

LITIGATORS CORNER: What's Wrong With Protective Orders? PART 1



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Protective orders don't protect. They obscure, delay, prevent and frustrate. They increase expense. They are a tool of abuse, not to mention a fine example of turgid, foggy legal prose. The modern protective order is often a sword, or maybe a rocket-propelled grenade, rather than a shield. The sooner our justice system realizes it, the better off we will be. And, if district judges ever catch on to the benefits of appropriately limited protective orders, it may amaze them how many cases get settled or go to private arbitration.

The modern protective order is often a way to stick it to a plaintiff who does not have lots of money to burn. Cagy defendants try to use these orders to block a plaintiff from access to discovery, forcing the plaintiff — whose resources may already be limited — to spend scarce funds on an outside expert retained to do work the plaintiff himself could do, at least in part.

In one of our cases, the defendant, a company in the scanner radio industry, sought to exclude our client from access to confidential information needed to prove infringement. The defendant would only permit access if our client agreed not to consult for any company making ham or marine radios, which both receive and transmit. The subject of the suit, however, was scanner radios, which only receive. The defendant sought protection broader than was necessary. As you can well imagine, this broad protective order could have severely limited our client's ability to find any work at all. We asked for a list of competitors. The defendant came back with a list of their purported competitors, including one company that was out of business. Some competitor. Our client then offered not to work for any of the defendant's real competitors in the area of scanner radios. After this, the defendant's proposal became even more onerous: it said he had to agree not to do any work of any kind for any of the competitors. We had to move for entry of an order that complied with 7th Circuit law.

You get the drift. Our client could only see confidential information concerning the suit if he agreed never to work for anybody, in any capacity, concerning any kind of radio equipment. The proposal was unreasonable. It was, in effect, a covenant not to compete with an unspecified scope and an indefinite duration. You know what courts think of those. They are unenforceable, because such covenants are grossly unfair.

The effort to exclude the plaintiff was pointless for another reason, as well. The technology was specialized. Our client was an expert in scanner radios, and particularly in how to make scanner radios scan faster. By not allowing him to see certain information, the defendant was trying to force us to retain an outside expert. But where would we have looked for such an expert? Well, naturally, in the scanner radio industry. It may well have been impossible to find an expert who did not have a conflict. Our client, who had been independent for many

years, was a safer bet for the defendant, even though it could not see that. He was a litigant, and thus under better control by the court. He had not been employed by any of the companies identified by the defendant. But the defendant's goal wasn't efficiency or fairness; it was instead to use the protective order to win the case. If you must agree to rubbish like this, at least preserve your objection to it; sign it: "Approved as to form, but not substance."

Excessively restrictive protective orders unfairly deny litigants the right to make meaningful decisions about their own cases. In a case we lost, everyone but the plaintiff could see the testimony that led to a summary judgment of non-infringement. Why should a plaintiff be required to risk his property while he is blindfolded? You might as well go to Las Vegas and throw dice at the craps table with a bag over your head.

Many, too many, protective orders are abusive in another way. They allow classification of information as confidential on the whim of a party. In one of our cases, the defendant proposed a protective order that allowed materials to be made confidential if they "might be of value to a party." That is meaningless. The better rule is to require good cause. In our circuit, *Citizens First Nat'l Bank of Princeton v. Cincinnati Ins. Co.*, 178 F.3d 943 (7th Cir. 1999) prohibits what Judge Posner called a "seal whatever you want" protective order, and cites any number of cases from the Supreme Court and elsewhere requiring good cause.

Another protective order I saw was nine pages long, and refers to "confidential" or "attorneys' eyes only" information. But the order forgets to describe what is confidential; it simply says that anything that a party believes is confidential or proprietary may be placed into either category. In other words, it is confidential because it is confidential. An order like that can be used to prevent your client from seeing just about anything the other side doesn't want him to see.

Make sure you have a requirement of "good cause" in any protective order you agree to. Then, if the producing party is careless or deliberately classifies non-confidential information as confidential, you will have a way to fight it. The South Carolina district court has taken good cause seriously. Local Rule 5.03 says:

A party seeking to file documents under seal shall file and serve a "Motion to Seal" accompanied by a

memorandum. See Local Civil Rule 7.04. The memorandum shall: (1) identify, with specificity, the documents or portions thereof for which sealing is requested; (2) state the reasons why sealing is necessary; (3) explain (for each document or group of documents) why less drastic alternatives to sealing will not afford adequate protection; and (4) address the factors governing sealing of documents reflected in controlling case law. E.g., *Ashcroft v. Conoco, Inc.*, 218 F.3d 288 (4th Cir.2000); and *In re Knight Publishing Co.*, 743 F.2d 231 (4th Cir. 1984). A non-confidential descriptive index of the documents at issue shall be attached to the motion.

A separately sealed attachment labeled "Confidential Information to be Submitted to Court in Connection with Motion to Seal" shall be submitted with the motion. This attachment shall contain the documents at issue for the Court's *in camera* review and shall not be filed. The Court's docket

shall reflect that the motion and memorandum were filed and were supported by a sealed attachment submitted for *in camera* review.

The Clerk shall provide public notice of the Motion to Seal in the manner directed by the Court. Absent direction to the contrary, this may be accomplished by docketing the motion in a manner that discloses its nature as a motion to seal.

Citizens and other cases base their reasoning on public access to court proceedings and records, especially those documents that are filed with the court or used at trial. The South Carolina Local Rule I quoted above also prohibits the filing of settlement agreements under seal. See Local Rule 5.03. The concern was that the public would be unable to learn about dangerous products or threats to health. But one wacky protective order I have seen is reminiscent of the Star Chamber with this goofy provision about conducting proceedings in secret:

By their signatures to this Stipulation and Protective Order, counsel of record for the parties hereby consent to and agree not to object to a request by any other Party for such in camera proceedings in chambers or conducting proceedings closed to the general public with respect to such confidential information.

Where did these lawyers go to school? This provision is absurd. Don't agree to anything like this.

We'll come back to this topic with a few more thoughts next month. The first lesson here is that protective orders should protect legitimate rights, not distort the substance of the case, or its outcome. A protective order should not be used to conceal documents that aren't truly confidential, and should be written in clear and simple language so it can be easily understood and obeyed. Above all, it is not right to use an order simply to exclude a party from knowledge to impact that party's ability to conduct the case. **IP**

CAS INTRODUCES SCIENCE IPSM – THE ON-DEMAND SEARCH SERVICE FOR SCIENTIFIC AND TECHNICAL INFORMATION

Chemical Abstracts Service (CAS) has launched a new service, **Science IP** (www.ScienceIP.org), building upon CAS' greater than twenty-year commitment to providing personalized search services to the patenting community. The announcement was made to coincide with the American Bar Association's annual meeting being held this week in San Francisco.

Science IP will meet the needs of information professionals, attorneys, and others in the patenting and research and development communities who do not have the time, staff or expertise to meet their current scientific information retrieval needs. CAS creates and distributes the largest and most prestigious databases in chemistry and houses the world's largest collection of substance information; *Science IP* researchers have a unique combination of scientific expertise and online database experience.

Science IP reports will support decisions such as prior art/patentability for the prosecution of new patents, freedom-to-practice/operate for new and existing technologies, and patent validity for infringement litigation. In addition to employing industry experts in patents and scientific searching and retrieval as researchers, *Science IP* will also draw upon a team of CAS scientists with in-depth knowledge of specialized areas, including Markush chemical structures, nucleic and amino acid sequences, polymers, molecular biology and genetics, material sciences, medical devices, and pharmaceuticals. These experts ensure that searches are conducted with the benefit of the greatest possible technical knowledge.

"The value and importance of intellectual property to business decision making has been on the rise. For nearly 100 years CAS has been the resource of record for chemical and related scientific patents. With *Science IP*, we are adding the human element to the equation: our search professionals will provide direct, rapid assistance to the patenting community," said CAS Director Robert J. Massie.

According to Dr. Michael W. Dennis, Director of Planning and Development, "The desirability of a new on-demand search service that draws upon the expertise of CAS scientists was apparent, considering the growth in new patent applications and the demand for additional resources to supply the needs of the R&D and patenting communities. This is especially true in regard to discovering relevant prior art."

CAS identifies its technical advisory team of CAS scientists as a clear advantage of *Science IP*. These *Science IP* advisors are experts in their respective fields who, as part of their CAS responsibilities, are constantly immersed in the patents and literature of their particular subject area. The collective experience of these individuals is available to assist the research staff in preparing the most comprehensive search strategies possible.

Customers of CAS over the years expressed their satisfaction with the information and support they have received for individualized search requests:

"I have used CAS's search service for about eight years. When I've described my need for information, they have been adept at formulating a responsive search query," said Shawn P. Foley, Esq., Partner at Lerner, David, Littenberg, Krumholz and Mentlik. "I have also been impressed with their insightful, prompt and courteous service."

Science IP can assist organizations with a variety of different searching needs in the field of scientific intellectual property protection. Services run the gamut from a relatively simple literature search for prior art to more involved projects that support attorneys writing patentability, freedom-to-practice/operate and validity opinions.

CAS, a division of the American Chemical Society, is an organization of scientists creating and delivering the most complete and effective digital information environment for scientific research and discovery. CAS provides pathways to published research in the world's journal and patent literature—virtually everything relevant to chemistry plus a wealth of information in the life sciences and a wide range of other scientific disciplines—back to the beginning of the twentieth century. CAS publishes the print version of Chemical Abstracts (CA), related publications and CD-ROM services; operates the CAS Chemical Registry; produces a family of online databases; and offers the SciFinder desktop research tool. CAS operates STN International, a network of scientific and technical databases, in association with FIZ Karlsruhe in Germany and the Japan Science and Technology Corporation. The CAS Web site is at <http://www.cas.org>.