDDLE & SHANLEY, LLP, PRINCETON, NJ.

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For THE UNIVERSITY OF MEMPHIS, Cross Defendant: PETER [*3] L. FRATTARELLI, ARCHER & GREINER. P.C., HADDONFIELD, NJ.

For UNIVERSITY OF MASSACHUSETTS AMHERST, Cross Defendant: JOHN JAMES PEIRANO, JR., LEAD ATTORNEY, MCELROY, DEUTSCH, MULVANEY & CARPENTER LLP, MORRISTOWN, NJ.

JUDGES: Jerome B. Simandle, United States District Judge.

OPINION BY: Jerome B. Simandle

OPINION

SIMANDLE, District Judge:

This extensively litigated case arises out of Plaintiff's allegation that during the 1995-1996 academic year, Defendants subjected her son to unlawful discrimination on account of his learning disability. Presently before the Court is Plaintiff's motion [Docket Item 377] to compel the deposition testimony of a *Rule 30(b)(6)* witness from the National Collegiate Athletic Association ("NCAA") and the production of related discovery materials. As the Court explains in greater detail below, Plaintiff's motion comes after more than a decade of litigation and two discovery periods, and is directed at

obtaining evidence with marginal relevance to the issues underlying this action. For the reasons explained below, therefore, the Court will deny Plaintiff's motion to compel.

I. BACKGROUND

The facts and procedural history of this case have been discussed in detail in numerous opinions issued by [*4] this Court and the Court of Appeals, and so the Court will summarize only those facts that pertain to the instant motion. At issue in this action are the policies of the NCAA pertaining to the initial eligibility of student athletes as they existed in 1995-1996, when Plaintiff's son, Michael Bowers,¹ submitted an application to the NCAA Initial-Eligibility Clearinghouse (the "Clearinghouse"), the organization responsible for assessing the eligibility of potential student athletes to participate in college sports. At the time of the 1995-1996 school year, the Clearinghouse reviewed students' applications and placed applicants into one of three categories: qualifier, partial qualifier, or nonqualifier. In brief, Plaintiff alleges that her son was designated as a nonqualifier largely on account of his high school special education curriculum, that such a designation discriminated against him on account of his learning disability, and that the designation negatively impacted his opportunity to receive an athletic scholarship.

1 Plaintiff Kathleen Bowers' son, Michael, was the initial plaintiff in this case. Michael Bowers died in June 2002 and his mother has been substituted as Plaintiff.

Michael [*5] Bowers filed the original Complaint in this case on May 23, 1997 [Docket Item 1], alleging that the NCAA and the Clearinghouse had violated Titles II and III of the Americans with Disabilities Act ("ADA"), 42 U.S.C. §§ 12132, 12182, and Section 504 of the Rehabilitation Act, 29 U.S.C. § 794(a).² Since the initiation of this action, in

addition to engaging in extensive motion practice, the parties participated in two rounds of discovery - one between August 1997 and April 1999, and another following the initial remand from the Court of Appeals in August 2003 through the summer of 2004. In addition to a large-scale exchange of documents during these rounds of discovery, Plaintiff conducted various depositions that are relevant to the instant motion. On February 2, 1999 and March 2, 1999, Plaintiff deposed then-vice-president of NCAA member services Kevin Lennon, who testified about, inter alia, the organization's initial eligibility requirements as they existed during the 1995-1996 school year and afterward. (Def.'s Opp'n Br. Ex. 3.) Also in March 1999, Plaintiff deposed the NCAA's then-president Cedric Dempsey, who likewise testified about the organization's initial eligibility requirements. [*6] (Def.'s Opp'n Br. Ex. 4.) Finally, on April 7, 1999, Plaintiff deposed the NCAA's director of research, Todd Petr, whose testimony discussed the organization's research into its initial eligibility requirements between 1995 and 1999. (Def.'s Opp'n Br. Ex. 5.)

2 Plaintiff amended the Complaint to assert additional claims based on the New Jersey Law Against Discrimination ("NJLAD"), *N.J. Stat. Ann. §§ 10:5-1, et seq.*, and to name Temple University, the University of Iowa, and the American International College as defendants.

On March 21, 2005, the Court issued an Opinion and Order [Docket Items 319 and 320], which, inter alia, granted Defendants' motion for summary judgment. Plaintiff appealed this decision to the Court of Appeals, which, on February 1, 2007, reversed the March 21, 2005 summary judgment Order but affirmed various discovery sanctions against Plaintiff Bowers. See *Bowers v. NCAA*, 475 F.3d 524 (3d Cir. 2007). After the case was remanded by the Court of Appeals, the parties agreed to participate in Court-annexed mediation pursuant to *Local Civil Rule 301.1* and Appendix Q

[Docket Item 365], and after efforts to mediate the case failed, the Court [*7] issued an Order [Docket Item 374] reopening the case. The motion to compel presently before the Court was filed shortly thereafter. At a February 25, 2008 hearing, the Court heard oral argument from the parties regarding the merits of Plaintiff's motion and reserved decision.

II. DISCUSSION

A. The Parties' Arguments

1. Plaintiff's Motion

In her motion to compel, Plaintiff requests that the Court order the NCAA to produce a witness to testify about the changes in the organization's initial eligibility bylaws and policies relating to high school students with learning disabilities that have occurred since the 1995-1996 academic year. Relatedly, Plaintiff's motion seeks to have Defendants produce four categories of documents at least fourteen days prior to the requested deposition:

1. All documents concerning the changes in the NCAA's bylaws, policies, rules and practices in place to determine the initial eligibility of student-athletes with learning disabilities who seek qualifier status to the NCAA's Division I and Division II member institutions, 1995-96 to the present.

2. All documents concerning the research, data, analysis, reports, and other information concerning the reasons for the [*8] changes in the NCAA's bylaws, policies, rules, and practices concerning initial eligibility for students with learning disabilities and the impact on their academic success and graduation rates, from 1995-96 up to and including the

present, including all communications with DOJ concerning initial eligibility for students with learning disabilities.

3. All documents concerning the research, data, analysis and other information concerning the effects of the changes in the NCAA's bylaws, policies, rules, and practices concerning initial eligibility for students with learning disabilities, from 1995-96 up to and including the present, including the effect of these changes on academic success and graduation rates, and including all communications with DOJ concerning initial eligibility for students with learning disabilities.

4. Data, analysis, reports and other information from the NCAA's Clearinghouse and its Academics/Eligibility/ Compliance Cabinet on the rules, policies and practices concerning the initial eligibility for students with learning disabilities from 1995-96 up to and including the present, including the certification of special education courses as core courses, the acceptance [*9] of untimed SAT and ACT scores and the waiver process for students with disabilities.

(Pl.'s Br. 6-7.)

In support of her motion, Plaintiff argues that the requested discovery is relevant to Defendants' potential defense at trial that the initial eligibility requirements were necessary in 1995-1996 in order for the NCAA to achieve its goal of ensuring that student athletes succeeded academically in college.³ Specifically, Plaintiff notes that in its November 2, 2000 Opinion denying Defendants' motion for sum-

mary judgment on Plaintiff's ADA claim, the Court, through former Judge Orlofsky, reasoned that "[e]ligibility criteria that 'screen out' or 'tend to screen out' disabled individuals violate the ADA unless the proponent of the eligibility criteria can show that the eligibility requirements are necessary." *Bowers v. NCAA*, 118 F. Supp. 2d 494, 518 (D.N.J. 2000) (quoting 42 U.S.C. § 12182(b)(2)(A)(i)). Plaintiff thus argues that a central issue in this case turns on whether the 1995 initial eligibility requirements were necessary in order for Defendants to achieve a legitimate objective.

3 Plaintiff also argues that the NCAA's "anticipated Rule 407 [*10] objection" to her motion does not provide a basis for denying the motion to compel. (Pl.'s Br. 14.) Because the NCAA does not raise an objection to the instant motion based on *Federal Rule of Evidence 407*, the Court does not address Plaintiff's argument on this issue.

Plaintiff notes that the eligibility requirements that were in place in 1995 have since been altered, which, she argues, suggests that the 1995 policies were not necessary to the achievement of the NCAA's purposes. Plaintiff points specifically to a March 26, 1998 Consent Decree entered into between the NCAA and the Department of Justice ("DOJ"), under which the NCAA agreed to modify its initial eligibility requirements. (Pl.'s Br. Ex. 2.) The Consent Decree remained in effect until May 1, 2003. (Id.) Plaintiff argues that she does not know "the full extent and timing of the changes in the NCAA's Bylaws and practices as a result of the Consent Decree, and after the Consent Decree expired," (Pl.'s Br. 12), and reasons that because such information bears on the NCAA's necessity defense, the Court should authorize the discovery requested in Plaintiff's motion.

2. NCAA's Opposition

The NCAA argues that the Court should deny [*11] Plaintiff's motion on all of the grounds set out in *Federal Rule of Procedure 26(b)(2)(C)*. That Rule provides that

the court must limit the frequency or extent of discovery otherwise allowed by these rules or by local rule if it determines that:

(i) the discovery sought is unreasonably cumulative or duplicative, or can be obtained from some other source that is more convenient, less burdensome, or less expensive;

(ii) the party seeking discovery has had ample opportunity to obtain the information by discovery in the action; or

(iii) the burden or expense of the proposed discovery outweighs its likely benefit, considering the needs of the case, the amount in controversy, the parties' resources, the importance of the issues at stake in the action, and the importance of the discovery in resolving the issues.

F. R. Civ. P. 26(b)(2)(C).

With regard to *Rule 26(b)(2)(C)*'s first consideration - the cumulative or duplicative nature of the discovery sought - the NCAA argues that Plaintiff has already had, and exercised, the opportunity to obtain the very evidence she seeks in her motion to compel. The NCAA points to Plaintiff's 1999 depositions of Mr. Lennon, Mr. Dempsey, and Mr. Petr, at which Plaintiff [*12] questioned the witnesses not only about the NCAA's eligibility bylaws during the 1995-1996 school year, but also about the changes in the organization's policies undertaken as a result of the DOJ Consent Decree. Compelling the NCAA to produce more documents and more deponents on this same subject, it argues, would not only be duplicative of prior discovery, but the evidence produced would be less relevant than that which was initially produced, given that more than twelve years have elapsed since Plaintiff's son was allegedly injured as a result of the eligibility requirements.

Next, with regard to Plaintiff's "ample opportunity to obtain the information by [prior] discovery," *id.*, the NCAA draws the Court's attention to multiple cases in this Circuit finding that parties with less time and fewer discovery opportunities than Plaintiff had been given ample discovery opportunities and were not entitled to pursue further avenues of discovery. See, e.g., *Floorgraphics, Inc. v. News Am. Mktg. In-Store Servs.*, No. 04-3500, 2007 U.S. Dist. LEXIS 39950, 2007 WL 1613217 (D.N.J. June 1, 2007); *Maertin v. Armstrong World Indus.*, No. 01-5321, 2007 U.S. Dist. LEXIS 20561, 2007 WL 758073 (D.N.J. Mar. 8, 2007). The NCAA argues that [*13] over more than a decade of litigation and two discovery periods, Plaintiff has had ample discovery opportunities and should not be permitted another by means of the instant motion.

Finally, the NCAA argues that "the burden or expense of the proposed discovery outweighs its likely benefit." *F. R. Civ. P.*

26(b)(2)(C)(iii). In highlighting the burdens of the proposed discovery, the NCAA emphasizes Plaintiff's request for documents in advance of the proposed deposition(s), which the NCAA argues would require it to produce "all documents that relate in any way to NCAA rules for a nearly 13[-]year time frame spanning 1995 to 2008." [*14] (Def.'s Opp'n Br. 9.) Such burdensome production is not warranted by the likely benefit of the proposed discovery, according to the NCAA, because the facts in this case focus on the organization's policies in 1995-1996. As the NCAA reasons, because there is no claim for ongoing injunctive relief regarding the NCAA's post-1996 policies, to the extent that any of the proposed discovery is not duplicative of evidence Plaintiff already has, such evidence is likely to be of minimal relevance to Plaintiff's claims given its temporal remoteness to the issues in this case.

B. Analysis

The Court agrees with the NCAA that Plaintiff's proposed discovery is not proportional to the needs of this case and will deny Plaintiff's motion to compel. As the Court of Appeals for the Third Circuit has explained, while "the scope of discovery under the Federal Rules is unquestionably broad, this right is not unlimited and may be circumscribed." *Bayer AG v. Betachem, Inc.*, 173 F.3d 188, 191 (3d Cir. 1999). This Court has "broad discretion to tailor discovery narrowly" to meet the needs of each particular case. *Crawford-El v. Britton*, 523 U.S. 574, 598, 118 S. Ct. 1584, 140 L. Ed. 2d 759 (1998). Such discretion is evident in *Rule 26(b)(2)(C)*'s [*15] direction that courts should "limit the frequency or extent of discovery" where the proposed discovery is unreasonably duplicative, where the discovering party has already had an ample opportunity to obtain the information in question, or where the burden of the discovery would outweigh its likely benefit. *F. R. Civ. P. 26(b)(2)(C)*. This rule of proportionality "is intended to guard against redundant or disproportionate discovery

by giving the court authority to reduce the amount of discovery that may be directed to matters that are otherwise proper subjects of inquiry." *Leksi, Inc. v. Federal Ins. Co.*, 129 F.R.D. 99, 105 (D.N.J. 1989) (quoting *Fed. R. Civ. P. 26* advisory committee note) (internal quotations omitted); see also *Public Service Enterprise Group, Inc. v. Philadelphia Elec. Co.*, 130 F.R.D. 543, 551 (D.N.J. 1990) (employing the rule of proportionality to exclude "marginally relevant evidence" from the scope of discovery).⁴

4 At the outset, although not argued by the parties, the Court is satisfied that this discovery sought by Plaintiffs is not within the NCAA's duty of supplementation of previous responses under *Rule 26(e)(1)*, *F. R. Civ. P.* That rule requires that a party [*16] must correct or supplement its prior disclosure or response "if the party learns that in some material respect the disclosure or response is incomplete or incorrect, and if the additional or corrective information has not otherwise been made known to the other parties during the discovery process or in writing . . ." *F. R. Civ. P. 26(e)(1)(A)*. In this case, defense counsel have indicated that the prior discovery responses involving the policies in effect through 2001 were correct and complete, and that they are aware of their duty to supplement if they become aware of new materials that would provide additional or corrective information. The discovery at issue herein, on the other hand, seeks to enlarge the scope of prior discovery to the present time, regarding practices and policies having no application to this Plaintiff. Moreover, even if the duty of supplementation were held to apply to new matters that somehow relate to the historic facts at issue in the case, the duty of supplementation itself is subject to the rule of proportionality under *F. R. Civ. P.*

26(b)(2)(C), which forms the overall limitations on the scope and extent of discovery that is otherwise permitted under *Rules 26-36, F. R. Civ. P.*

The [*17] discovery sought by Plaintiff in the instant motion to compel is disproportionate to the needs of the case for two reasons. First, the Court agrees with the NCAA that Plaintiff has had more than "ample opportunity" to explore the issues she seeks to probe in the proposed deposition. *F. R. Civ. P. 26(b)(2)(C)(ii)*. Plaintiff seeks to depose an NCAA witness in order to update the evidence she has collected regarding the organization's initial eligibility requirements and the fact that those requirements have changed since the 1995-1996 academic year. When Plaintiff initially deposed Mr. Lennon, Mr. Dempsey, and Mr. Petr in 1999, however, she had the opportunity to ask about the evolution of the eligibility requirements over the course of three years, and, in fact, took advantage of this opportunity. Indeed, the NCAA policy of 1995-96 at issue here had been superseded by the new policy reflected in the 1998 Consent Order. Plaintiff could and did inquire into all the reasons why the 1995-96 policy was implemented, how it affected Plaintiff's son, and how the new improved mechanism worked for applicants from a special education background. In Plaintiff's deposition of Mr. Lennon in 1999, [*18] for example, Mr. Lennon was asked "[a]nd today, the process that the NCAA uses to make a determination about the eligibility for students with learning disabilities, how does it differ from the process that was in place in 1996?" (Def.'s Opp'n Br. Ex. 3.) By the time Mr. Lennon was deposed, the 1998 Consent Decree that Plaintiff points to as evidence of the NCAA's changing eligibility policies had been in place for nearly a year. Plaintiff's observation that the terms of the Consent Decree expired in 2003 and that she does not know the current state of the NCAA's eligibility policies does not diminish the opportunities she had to depose witnesses about the changes in such policies that

occurred in the years following her son's alleged injury. Plaintiff has no standing to challenge the current policies, nor is the NCAA obliged in this case to explain or defend those policies, whatever they may be.

Moreover, Plaintiff's prior opportunities to discover the changes that have taken place in the NCAA's policies regarding initial eligibility determinations were not limited to these depositions. As the NCAA explained at the February 25, 2008 hearing, over the course of two full discovery periods [*19] it has produced approximately 18,000 documents pertaining to the adoption of its eligibility bylaws, its policies concerning core course requirements and eligibility waivers, and the 1998 Consent Decree. At the same hearing, Plaintiff acknowledged having received documents pertaining to the changes in the NCAA's eligibility policies through July 2001, five years after the alleged act of discrimination underlying this case took place. In short, these discovery periods, depositions, and document production have afforded Plaintiff an "ample opportunity" to discover information pertaining to the NCAA's eligibility policies in 1995-1996 and the changes in those policies that occurred over the following years. *F. R. Civ. P. 26(b)(2)(C)(ii)*.

The second reason for the Court's determination that the proposed discovery is disproportionate to the legitimate needs of this case is the fact that evidence pertaining to the evolution of the NCAA's eligibility policies beyond that which Plaintiff has already discovered is at best only "marginally relevant" to Plaintiff's stated need for the evidence. *Public Service Enterprise Group, Inc.*, 130 F.R.D. at 551; see also *F. R. Civ. P. 26(b)(2)(C)(iii)* (the [*20] court should limit discovery where "the burden or expense of the proposed discovery outweighs its likely benefit" considering, inter alia, "the importance of the discovery in resolving the issues" in the case). Plaintiff's case concerns the application of the NCAA's eligibility policies to her son in 1995-1996. While the Court agrees

with Plaintiff that evidence regarding subsequent changes in those policies could be relevant to the question of how necessary the policies as applied to Michael Bowers were to the NCAA's ability to achieve its goals, the changes in those policies in the years immediately following the alleged discrimination are considerably more relevant to Plaintiff's claims than is the fact that those policies continued to evolve more than a decade after the 1995-1996 academic year. The NCAA's practices through the time of Michael Bowers' death were governed by the terms of the Consent Decree, which Plaintiff has had every opportunity to discover and did discover through depositions and the NCAA's truly voluminous document production. How those practices evolved after the Consent Decree expired is of such minimal relevance to the issues in this case that to require [*21] an additional round of discovery would violate the considerations of proportionality that *Rule 26(b)(2)(C)* invokes.

It bears noting that Plaintiff's remaining claims attack solely the creation and implementation of the 1995-96 NCAA Division 1 and 2 athletic scholarship eligibility rules as it affected the late Michael Bowers' hopes for a college scholarship. This is not a situation where Michael Bowers was denied admission to college, as he indeed matriculated at Temple University. This is not a class action, nor is injunctive relief available to Plaintiff. If Plaintiff succeeds in proving actionable discrimination, monetary relief is sought. The costs of litigating this case over these ten years, in this Court and the Court of Appeals, has surely dwarfed the financial stakes that remain at issue. ⁵ It is for just such circumstances that the rule of proportionality was adopted.

5 It must also be remembered that Plaintiff has been adjudicated to have committed extremely aggravated discovery abuse, extending over the years of Michael Bowers' drug use and addiction for at least four years leading to his death

in 2002, which facts were concealed by Michael Bowers when he was alive, and not [*22] revealed until 2004, as found in *Bowers v. NCAA*, No. 97-2600, 2005 U.S. Dist. LEXIS 44458, 2005 WL 5155198, *12 (D.N.J. Mar. 21, 2005), *aff'd* in part, *rev'd* on other grounds, 475 F.3d 524, *supra*. A party that has behaved so inequitably in discovery at a cost of untold hours of time and years of unnecessary struggle, can hardly claim that even more discovery must be provided now.

Furthermore, it is not insignificant that the NCAA concedes that its policies changed between 1996 and 1999 and have continued to change in succeeding years. See *Boody v. Township of Cherry Hill*, 997 F. Supp. 562, 574 (D.N.J. 1997) (noting that the fact that defendant conceded the existence of purportedly discoverable information "and [had] already produced documents consistent with this admission" impacts the balance between burdens and benefits of proposed discovery). Plaintiff has

had ten years to gather support for the claims filed in 1997. In short, the Court finds that Plaintiff has had more than an "ample opportunity" to discover information bearing on the issues in this case, and that the burden of embarking on yet another round of discovery at this point in the case considerably outweighs any marginal [*23] benefit that such efforts might yield. The Court will thus deny Plaintiff's motion to compel additional discovery.

III. CONCLUSION

For the reasons discussed above, the Court will deny Plaintiff's motion to compel. The accompanying Order will be entered.

February 27, 2008

Date

s/ Jerome B. Simandle

JEROME B. SIMANDLE

United States District Judge



LEXSEE 2009 U.S. DIST. LEXIS 97554



Analysis
As of: Dec 15, 2010

MAJOR TOURS, INC., et al., Plaintiffs, v. COLOREL, et al., Defendants.

Civil No. 05-3091(JBS/JS)

**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF
NEW JERSEY**

2009 U.S. Dist. LEXIS 97554

October 20, 2009, Filed

SUBSEQUENT HISTORY: Complaint dismissed at, in part, Motion granted by, in part, Motion denied by, in part *Major Tours, Inc. v. Colorel, 2010 U.S. Dist. LEXIS 62948 (D.N.J., June 22, 2010)*

PRIOR HISTORY: *Major Tours, Inc. v. Colorel, 2009 U.S. Dist. LEXIS 68128 (D.N.J., Aug. 4, 2009)*

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For MICHAEL COLOREL, in his PERSONAL and BUSINESS CAPACITY, JOHN F. LETTIERE, individually and a Commissioner of the New Jersey Department of Transportation, KRIS KOLLURI, individually and as Commissioner of the New Jersey Department of Transportation, NEW JERSEY MOTOR VEHICLE COMMISSION, VINCENT SHULZE, individually and as former Chief of Commercial Bus Inspection and Investigation Unit for New Jersey Motor Vehicle Commission, DIANE LEGRIEDE, in her business capacity, SHARON HARRINGTON, in her business capacity, NEW JERSEY DEPARTMENT OF TRANSPORTATION, Cross Claimants: [*4] NONEE LEE WAGNER, LEAD ATTORNEY, OFFICE OF THE NJ ATTORNEY GENERAL, TRENTON, NJ.

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JUDGES: JOEL SCHNEIDER, United States Magistrate Judge.

OPINION BY: JOEL SCHNEIDER

OPINION

OPINION AND ORDER

This matter is before the Court on the "Motion for a Protective Order" [Doc. No. 178] filed by the State defendants. The Court has received plaintiffs' response [Doc. No. 184], defendants' reply [Doc. No. 188] and numerous supplemental letter briefs. [See, e.g., Doc. Nos. 199, 200, 202, 206, 207 and plaintiff's May 20, 2009 letter brief]. The issue has also been addressed at several court conferences. For the reasons to be discussed defendants' motion is GRANTED in part and DENIED in part.

Background

Since this Order is primarily for the benefit of the parties, the Court will not set forth in detail the procedural and factual background of the case. The Court incorporates by reference the discussion in its Opinion granting plaintiffs' motion to compel discovery. See *Major Tours, Inc. v. Colorel, C.A. No. 05-3091 (JBS/JS), 2009 U.S. Dist. LEXIS 68128, 2009 WL 2413631 (D.N.J. Aug. 4, 2009)*. [*5] The essence of plaintiffs' complaint is that the defendants engaged in racial profiling and discrimination when they inspected plaintiffs' buses en route to Atlantic City, New Jersey.

Defendants' motion addresses plaintiffs' request for electronic discovery. Defendants seek a protective order regarding plaintiffs' request for copies of e-mail communications from the back-up tapes or archived e-mails maintained

by the New Jersey Department of Transportation ("NJDOT"). Defendants claim the e-mails are "inaccessible" due to the cost and burden to retrieve them. Defendants want to limit e-mail discovery to their "in production" e-mails which has been completed. Plaintiffs challenge whether defendants' cost and burden estimates are accurate. Plaintiffs also argue the requested e-mails should have been preserved. Plaintiffs contend it is inequitable for defendants to argue it is costly and burdensome for them to retrieve their e-mails when they were under a duty to preserve them.

It is not inaccurate to characterize defendants' motion as a moving target. As more detailed information regarding defendants' electronic information is obtained, and as defendants produce their electronic documents, [*6] the issues in dispute become more focused. The Court's analysis will be based on its synthesis of the parties' submissions.

The relevant time period that has been used for discovery purposes is January 1, 2000 to December 31, 2007. In addition, the Court has determined "that September 11, 2003 was the date Defendants' duty to preserve relevant evidence was triggered." *Major Tours, 2009 U.S. Dist. LEXIS 68128, [WL] at *3*. The universe of available backup tapes numbers approximately 2500. Defendants originally estimated it would cost in excess of \$ 1 million to retrieve the requested e-mails. See Certification of Bruce K. Green P17, Doc. No. 178-3. This estimate did not account for the time and cost to review the responsive documents for privilege and relevancy. Defendants' Reply Brief at 11, Doc. No. 188. Defendants subsequently estimated the cost to harvest the requested e-mails at \$ 1.5 million. See Doc. No. 206.

Plaintiffs are focusing a large part of their claims on the actions of the State's Commercial Bus Investigation Unit ("CBIU"). Prior to July 2003, the CBIU was part of the NJDOT. As of July 2003 the CBIU became part of the Motor Vehicle Commission ("MVC"). Defendants

claim that since May 2005 "[a]ll emails [*7] system-wide [were] retained in their entirety." Reply Brief at 7, Doc. No. 188. Defendants also claim that from April 2003 to the present consecutive backup tapes exist for NJDOT e-mails on a monthly basis. Transcript of April 17, 2009 Hearing ("Tr.") at 35-37. The MVC server crashed in May 2005. *Id.* at 34. However, one full set of MVC backup tapes exist from April 2005 to the present, and everything after March 2006. *Id.* at 73. It is possible, but no one can know for sure until the backup tapes are searched, that the backup tapes may contain e-mails from 2000 to 2003 or 2004. Approximately 200 "scattered" NJDOT backup tapes exist between 2000 to April 2003. *Id.* at 38.

As to the e-mail production that has been completed, defendants searched the e-mail records of 37 custodians. *See* Account Creation Summary, Doc. No. 200-4. Defendants "harvested" approximately 152,000 e-mails from the live production mailboxes of the custodians. A total of 135,000 documents were reviewed, and 70,000 of these documents contained a hit on one or more of the 100 search terms agreed to by the parties. *See* Doc. Nos. 200, 202. Defendants produced a statistical summary of their e-mail collection efforts for [*8] its 37 custodians. *See* Doc. No. 207-4.

Discussion

The resolution of defendants' motion is dependant on the application of *Fed. R. Civ. P. 26(b)(2)(B)*. This Rule provides in pertinent part:

(B) *Specific Limitations on Electronically Stored Information.* A party need not provide discovery of electronically stored information from sources that the party identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the party

from whom discovery is sought must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of *Rule 26(b)(2)(C)*. The court may specify conditions for the discovery.

Pursuant to this Rule, defendants must produce electronically stored information that is relevant, not privileged, and reasonably accessible, subject to the discovery limitations in *Rule 26(b)(2)(C)*. If defendants establish that the requested e-mails are "inaccessible" within the meaning of *Rule 26(b)(2)(B)*, the documents must still be produced if plaintiffs [*9] establish good cause considering the limitations in *Rule 26(b)(2)(C)*. "The decision whether to require a responding party to search for and produce information that is not reasonably accessible depends not only on the burdens and costs of doing so, but also on whether those burdens and costs can be justified in the circumstances of the case." Advisory Committee Notes to *Fed. R. Civ. P. 26(b)(2)(B)*, 2006 Amendment. Factors to examine in this analysis include:

- (1) the specificity of the discovery request;
- (2) the quantity of information available from other and more easily accessed sources;
- (3) the failure to produce relevant information that seems likely to have existed but is no longer available on more easily accessed sources;
- (4) the likelihood of finding relevant, responsive information that cannot be obtained from other, more easily accessed sources;
- (5) predictions as to the importance and usefulness of further information;
- (6) the importance of the is-

sues at stake in the litigation; and
(7) the parties' resources.

Id.

The Court's analysis starts with determining whether defendants satisfied their burden of demonstrating that the requested e-mail discovery is "not reasonably accessible [*10] because of undue burden or cost." The Court finds that defendants have satisfied this burden. In the first instance, the Court notes that the requested data is maintained on defendants' backup tapes. This storage media is typically classified as inaccessible. *Zubulake v. UBS Warburg LLC*, 217 F.R.D. 309, 319-20 (S.D.N.Y. 2003).¹ In addition, plaintiffs have not credibly rebutted defendants' estimate of the substantial cost that must be spent to retrieve the requested e-mails. It is not sufficient for plaintiffs to merely claim that defendants' estimates are exaggerated or inaccurate. Plaintiffs should have presented contrary estimates or affidavits. Given the nature of defendants' storage media containing the requested e-mails, and the substantial burden and cost to retrieve the e-mails, the Court finds that the requested discovery is not reasonably accessible within the meaning of *Rule 26(b)(2)(B)*.

1 The court in *Zubulake* stated:

"Inaccessible" data ... is not readily usable. Backup tapes must be restored using a process similar to that previously described, fragmented data must be defragmented, and erased data must be reconstructed, all before the data is usable. That makes such data [*11] inaccessible.

Id. at 320.

As noted, merely because the requested e-mails are not reasonably accessible does not equate to immunity from discovery. If plaintiffs establish good cause the e-mails must be produced. Whether good cause exists depends upon a weighing of the relevant considerations already identified.

As to the first relevant factor, plaintiffs' request is reasonably specific. The parties agreed upon the relevant keywords they would use when they searched the records of the 37 custodians. This factor weighs in plaintiffs' favor. However, the second relevant factor weighs heavily in defendants' favor. The Court finds that a substantial amount of relevant information is available to plaintiffs from a number of more easily accessed sources. For example, plaintiffs have and will take a substantial number of depositions. In addition, thousands of relevant documents and e-mails have already been produced to plaintiffs.² The third factor examines whether defendants failed to produce relevant information that seems likely to have existed but is no longer available from more easily accessed sources. The Court finds that this factor is neutral. As to a number of the key witnesses in [*12] the case (V. Schulze, D. Mattei, G. Spencer, S. Harrington and D. Legriede), it appears that most if not all of their relevant e-mails have been produced. *See* Doc. No. 206 at 7. In addition, defendants point out that due to the relatively late dates e-mail accounts were set up for many of the 37 requested custodians, backup tapes do not exist for the majority of the CBIU investigators whose e-mails are being requested. *See* defendants' Letter Brief at 5-7, Doc. No. 206.³ Nevertheless, the Court cannot rule out the possibility that some relevant evidence is contained in defendants' backup tapes. As to the fourth factor, the likelihood of finding relevant responsive information that cannot be more easily obtained, the Court finds that this factor weighs slightly in defendants' favor. Plaintiffs have not produced evidence that the backup or archived e-mails contain relevant information that is not

otherwise available or cumulative of other evidence. There is, of course, a possibility that some of the requested e-mails contain "smoking gun" information. However, this is pure conjecture.

2 For example, defendants identified 20,306 e-mails (31,326 documents) for Vince Schulze for the time [*13] period of March 15, 1999 to April 3, 2009. Defendants also identified 24,825 e-mails (32,108 documents) for Sharon Harrington for the time period of March 8, 2004 to April 31, 2009. *See* Email Collection Summary, Doc. No. 207-4. Schulze and Harrington are unquestionably key parties and witnesses in the case.

3 The Court cannot rule out the possibility that some relevant e-mails may have been deleted by these custodians despite the fact that tens of thousands of their e-mails were harvested. However, no credible evidence has been presented that any intentional spoliation has taken place.

The fifth factor examines the importance and usefulness of the requested e-mails. The Court finds that this factor weighs in defendants' favor. Based upon the Court's knowledge of the voluminous discovery already taken, and the Court's review of hundreds of documents during its *in camera* inspections, the Court believes that if relevant evidence exists in the requested e-mails it is likely cumulative of other relevant evidence already produced. The Court finds that the possibility that some cumulative evidence may be produced is not sufficient to outweigh the cost and burden to produce the requested e-mails. [*14] The sixth factor examines the importance of the issues at stake in the litigation. This factor favors plaintiffs. This case involves allegations of racial discrimination by public employees. In such an instance, it is not unreasonable to permit broad discovery so long as it is consistent with the Federal

Rules of Civil Procedure and applicable case law.

The seventh and last factor examines the parties' resources. The Court finds that this factor favors defendants. Given the complexity and scope of this litigation, it is apparent that defendants have already spent hundreds of thousands of dollars in time and money on the defense of the case. No party, including the State, has an unlimited litigation budget to pay for document production efforts that in all likelihood are of marginal benefit.

In sum, the Court finds that plaintiffs have not established good cause to order the State to search its universe of backup and archived e-mails for the requested e-mails. The Court finds that a weighing of the relevant considerations favors defendants. The Court agrees with *Zubulake, supra*, which indicated that a court should not treat the "good cause" factors as a checklist and determine which party [*15] has the most checks. *217 F.R.D. at 322*. The factors should be weighed by importance. In the Court's view the most important considerations are the fact that defendants have already produced tens of thousands of relevant documents, a substantial number of depositions have been and will be taken, there is no evidence of intentional spoliation, and the requested e-mails are likely to be of marginal benefit and cumulative of documents already produced. The Court concludes that the slim likelihood that new relevant evidence may be discovered does not outweigh the substantial burden and expense that must be spent to retrieve the requested e-mails on defendants' 2500 backup tapes.

In lieu of searching 2500 backup tapes, defendants raised the possibility of a scaled back alternative. The second search option is to only search the December 31, 2007 backup tape set (15 tapes) from the NJDOT, and/or the March 2, 2006 backup (two tape sets) from the MVC. Defendants obtained two cost estimates for searching these tapes depending upon whether

de-duplication or no de-duplication occurs. ⁴ The cost estimates are as follows:

Not De-Duplicated	
March 2006 only	\$ 125,645 to \$ 157,000
December 2007 only	\$ 127,128 to \$ 158,075
Both Sets	\$ 132,770 to \$ 164,21
De-Duplicated	
March 2006 only	\$ 79,945 to \$ 113,450
December 2007 only	\$ 81,425 to \$ 114,100
Both Sets	\$ 86,895 to \$ 121,370

4 De-duplication [*16] gives you one document while no de-duplication gives you all the copies of the e-mail that exist on a tape. Tr. at 91.

It is plain that the cost of only searching the December, 2007 (NJDOT) and March, 2006 (MVC) backup tapes is substantially less than the cost to search the State's 2500 backup tapes. Nevertheless, after analyzing the considerations previously identified, and the factors in *Rule 26(b)(2)(C)*, the Court still finds that the burden and expense to harvest the requested e-mails outweighs its likely usefulness. Therefore, the Court rules that it will not Order defendants to conduct the second search option at their sole cost. However, this does not end the Court's analysis since an alternative that has not yet been examined is whether the parties should share the cost to retrieve defendants' electronic information.

The Court has the discretion to shift all or part of the costs of producing electronic discovery to the requesting party. *Peskoff v. Faber*, 251 F.R.D. 59, 61 (D.D.C. 2008) (citing *Oppenheimer Fund, Inc. v. Sanders*, 437 U.S. 340, 358, 98 S. Ct. 2380, 57 L. Ed. 2d 253 (1978)). ⁵ Several courts have held that cost shifting should only be considered when electronic data is relatively inaccessible, such

[*17] as in backup tapes. *Wachtel v. Health Net, Inc.*, 239 F.R.D. 81, 91 n. 23 (D.N.J. 2006); *Cason-Merenda v. Detroit Medical Center*, C.A. No. 06-15601, 2008 U.S. Dist. LEXIS 51962, 2008 WL 2714239, at *3 (E.D. Mich. July 7, 2008). Further, cost shifting should only be considered when electronic discovery imposes an undue burden or expense on the responding party. *Coronas v. Willis Group Holdings Ltd.*, No. 06 Civ. 15295(GEL), 2008 U.S. Dist. LEXIS 81083, 2008 WL 4548861, at *4 (S.D.N.Y. Oct. 8, 2008)(citing *Zubulake*, *supra*, 217 F.R.D. at 318).

5 "[T]he good-cause inquiry and consideration of the *Rule 26(b)(2)(C)* limitations are coupled with the authority to set conditions for discovery. The conditions may ... include payment by the requesting party of part or all of the reasonable costs of obtaining information from sources that are not reasonably accessible." *Fed. R. Civ. P. 26* Advisory Committee Note to 2006 Amendment. See also *Rule 26(b)(2)(B)* providing that if the court orders inaccessible evidence to be produced for good cause, "[t]he court may specify conditions for the discovery."

The central question to ask when evaluating cost shifting is "how important is the sought-after evidence in comparison to the cost of production." *Zubulake*, 217 F.R.D. at 322-23. [*18] In order to determine if cost shifting is appropriate the Court will analyze the factors in Rule 26(b)(2)(B) and the seven factors set forth in *Zubulake*, *supra*. These seven factors are:

1. The extent to which the request is specifically tailored to discover relevant information;
2. The availability of such information from other sources;
3. The total cost of production, compared to the amount in controversy;
4. The total cost of production, compared to the resources available to each party;
5. The relative ability of each party to control costs and its incentive to do so;
6. The importance of the issues at stake in the litigation; and
7. The relative benefits to the parties of obtaining the information.

217 F.R.D. at 322.

For the same reasons already discussed the Court finds that the burden and expense to retrieve the requested e-mails in defendants' second option outweighs the potential benefit of the discovery. The retrieval cost of the second option is still likely to exceed \$ 100,000, independent of the time and expense to review the e-mails for privilege and relevancy. Given the resources already spent by the parties, and the Court's finding that the requested e-mails are likely to be [*19] cumulative of other available

evidence, the expenditure of another \$ 100,000 is not justified.

Although the Court finds that the requested e-mails are likely to be cumulative, the Court recognizes that plaintiffs insist the e-mails contain relevant evidence. The Court is also mindful that plaintiffs are pursuing issues of paramount public importance. *See Zubulake*, 217 F.R.D. at 321 ("if a case has the potential for broad public impact, then public policy weighs heavily in favor of permitting extensive discovery"). The Court, therefore, finds that a fair balancing of the parties' interests leads to the conclusion that plaintiffs and defendants should share the cost of searching defendants' backup tapes pursuant to defendants' second search option.⁶

6 The Court is also mindful that cost sharing incentivizes plaintiffs to conduct discovery proportionate to its likely benefit. To be sure, however, the Court is not ruling that this has not been done to date.

Defendants contend that only the NJDOT's December, 2007 tapes should be searched and that a search of the MVC's March 2006 tapes is unnecessary. Accordingly, if plaintiffs insist that the December, 2007 tapes be searched plaintiffs and [*20] defendants should equally share the retrieval costs. This cost is estimated to be \$ 81,425 to \$ 114,100 (de-duplicated). (Plaintiffs shall pay all incremental costs if they insist that the production not be de-duplicated). The Court will not Order plaintiffs to share the cost of defendants' privilege and relevancy review of the December, 2007 tapes. Fairness dictates that defendants pay this cost. If plaintiffs request a review of the March, 2006 tapes they shall pay all retrieval costs, including the cost of defendants' relevancy and privilege review. This is equitable given the redundancy of the March 2006 tapes.⁷

7 In *Zubulake*, 217 F.R.D. at 323-24, the court requested that a sample restoration be done before it completed its cost-shifting analysis. The Court declines to direct that a sampling be done in this case. The cost to search only the December 2007 tapes is not exorbitant, and it is not likely substantial costs will be saved by a sampling effort. Further, the sampling will further delay the ultimate resolution of the case.

Conclusion

For the reasons discussed, the Court will not Order defendants to search all of their backup tapes for the requested e-mails. However, if plaintiffs [*21] insist that the search be done, the Court Orders defendants and plaintiffs to share the cost of searching the NJDOT's December 2007 backup tapes (de-duplication). Based on defendants' estimate each side's cost of the review ranges from approximately \$ 41,000 to \$ 57,000. Accordingly, for all the foregoing reasons,

IT IS hereby ORDERED this 20th day of October, 2009, that defendants' Motion for a Protective Order is GRANTED in part and DENIED in part; and

IT IS FURTHER ORDERED that defendants' request for a protective order ruling that defendants do not have to review all of their

backup tapes for the requested e-mails is GRANTED; and

IT IS FURTHER ORDERED that if plaintiffs request defendants to search the NJDOT's December, 2007 backup tapes (de-duplicated) then plaintiffs and defendants shall equally share the estimated retrieval cost of \$ 81,425 to \$ 114,100. Plaintiffs shall pay the incremental costs if they request that the e-mails not be de-duplicated. Plaintiffs do not have to share the cost of defendants' relevancy and privilege review; and

IT IS FURTHER ORDERED that if plaintiffs request defendants to search the MVC's March, 2006 backup tapes then plaintiffs shall pay all costs [*22] to retrieve and search the tapes, including defendants' cost to review their e-mails for relevancy and privilege; and

IT IS FURTHER ORDERED that plaintiffs shall advise defendants by October 27, 2009, if they request that defendants search their December 2007 and/or March 2006 backup tapes; and

IT IS FURTHER ORDERED that the current scheduling deadlines in the case shall remain in effect even if plaintiffs request defendants to search their backup tapes.

/s/ Joel Schneider

JOEL SCHNEIDER

United States Magistrate Judge



LEXSEE 2010 U.S. DIST. LEXIS 107547



Analysis
As of: Dec 15, 2010

COLONY INSURANCE COMPANY, Plaintiff v. DANLY, INC., et al., Defendants and BABAK YAZDANI, et al., Parties-in-Interest; MICHAEL YAZDANI, et al., Plaintiffs v. DANLY, INC., et al., Defendants and COLONY INSURANCE COMPANY, Intervenor

Civil No. 10-308-P-H, Civil No. 09-108-P-H

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MAINE

2010 U.S. Dist. LEXIS 107547

**October 4, 2010, Decided
October 4, 2010, Filed**

SUBSEQUENT HISTORY: Motion granted by, in part, Motion denied by, in part *M.Y. v. Danly, Inc., 2010 U.S. Dist. LEXIS 118287 (D. Me., Nov. 3, 2010)*

COUNSEL: [*1] For MICHAEL YAZDANI by Babak and Lisa Yazdani, NICHOLAS YAZDANI by Babak and Lisa Yazdani, BABAK YAZDANI, LISA YAZDANI, Plaintiffs: C. ALLEN FOSTER, LEAD ATTORNEY, PRO HAC VICE, DAVID SAMUEL PANZER, LEAD ATTORNEY, GREENBERG TRAUIG LLP, WASHINGTON, DC; P. BENJAMIN ZUCKERMAN, LEAD ATTORNEY, GREENBERG TRAUIG P.A., BOCA RATON, FL; ERIK D BOLOG, LAW OFFICE OF ERIK D. BOLOG, WASHINGTON, DC.

For DANLY INC, doing business as KAMP KOHUT., DANIEL RAPAPORT, LISA TRIPLER, Defendants: HAROLD J. FRIEDMAN, LEAD ATTORNEY, MARTHA C. GAYTHWAITE, ROGER F. BRUNELLE, JR., FRIEDMAN, GAYTHWAITE, WOLF & LEAVITT, PORTLAND, ME; JAMES M. BOWIE, THOMPSON & BOWIE, LLP, PORTLAND, ME.

For COLONY INSURANCE COMPANY, Intervenor: JEFFREY A. THALER, BERNSTEIN, SHUR, PORTLAND, ME; LARRY I. GRAMOVOT, LAW OFFICE OF LARRY I. GRAMOVOT, TALLAHASSEE, FL.

JUDGES: John H. Rich III, United States Magistrate Judge.

OPINION BY: John H. Rich III

OPINION

MEMORANDUM DECISION AND ORDER ON DISCOVERY DISPUTE

This order is issued in follow-up to teleconferences that I held with counsel on September 13 and 21, 2010, bearing on the matter of files of the Danly parties in possession of their counsel, Friedman Gaythwaite Wolf & Leavitt ("FGWL"), which FGWL maintains that [*2] it need not produce in response to scheduling orders issued in both the *Colony* and *Yazdani* cases. See Docket Nos. 16, 35, 37, *Colony*; Docket Nos. 137, 144, 150, *Yazdani*.

At the conclusion of the September 21 teleconference with counsel, I ordered FGWL to provide to the court for *in camera* review, no later than noon on Thursday, September 23, 2010, copies of all specific documents (the "Itemized Documents") listed on a September 17, 2010, log detailing documents that FGWL had declined to produce (the "September 17 Log"). See Docket No. 37, *Colony*, at 6; Docket No. 150, *Yazdani*, at 6. In addition to the Itemized Documents, all of which are internal emails between or among FGWL attorneys and staff, the September 17 Log lists two general categories of documents that FGWL has declined to produce: (i) time and billing records and (ii) emails and notes and memoranda relating to other cases and incorrectly filed in the *Yazdani* file (together with the Itemized Documents, the "Withheld Documents"). I reserved ruling, pending my *in camera* review, on the questions of whether to order an electronic search of FGWL files and whether to order the turnover of any of the Withheld Documents. See *id.* at 7.

On [*3] September 23, 2010, FGWL provided to me, *in camera*, copies of the Itemized Documents. After careful review of those documents, and with the benefit of argument of

counsel during both the September 13 and the September 21 teleconferences, for the reasons that follow, I now deny the request of the Yazdani parties to order an electronic search of FGWL files, grant in part and deny in part the requests of Colony and the Yazdani parties for access to the Withheld Documents, order FGWL to produce the documents specified below on or before October 6, 2010, and direct that the Clerk's Office schedule a teleconference with counsel as soon as possible thereafter to discuss the resetting of the deadline(s) for the filing of dispositive motions in the Colony case, said deadline(s) having been suspended pending my adjudication of the instant discovery dispute.

I. Request for Access to the Withheld Documents

A. The Parties' Arguments

The parties' dispute centers on whether FGWL properly withheld certain documents in the face of directives in scheduling orders issued in both the *Colony* and *Yazdani* cases that the Danly parties "provide to [Colony] complete copies of their counsels' files, excepting only [*4] items claimed to be privileged, if any, on or before August 16, 2010." See Docket No. 16, *Colony*; Docket No. 137, *Yazdani*.¹

1 The reference to "Intervenor" in the version of the scheduling order filed in the *Colony* case, see Docket No. 16, *Colony*, evidently is meant to be a reference to Colony. Colony, the plaintiff in the *Colony* case, is the intervenor in the *Yazdani* case. There is no other intervenor in either case.

FGWL took the position that the word "files" should be construed in accordance with Ethics Opinion #187 of the Maine Board of Overseers of the Bar, which provides guidance concerning the contents of a client's file, in particular the contents that must be turned over to

the client upon his/her request. Opinion #187 delineates as an overarching principle, in discerning which documents are part of a client's file, whether "information is valuable to the client in relation to the accomplishment of the services for which the attorney was retained[.]" *Id.* In making that determination, "the lawyer must assess the point in time when the client's request for the file is made and any information that the lawyer has regarding the reason for the request." *Id.* (footnote omitted). "Thus, [*5] for example, an attorney's notes regarding potential witnesses to be interviewed in any litigated matter will be useful information before the trial, but may not be useful after the trial has concluded and the witness's testimony has been reduced to a transcript." *Id.*

Opinion #187 lists the following as documents that ordinarily need *not* be provided to the client: (i) time sheets and billing records, (ii) internal administrative documents such as conflict checking forms and case assignment or staffing memoranda, (iii) internal memoranda that set out a lawyer's general impressions of the client and the matter, the options for staffing or handling a case, and certain internal firm business information, and (iv) drafts of documents with certain exceptions. Me. Bd. of Overseers of Bar, Op. 187 (2004) ("Opinion # 187"). The following, by contrast, ordinarily *should* be provided to the client: (i) all pleadings, (ii) all correspondence, (iii) research memoranda, (iv) notes and memoranda concerning information obtained from client interviews, witness interviews, facts of the case, and communications with other parties on the matter, and (v) certain drafts of documents (*e.g.*, where prior drafts [*6] advanced legal arguments that might still be used in the matter or where important to show the history of negotiations or otherwise pertinent to the future understanding of the outcome of the matter). *Id.*

FGWL takes the position that it has produced all documents comprising the Danly parties' files as that term is defined in Opinion

#187, including documents not ordinarily considered to be part of a client's files, such as internal attorney emails, that it has deemed valuable to the Danly parties. *See* Docket No. 35, *Colony*, at 4; Docket No. 144, *Yazdani*, at 4.

Colony and the Yazdani parties argue that Opinion #187 has no bearing on the instant dispute. *See id.*; *see also* Docket No. 37, *Colony*, at 4; Docket No. 150, *Yazdani*, at 4. They state that the Danly parties agreed, as is reflected in the relevant scheduling orders, to turn over all save privileged documents from their files. *See id.* They reason that, no privilege having been claimed, every one of the Withheld Documents must be turned over. *See id.* James Bowie, the Danly parties' new counsel, agrees that this was in fact the Danly parties' agreement. *See* Docket No. 37, *Colony*, at 6; Docket No. 150, *Yazdani*, at 6. Mr. Bowie in effect [*7] confirms that the Danly parties themselves want the Withheld Documents produced. *See id.* ²

2 In separate motions filed on September 21 and 22, 2010, FGWL attorneys Harold Friedman, Martha Gaythwaite, and Roger Brunelle moved to withdraw as attorneys for the Danly parties in the *Yazdani* case. *See* Docket Nos. 145, 148, *Yazdani*. I deferred ruling on those motions pending the adjudication of the instant dispute. *See* Docket Nos. 147, 149, *Yazdani*. Mr. Bowie alone is listed as representing the Danly parties in the *Colony* case.

Alternatively, Colony and the Yazdani parties contend that, to the extent that Opinion #187 provides any guidance, (i) the production of some internal FGWL emails has effectuated a waiver with respect to similar Withheld Documents and (ii) even under Opinion #187, the Withheld Documents should be ordered produced to the extent relevant to issues now of importance in the *Colony* and *Yazdani* cases, namely the question of the reasonableness of the *Yazdani* settlement and the asserted absence

of collusion between the parties in the *Yazdani* case. See Docket No. 37, *Colony*, at 4; Docket No. 150, *Yazdani*, at 4. The *Yazdani* parties take the position that at least two categories [*8] of Withheld Documents, those pertaining to FGWL lawyers' impressions of the case, clients, and opposing counsel and those pertaining to billing, are relevant to those issues. See *id.* at 4-5. *Colony* takes no position on whether, assuming *arguendo* that Opinion #187 applies, internal billing documents should be produced. See *id.* at 5.

B. Analysis

I construe the word "files," as used in the applicable scheduling orders, in accordance with Opinion #187. While the parties agreed to the production of all but privileged documents from the Danly parties' counsel's files, and the relevant scheduling orders so reflect, that begs the question of what constitutes those clients' files. Opinion #187 fills that void. I decline to find any waiver in FGWL's decision to produce select documents that, pursuant to Opinion #187, normally would not need to be produced to a client. Opinion #187 contemplates that attorneys will make precisely such case-by-case decisions in assessing whether information is "valuable to the client" and, hence, must be considered part of a client's file and turned over to the client upon request. See Opinion #187.

That said, *Colony* and the Danly parties are correct that, to the [*9] extent any of the Withheld Documents fairly can be characterized as relevant to the issues currently at stake in the *Colony* and *Yazdani* litigation, they should be ordered produced. This is so regardless of whether FGWL, as a subjective matter, genuinely characterized any of the Withheld Documents as "valuable to the client" pursuant to Opinion #187. Opinion #187 itself recognizes that, although, under the Bar Rules, an attorney might have no obligation to provide a client, upon request for the file, with internal administrative documents such as conflict checking

forms and case assignment or staffing memoranda, "a court or tribunal could order an attorney to provide those documents if the attorney and the client are involved in a dispute that would render the documents relevant." Opinion #187 n.3.

3 The question of whether documents are "valuable" to the Danly parties, for purposes of Opinion #187, is a nuanced one. Opinion #187 frames the question as whether "information is valuable to the client in relation to the accomplishment of the services for which the attorney was retained[.]" Opinion #187. It might be argued that the issue of the reasonableness of the *Yazdani* settlement is [*10] not strictly within the scope of services for which FGWL was retained. But, even assuming *arguendo* that were so, Opinion #187 directs that, in determining whether information is "valuable to the client," the attorney must "assess the point in time when the client's request for the file is made and any information that the lawyer has regarding the reason for the request." *Id.* (footnote omitted). Thus, even though the information in question may not have been valuable to the Danly parties in relation to the services for which FGWL was retained, it still is properly characterized as "valuable" at the time that the client requested the file.

Although the example supplied in Opinion #187 pertains to one category of typically withheld documents, internal administrative files, the principle applies to all documents withheld on the basis that they do not constitute part of a client's files. The scope of discovery is broad: "Parties may obtain discovery regarding any nonprivileged matter that is relevant to any party's claim or defense For good cause, the court may order discovery of any matter relevant to the subject matter involved in the action." *Fed. R. Civ. P. 26(b)(1)*.

Pursuant [*11] to the operative scheduling orders, the Danly parties were afforded the opportunity to withhold documents on the basis of the assertion of a privilege. They elected not to do so. The sole question presented, therefore, is whether the Withheld Documents are relevant to the *Colony* or *Yazdani* litigation. In that regard, Colony and the Yazdani parties correctly characterize the key issue as whether the proposed settlement between the Yazdani and Danly parties in the *Yazdani* case is reasonable, in good faith, and not the product of collusion. See Docket No. 137, *Yazdani*, at 2. Judge Hornby has scheduled a hearing on that precise question for December 6, 2010, see Docket No. 139, *Yazdani*, and Colony has been permitted to intervene "for the purpose of full and complete participation in the [reasonableness] hearing[.]" including "the right to present witnesses, admit exhibits, object to the calling of witnesses or the admission of exhibits, and to cross-examine witnesses[.]" Docket No. 136, *Yazdani*, at 1.

With these precepts in mind, I now **GRANT** in part and **DENY** in part the request of Colony and the Yazdani parties for access to the Withheld Documents. I deem the following Itemized Documents [*12] relevant, and **ORDER** that FGWL produce them to Colony, with copies to counsel for the Yazdani parties and to the Danly parties' new counsel, Mr. Bowie, on or before October 6, 2010: all emails characterized in the September 17 Log as concerning one or more FGWL attorney's impressions of any one or more of the following: the case, the case status, a case document, the client(s), information from the client(s), the plaintiffs' strategy, the plaintiffs, counsel, the plaintiffs' counsel, assignments, or staffing, **except** for the following, which do not have discernible relevance to the remaining issues in the *Colony* and *Yazdani* cases:

1. An August 18, 2009, email between Karen Wolf and Carrie Hall-Indorf (legal assistant) regarding a case document.

2. Emails dated April 23, 2010, between Martha Gaythwaite and Karen Wolf regarding impressions of the case.

3. Emails dated May 14, 2010, between Martha Gaythwaite and Brett Leland regarding status and scheduling of work.

4. Emails dated May 25, 2010, between Martha Gaythwaite, Erik Peters, and Brett Leland regarding impressions of the case and assignments of work.

I decline to order FGWL to produce any of the following Withheld Documents, none of [*13] which has discernible relevance to the remaining issues in the *Colony* and *Yazdani* cases:

1. The four Itemized Documents specified above.

2. Any Itemized Document characterized as concerning budgeting and billing issues.

3. An email dated July 21, 2010, between Martha Gaythwaite, Harold Friedman, and Karen Wolf regarding advice provided by Bar Counsel, as well as a memorandum from Martha Gaythwaite to the *Yazdani* file dictated on September 17, 2010, and transcribed on September 20, 2010, concerning a conversation on September 17 with Bar Counsel, and a letter dated September 21, 2010, from Martha Gaythwaite to Daniel Rapaport and Lisa Tripler concerning FGWL's decision to move to withdraw as counsel to the Danly parties in the *Yazdani* case. 4

4 In an abundance of caution, Ms. Gaythwaite provided the latter two documents, which postdated the September 17 Log, as part of her *in camera* production although they were not within the purview of my order regarding the production of documents for *in camera* review. She sought guidance as to whether she should file an amended privilege log including them. That step is not necessary.

I am satisfied that they need not be produced.

4. Time and billing [*14] records.

5. Emails and notes and memos relating to other cases and incorrectly filed in the *Yazdani* file.

II. Request for Further Electronic Search

During the September 21 teleconference, the Yazdani parties requested that the court order FGWL to conduct a direct search of its computer files for potentially relevant internal attorney emails, stating that FGWL had relied on the decisions of its attorneys to place certain emails in client folders in circumstances in which the underlying issues were quite different from those now at stake, and FGWL had declined to undertake a comprehensive electronic search absent a court order. *See* Docket No. 37, *Colony*, at 4; Docket No. 150, *Yazdani*, at 4. FGWL invoked *Federal Rule of Civil Procedure 26(b)(2)(B)* in opposition to the request. *See id.* at 5-6. The Yazdani parties contended that application of that rule supported a court-ordered search. *See id.* at 6.

The request is **DENIED**. FGWL has invested more than 30 hours searching for documents responsive to the court's directive, including documents beyond the scope of those typically considered to constitute part of a client's files pursuant to Opinion #187. It has either produced or logged all documents [*15] discovered as a result of this extensive search. The Yazdani parties offer no reason to believe that further responsive documents exist or, if any do, that they are not cumulative of those already retrieved. Pursuant to *Rule 26(b)(2)(B)*, FGWL has shown that the requested additional information is "not reasonably accessible because of undue burden[.]" and the Yazdani parties have not shown "good cause" for their re-

quest. Alternatively, pursuant to *Rule 26(b)(2)(C)*, I decline to issue the requested order because "the burden . . . of the proposed discovery outweighs its likely benefit[.]"

III. Setting of Scheduling Teleconference

The instant discovery dispute having been resolved, I **DIRECT** that the Clerk's Office schedule a teleconference with counsel as soon as possible after October 6, 2010, to discuss the resetting of the deadline(s) for the filing of dispositive motions in the *Colony* case, said deadline(s) having been suspended pending my adjudication of the instant discovery dispute.⁵

5 As I have previously indicated, *see* Docket No. 35 at 6 n.2, *Colony*; Docket No. 144 at 6 n.2, *Yazdani*, the parties should be prepared to discuss whether it continues to make sense to have separate deadlines [*16] for the filing of summary judgment motions in the *Colony* case.

SO ORDERED.

NOTICE

In accordance with Federal Rule of Criminal Procedure 59(a), a party may serve and file an objection to this order within fourteen (14) days after being served with a copy thereof.

Failure to file a timely objection shall constitute a waiver of the right to review by the district court and to appeal the district court's order.

Dated this 4th day of October, 2010.

/s/ John H. Rich III

John H. Rich III

United States Magistrate Judge



LEXSEE 2005 U.S. DIST. LEXIS 20830



Cited

As of: Dec 15, 2010

RONALD C. FRYER, et al., Plaintiff, v. BERNIE BROWN et al., Defendant.

Case No. C04-5481 FDB

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WASHINGTON

2005 U.S. Dist. LEXIS 20830; Copy. L. Rep. (CCH) P29,025

July 15, 2005, Decided

July 15, 2005, Filed

COUNSEL: [*1] For Ronald C Fryer, doing business as AutoUpholsteryKits.Com, Plaintiff: Pro se, VANCOUVER, WA.

For Bernie Brown, doing business as ABC Auto Upholstery Auto Glass and Repair, doing business as AutoUpholsteryKit.Com, Defendant: Timothy Lee Ashcraft, WILLIAMS KASTNER & GIBBS, TACOMA, WA.

For Jodie Gilmore, Fulcrum Communications, Defendants: Lucy Russell Clifthorne, VANDEBERG, JOHNSON & GANDARA, TACOMA, WA.

JUDGES: FRANKLIN D. BURGESS, UNITED STATES DISTRICT JUDGE.

OPINION BY: FRANKLIN D. BURGESS

OPINION

ORDER DENYING IN PART AND GRANTING IN PART MOTION FOR SUMMARY JUDGMENT AND GRANTING MOTION TO COMPEL DISCOVERY AND GRANTING MOTION FOR TRIAL CONTINUANCE

This matter is before the Court upon the motion of Defendant Bernie Brown for summary judgment pursuant to *Fed. R. Civ. Pro. 56 (c)* or in the alternative, Defendant seeks a continuance of the trial date currently scheduled for September 12, 2005. Plaintiff alleges claims of copyright and trademark infringement. Having considered the motion, opposition, and the evidence of the record, this Court finds for the reasons stated herein that Defendant's motion for summary judgement is **DENIED** in part and

GRANTED in part; motion to compel [*2] discovery is **GRANTED**; request for continuance of trial is **GRANTED**.

I.

This dispute involves Plaintiff's claim that it owns superior and exclusive rights to the domain name and website style of "autoupholsterykits.com" and that Defendant's and Jodie Fulcrum's use of the domain name, "autoupholsterykit.com," incorporation of its website ideas, and use of its codes, are all wrongful infringements of that right.

Plaintiff has been in the auto upholstery business for over 30 years. Fryer's Auto Upholstery was incorporated in December 1982. In May 2000, plaintiff constructed and registered a website with the domain name of "autoupholsterykits.com." The website was federally copyrighted in February 2004. Defendant Bernie Brown has been in the upholstery business for 28 years. In October 2001, he worked for plaintiff as an independent contractor where he was employed to pattern and sew the products. Months later, in July 2002, defendant established a competing business, ABC Auto Upholstery Auto Glass and Repair. He hired Defendant Jodie Gilmore of Fulcrum Communications to design and construct its website with the domain name of "autoupholsterykit.com."

Both websites were constructed [*3] for the purpose of facilitating the sales of each businesses' goods and services. Additionally, both websites have been in continuous use since the dates of their respective creation.

Upon notice of defendants' website, plaintiff confronted the defendants and demanded they cease and desist with further infringement. Plaintiff contends that defendants refused compliance. This Court determined the names "autoupholsterykits.com" and "autoupholsterykit.com" were confusingly similar and granted Plaintiff's request for a preliminary injunction against Defendant's use of the domain

name. Defendant brings this motion for summary judgment as a matter of law, or in the alternative, Defendant seeks a continuance of the trial date.

II.

Summary judgment is appropriate "if the pleadings, depositions, answers to interrogatories, and admissions on file show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." *Fed. R. Civ. P. 56 (c)*; *Greenawalt v. Sun City W. Fire Dist.*, 250 F. Supp. 2d 1200, 1204 (9th Cir. 2003). In applying this standard, the court must construe all facts and reasonable inferences therefrom [*4] in the light most favorable to the nonmoving party. See *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 89 L. Ed. 2d 538, 106 S. Ct. 1348 (1986). Summary judgment is not proper if material factual issues exist for trial. *Warren v. City of Carlsbad*, 58 F.3d 439, 441 (9th Cir. 1995), cert denied, 516 U.S. 1171, 134 L. Ed. 2d 209, 116 S. Ct. 1261 (1996). Once the moving party has carried its burden of indicating that there is no genuine issue of material fact, *Rule 56 (e)* "requires the nonmoving party to go beyond the pleadings and by . . . affidavits, or by the depositions, answers to interrogatories, and admissions on file, designate specific facts showing that there is a genuine issue for trial." *Celotex Corp. v. Catrett*, 477 U.S. 317, 324, 91 L. Ed. 2d 265, 106 S. Ct. 2548 (1986) (quoting *Fed. R. Civ. P. 56 (e)*); *Brinson v. Linda Rose Joint Venture*, 53 F.3d 1044, 1049 (9th Cir. 1995); *Taylor v. List*, 880 F.2d 1040, 1045 (9th Cir. 1989). The nonmoving party must "make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." *Id.* at 322. The mere existence of a [*5] scintilla of evidence in support of the nonmoving party's position is insufficient; there must be evidence on which the jury could reasonably find for the nonmovant. See *Anderson v. Liberty Lobby*,

Inc., 477 U.S. 242, 252, 91 L. Ed. 2d 202, 106 S. Ct. 2505 (1986).

III.

Trademark Infringement Claim

Plaintiff brings this claim alleging violation of the Anticybersquatting Consumer Protection Act (ACPA). The ACPA makes it illegal for a person to register or to use with the bad faith intent to profit from an Internet domain name that is identical or confusingly similar to the distinctive or famous trademark or Internet domain name of another person or company. 15 U.S.C.S. § 1125(d). The ACPA was intended to prevent "cybersquatting," an expression that has come to mean the bad faith, abusive registration and use of the distinctive trademarks of others as Internet domain names, with the intent to profit from the goodwill associated with those trademarks. *Shields v. Zuccarini*, 254 F.3d 476, 482 (3rd Cir. 2001). The ACPA covers the registration of domain names that are "identical" to distinctive or famous marks, but it also covers domain names that are "confusingly [*6] similar" to distinctive or famous marks. 15 U.S.C.S. § 1125(d)(1)(A)(ii)(I), (II). A reasonable interpretation of conduct covered by the phrase "confusingly similar" is the intentional registration of domain names that are misspellings of distinctive or famous names, causing an Internet user who makes a slight spelling or typing error to reach the unintended site. *Shields v. Zuccarini*, at 484.

Defendant contends the trademark infringement claim should be dismissed as a matter of law because the domain name "autoup-holsterykits.com" is generic and not subject to protection. Defendant contends the phrase describes the type of product and answers the question "what are you." Brown Motion for Summary Judgment at 9. Defendant further contends that adding a top level domain ".com" does not turn an otherwise non-protectable phrase into a protectable phrase. Alternatively,

if the mark is determined to be descriptive, Defendant contends the mark does not have secondary meaning. Defendant notes that Plaintiff has offered no consumer testimony and provides no surveys. Furthermore, Defendant contends that the advertising produced by Plaintiff does not emphasize "autoup-holsterykits. [*7] com." Defendant urges the Court to exclude evidence of Plaintiff's alleged advertising because of Plaintiff's failure to respond to discovery.

Plaintiff responds that answers to discovery were properly given. The Court will address this contention in the order *supra*. Plaintiff contends Defendant was aware of the existence of Plaintiff's website and domain name, had seen the website many times prior to his decision to have his own, and deliberately copied Plaintiff's creation. Plaintiff provides evidence by affidavit supporting its contention that Defendant in fact questioned Plaintiff about the workings of Plaintiff's business in great detail.

The distinctions between generic and descriptive and descriptive and suggestive are often illusory. Accordingly, the Court relies upon the link between the mark's secondary meaning and the likelihood of confusion as critical. *Thompson Medical Co. Inc., v. Pfizer Inc.*, 753 F. 2d 208, 215 (2nd Cir. 1985).

Defendant contends the domain name has not acquired secondary meaning because the Plaintiff does not associate the phrase "autoup-holsterykits" with "Fryer's Auto Upholstery." Plaintiff responds that its customers do not [*8] usually call for "Fryer's Auto Upholstery." They call for "autoup-holsterykits." Plaintiff asserts the customers do not equate the name "Fryer Auto Upholstery" with the company, but instead, relate to the trademark "autoup-holsterykits." Moreover, consumers were allegedly misled by the similarity of the name "autoup-holsterykits.com" and "autoup-holsterykit.com." Notwithstanding Plaintiff's mistaken belief that it has no obligation to provide Defendant with names and contact information of confused

consumers, the Court declines to address the matter of whether or not consumers were actually confused for purposes of this motion.

Actual confusion is not required to prove the existence of consumer confusion. When intentional copying is at issue, the Court may presume the likelihood of confusion. *M. Kramer Mfg. Co. v. Andrews*, 783 F.2d 421, 448 (4th Cir. 1986) ("courts almost unanimously presume a likelihood of confusion based upon a showing that the defendant intentionally copied the plaintiff's trademark"); *Warner Brothers, Inc. v. American Broadcasting Co.*, 720 F.2d 231, 246-47 (2d Cir. 1983) (evidence of intentional copying raises a presumption of likelihood [*9] of confusion, but may not in all cases survive a directed verdict); *Brooks Shoe Mfg. Co v. Suave Shoe Corp.*, 716 F.2d 854, 859 n.13 (11th Cir. 1983) (intentional copying is "evidence, but not conclusive" on issue of likelihood of confusion); *Processed Plastic Co. v. Warner Communications, Inc.*, 675 F.2d 852, 857 (7th Cir. 1982) (intentional copying establishes presumption of intent "to create a confusing similarity of appearance and to have succeed at doing so"). Plaintiff maintains Defendant's copying of the domain name was deliberate and provides supporting affidavits. Assuming the facts in the light most favorable to the non-moving party, Defendant's copying was intentional. Accordingly, this Court will presume the presence of consumer confusion. Whether Defendant's copying of the domain name was in fact deliberate is a disputed fact to be determined at trial.

As to the existence of a secondary meaning, in trademark infringement cases, the courts have held that evidence of deliberate copying establishes a *prima facie* case of secondary meaning, subject to rebuttal by the defendant, with the defendant bearing the ultimate burden of proof once [*10] deliberate copying is proven. *Audio Fidelity, Corp. v. High Fidelity Recordings, Inc.*, 283 F.2d 551, 558 (9th Cir. 1960)(quoting *My-T Fine Corp. v. Samuels*, 69

F.2d 76, 77 (2nd Cir. 1934). The rationale for this presumption is that when a defendant copies the trademark of a competitor, it is likely that he intended to appropriate some commercial advantage or benefit that his competitor derived from the use of the mark. *M. Kramer Mfg. Co. v. Andrews*, 783 F.2d 421, 449 (4th Cir. 1986); *Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 704 (5th Cir. 1981). Accordingly, the alleged deliberate copying of the trademark presumes a likelihood of confusion, and the alleged deliberate copying establishes a secondary meaning. The trademark is therefore distinct and not generic. As such, the domain name is afforded protection against infringement. **Copyright Infringement Claim**

Website

The Court is faced with copyright claims relating to Plaintiff's website and certain print advertisements. To establish a copyright infringement cause of action, a plaintiff must show both ownership of a copyright and unauthorized [*11] copying by the defendant." *Hamil Am., Inc. v. GFI, Inc.*, 193 F.3d 92, 98 (2nd Cir. 1999). Defendant contends that Plaintiff has failed to show that the material in his website is original and fails to show that his work is copyright protected. Plaintiff responds that the website is copyright protected and proffers a certificate of registration issued by the United States Copyright Office. A certificate of registration from the United States Register of Copyrights constitutes *prima facie* evidence of valid ownership of a copyright, although that presumption of ownership may be rebutted. *Rogers v. Koons*, 960 F.2d 301, 306 (2nd Cir. 1992). To overcome the presumption of ownership, Defendant contends the website as a whole is predominantly a utilitarian tool used to advertise, market, and conduct Plaintiff's business. Plaintiff responds that the website is his original creation and proffers a hardcopy of the website as evidence.

The legislative history of 17 U.S.C. § 102 states that "the phrase original works of authorship' was intended to codify without change the concept of originality' applied by the courts under the prior copyright statute. [*12] " *Hutchinson Telephone Co. v. Fronteer Directory Co. of Minnesota, Inc.*, 770 F.2d 128, 131 (8th Cir. 1985). This requirement of "originality" does not necessarily indicate that the work must demonstrate novelty or uniqueness, rather original, as the term is used in copyright means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity. *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.*, 499 U.S. 340, 351, 113 L. Ed. 2d 358, 111 S. Ct. 1282 (1991). The Court has reviewed the submitted exhibits. This review revealed that the necessary creative or original arrangements of the elements exists to varying degrees, in all of the claimed works. This does not include copyright protection of the domain name as discussed in detail *supra*.

Defendant alleges the two websites are distinguishable by design, style, and content. Plaintiff responds the two websites are identical or similar in background color, meta tags, and key words. Clearly, the parties are in dispute of a material fact. Accordingly, whether the website is similar in design and content is a disputed fact that [*13] will be determined at trial.

Domain name

Defendant contends the domain name cannot be copyright protected. Words and short phrases such as names, titles, and slogans are not subject to copyright protection. 37 C.F.R. 202.1(a). The Court agrees. The ACPA affords appropriate protection against Plaintiff's allegations of domain name infringement. Accordingly, Defendant is entitled to summary judgment as a matter of law on Plaintiff's claim of

copyright infringement against the domain name.

Motion to Compel

On December 17, 2005, Defendant Brown sent interrogatories and requests for production to Plaintiff. When Plaintiff failed to respond within 30 days, Defendant Brown sent an electronic message to Plaintiff informing him that the answers were overdue. A discovery conference was held on January 31, 2005. Plaintiff provided Defendant with the responses on an agreed date of February 14, 2005.

Defendant contends the answers provided by Plaintiff were inadequate because they were accompanied with a number of objections stating most of the requests were "not relevant to this case." Plaintiff raised such objections to requests for: financial and accounting data related [*14] to his company; requests for tax returns; names of confused customers; names of all customers; names of employees; and monthly gross sales. Additionally, payment of \$ 1.25 per page was demanded by Plaintiff upon Defendant's request for a hard copy of the website.

During deposition held on February 21, 2005, Plaintiff agreed to supplement his responses and provide Defendant with the requested tax returns from 2000 to the present; basis for calculation and damages; names of current and former employees from 1998 to present; and the gross sales by month from 2000 to present. This information, according to Defendant was not timely provided.

Plaintiff contends that he is complying with the rules of discovery. Plaintiff's delay of providing the responses were caused by his uncertainty of what was being requested. Plaintiff sought clarification on responses that Defendant deemed were inadequately addressed; however, such guidance was not offered. Additionally, Plaintiff contends that the initial disclosure information and requested financial

documents, which fall within the scope of discovery, is and has been for some time within the Defendant's possession. Plaintiff objects to providing [*15] Defendant with a list of all customer names, as doing so would violate the privacy of the customer's account information. Defendant brings this motion to compel Plaintiff to provide the requested information and requests attorney's fees and costs associated with this action.

IV.

Each party generally has the right to discover "any matter, not privileged, that is relevant to the claim or defense of any party." *FRCPP 26(b)(1)*. Whether the information sought would be admissible evidence at trial is not the determining factor of whether the requested information lies outside the scope of discovery. Relevant information may be discoverable if it "appears reasonably calculated to lead to the discovery of admissible evidence." *Id.* (emphasis added). This information includes information that a party may use to support its denial or rebuttal of the claims or defenses of another party, and should include the identity of any witness or document that the disclosing party may use to support such denials. See Adv. Comm. Notes to 2000 Amendments to *Fed. R. Civ. Pro. 26(b)(1)*.

Federal courts generally recognize a right of privacy that can be raised in response to discovery requests. *Johnson v. Thompson*, 971 F.2d 1487, 1497 (10th Cir. 1992); [*16] *De Masi v. Weiss*, 669 F.2d 114, 119-20 (3rd Cir. 1982). The party or person whose privacy is affected may either object to the discovery request or seek a protective order. *Laxalt v. McClatchy*, 258 U.S. App. D.C. 44, 809 F.2d 885, 889 (DC Cir. 1987). The court may issue protective orders limiting disclosure of trade secrets "or other confidential research, development or commercial information." *Fed. R. Civ. Pro. 26(c)(7)*.

Resolution of a privacy objection or request for protection order requires a balancing of the need for the particular information against the privacy right asserted. *Perry v. State Farm Fire and Cas. Co.*, 734 F.2d 1441, 1447 (11th Cir. 1984); *Rubin v. Regents of Univ. of California*, 114 FRD 1 (N.D. Cal. 1986). On most discovery motions, the burden is on the party seeking discovery. However, on a motion for a protective order, the person seeking to limit discovery has the burden of establishing grounds for its issuance. *Blankenship v. Hearst Corp.* 519 F.2d 418, 429 (9th Cir. 1975).

Initial disclosures under *Rule 26(a)(1)* and expert witness disclosures under *Rule 26(a)(2)* must not be filed in the court [*17] unless they are "used in the proceedings" or the court orders otherwise. *FRCPP 5(d)*. Similarly, unless "used in the proceedings" or the court orders otherwise, most discovery requests and responses must not be filed with the court. *Id.*

V.

This Court adheres to a philosophy of liberal discovery. It recognizes that unfettered discovery of all materials relevant to the case should be permitted and that discovery need not be limited to facts admissible at trial. Under *Rule 26(b)(1)*, inadmissibility of matters at trial is not a ground for objection to discovery proceedings; where incompetent matter is adduced by discovery, objection can be made at trial if answers or depositions are offered as evidence.

Defendant seeks the full and complete response to his requests for information regarding Plaintiff's tax returns, the basis for his calculation of damages; names of current and former employees; and gross sales by month. The explanation provided for Defendant's request is that Plaintiff has alleged that customers were confused between the websites. Accordingly, all information related to that confusion, including customer lists are discoverable¹. Likewise, because Plaintiff seeks [*18] monetary damages, Defendant believes that all informa-

tion related to the financial and sales data of plaintiff's company is relevant. The Court agrees. Plaintiff has provided Defendant with Profit or Loss From Business for the years of 2000 through 2003 and basis for calculation of damages. Plaintiff is also instructed to provide Defendant with the sources of documents Plaintiff used in determining his basis for its calculation of damages. Summarily stating the figures is not sufficient. Defendant must be provided with the precise amounts claimed, and with an explanation of how each figure was calculated. If the information was provided off of actual sales, this information shall be disclosed to Defendant. Furthermore, Plaintiff is instructed to provide the Defendant with all other requested information that has not been previously submitted.

1 Defendant has stated his willingness to sign a protective order prohibiting the use of the information, or its dissemination outside of the litigation.

Protective [*19] Order (privacy of information)

Plaintiff is concerned that disclosing customer information would violate customer privacy rights, breach Plaintiff's confidentiality with his customers, and afford a financially damaging opportunity for Defendant to deliberately cause more customer confusion and harm. Resolution of a privacy objection or request for protection order requires a balancing of the need for the particular information against the privacy right asserted. *Perry v. State Farm Fire and Cas. Co.*, 734 F.2d 1441, 1447 (11th Cir. 1984); *Rubin v. Regents of Univ. of California*, 114 FRD 1 (N.D. Cal. 1986).

Customer confusion is at the heart of this trademark infringement claim. Plaintiff has alleged that customers were confused by the similarity of Defendant's domain name and mistakenly removed their links from Plaintiff's website. As a result of the consumer's confusion, Plaintiff had to individually contact the

customers explaining that the two services were separate. According to Plaintiff, such confusion and sorting out the two businesses has caused Plaintiff financial loss. The need for Defendant to determine the existence of confused consumers [*20] is significant to its defense and therefore outweighs the privacy right asserted. Notwithstanding Defendant's need for the particular information, the Court is prepared to afford protections that will address Plaintiff's concerns. A protection order is granted that restricts the use of the information provided or its dissemination outside of this litigation. Plaintiff will be required to provide Defendant with the requested customer information.

Payment for costs of compliance

Any party may serve on any other party a request to produce and permit the party making the request to inspect and copy any designated documents. *Fed. R. Civ. P. 34(a)*. Ordinarily, the producing party bears the costs of reviewing and gathering documents while the requesting party pays for the costs and copies only. *Continental Ill. Nat'l Bank & Trust Co. Of Chicago v. Caton*, 136 FRD 682, 690 (D KS 1991); *Bills v. Kennecott Corp.*, 108 FRD 459, 462 (D UT 1985).

Defendant states that a hard copy of Plaintiff's website is needed to defend against Plaintiff's copyright infringement claim. Given Plaintiff's need to provide this evidence at trial, Defendant contends a production [*21] of the same document at Plaintiff's expense would not be an unreasonable request. The Court disagrees. Plaintiff is required to make the requested items within its possession, custody, or control available for inspection or copying. In doing so, Plaintiff must cover the costs of gathering the requested item; not to cover the costs of reproduction absent a showing of good cause as to why the burden should be shifted. Accordingly, the Court instructs Plaintiff to provide copies of the website as Defendant requests at Defendant's expense.

Attorney's Fees

The party who prevails on a motion to compel is entitled to his or her expenses, including reasonable attorney fees, unless the losing party was substantially justified in making or opposing the motion. *Fed. R. Civ. P. 37(a)(4)*; *H.K. Porter Co., Inc. v. Goodyear Tire & Rubber Co.*, 536 F.2d 1115, 1124-25 (6th Cir. 1976). Plaintiff was justified in making or opposing a number of Defendant's requests. Plaintiff's objections based upon the relevance of the requested information and materials were essentially withdrawn upon Defendant's clarification of what was specifically being requested and upon further explanation [*22] of Plaintiff's duty to provide an answer. Plaintiff's concern of disclosing customer information and employee files were legitimate to its interests of protecting the individuals' privacy. Moreover, Plaintiff prevailed on its objection to absorb the costs of photocopying Defendant's request. Accordingly, Defendant's requests for attorney's fees and costs are denied.

ACCORDINGLY,

IT IS ORDERED:

(1) Defendant's motion for summary judgment (dkt. # 91) is **DENIED** in part and **GRANTED** in part;

(2) Motion for summary judgment against Plaintiff's claims of trademark infringement are **DENIED**;

(3) Motion for summary judgment against copyright infringement claims against Plaintiff's website are **DENIED**;

(4) Motion for summary judgment against copyright infringement claims against Plaintiff's domain name is **GRANTED**;

(5) Defendant's motion to compel full responses to its first set of interrogatories (dkt. # 59) is **GRANTED**;

(6) Within 15 days of the posting of this order, Plaintiff shall produce all materials and provide answers in full detail of Plaintiff's gross sales by month from 2000 to present, tax returns from 2000 to [*23] present, names of current and former employees from 1998 to present, basis for calculation of damages, customer lists, names of confused customers, and all requested information that remains unaddressed. In producing this information, Plaintiff may redact the private information of consumer's credit card accounts as well as redact the social security numbers from Plaintiff's employee personnel files;

(7) A protection order that restricts the use or dissemination of Plaintiff's customer lists, customer account information, and Plaintiff's employee personnel files outside of this litigation is **GRANTED**.

(8) Defendant's request for attorney's fees and costs are **DENIED**.

(9) Defendant's request for trial continuance is **GRANTED**. The Clerk shall strike deadlines established in the Court's briefing schedule to allow time for further discovery in accordance with this order. New trial dates shall be selected.

DATED this 15th day of July, 2005

FRANKLIN D. BURGESS

UNITED STATES DISTRICT JUDGE