

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

INVISTA NORTH AMERICA S.À.R.L.,)
and AURIGA POLYMERS INC.,)
Plaintiffs)

v.)

Civil Action No. 11-1007-SLR-CJB

M&G USA CORPORATION and)
M&G POLYMERS USA, LLC,)
Defendants.)

MEMORANDUM ORDER

In a discovery-related motion (“motion”) (D.I. 194), Plaintiff INVISTA North America S.à.r.l. (“INVISTA”) requests that the Court: (1) allow its Italian counsel access to confidential documents produced in this litigation; and (2) allow its Italian counsel to disclose in two pending Italian actions twelve documents produced in this case by Defendants M&G USA Corporation and M&G Polymers USA, LLC (“M&G” or “Defendants”). For the reasons set forth below, the Court GRANTS the motion on both grounds.

I. BACKGROUND

INVISTA and M&G (as well as their respective corporate affiliates and related entities) are currently engaged in intellectual property litigation on various fronts around the world. In addition to the instant case, as well as an infringement action brought by INVISTA in the German courts and an opposition proceeding filed by M&G in the European Patent Office (“EPO”), M&G Polimeri Italia S.p.A (“M&G Polimeri”), a corporate affiliate of the M&G entities in this case, has also recently filed two civil actions against INVISTA’s foreign affiliate,

INVISTA Technologies S.à.r.l.,¹ in the Court of Milan: (1) a writ of summons; and (2) an expedited application for interim relief and motion for preliminary injunction. (D.I. 215, ex. A at ¶ 2) The issues in both of these Italian actions are similar; in both, M&G Polimeri has alleged that its PoliProtect products do not infringe European Patent No. 1 663 630 (the “EP Patent”). (D.I. 215 at 1 & ex. A at ¶ 2) The EP Patent is the European counterpart patent to United States Patent Nos. 7,919,159 and 7,943,216, which INVISTA have asserted against Defendants in this case. (*Id.*)

On February 6, 2013, INVISTA filed the instant motion, seeking a hearing to resolve a discovery dispute between the parties as to the two requests set out above. (D.I. 194) The Court held a hearing on February 27, 2013, (D.I. 239 (hereinafter, “Tr.”)), to address the instant motion, two additional discovery-related motions that had recently been filed by M&G, and a fourth dispute that had arisen between the parties as to redactions to certain sealed documents. (D.I. 170, 179, 218)

II. STANDARD OF REVIEW

Modification of the terms of a protective order is appropriate if the moving party demonstrates “good cause” for the modification. *Pansy v. Borough of Stroudsburg*, 23 F.3d 772, 790 (3d Cir. 1994).² Courts have discretionary authority to modify a stipulated protective order.

¹ For purposes of this Memorandum Order, the Court will also refer to INVISTA Technologies S.à.r.l. as “INVISTA.”

² The *Pansy* Court outlined a series of non-exhaustive factors that may be considered in evaluating whether “good cause” exists, including: (1) whether disclosure will violate any privacy interests; (2) whether the information is being sought for a legitimate purpose; (3) whether disclosure will cause embarrassment to a party; (4) whether the information to be disclosed is important to public health and safety; (5) whether sharing the information among litigants will promote fairness and efficiency; (6) whether the party benefitting from the

Apeldyn Corp. v. AU Optronics Corp., Civ. No. 08-568-SLR, 2012 WL 2366537, at *1 (D. Del. June 20, 2012).

III. DISCUSSION

A. Allowing Italian Counsel Access to Confidential Documents

The first issue relates to whether the Court should, pursuant to paragraph 5 of the Protective Order, permit INVISTA's Italian counsel to have access to documents designated as "CONFIDENTIAL INFORMATION" or "HIGHLY CONFIDENTIAL —ATTORNEYS' EYES ONLY INFORMATION" ("confidential materials") in this case. (D.I. 63 at ¶¶ 1, 5) To that end, INVISTA notes that the Court has previously ruled that INVISTA's German counsel in the German infringement action may have access to M&G's confidential documents. (D.I. 215 at 1-2) It also notes that the parties have jointly agreed that M&G's counsel in the EPO proceeding should similarly be granted access to INVISTA's confidential documents. (*Id.*) It points out that if the Court ordered that its Italian counsel be afforded access to such documents, the Protective Order would require that these attorneys sign an Acknowledgment indicating that, *inter alia*, they will not disclose, disseminate or use the documents for purposes other than in the instant United States litigation (i.e., that the documents could not be utilized in the Italian proceedings). (*Id.* at 2; D.I. 63 at ¶¶ 4-6) And it asserts that considerations of efficiency, conservation of resources and coordination of global litigation strategy among outside counsel warrant such discovery sharing. (*Id.* at 2)

The Court finds that INVISTA has met its burden to demonstrate "good cause." In

order is a public entity or official; (7) whether the case involves issues important to the public and (8) the parties' reliance on the order. 23 F.3d at 787-91. The Court will incorporate those factors relevant to this case in its analysis of the issues below.

making this finding, the Court acknowledges the real concern that Defendants have in ensuring that there are limits on how documents designated as confidential pursuant to the Protective Order may be shared with entities or persons related to INVISTA. However, the Court also notes that under INVISTA's proposal, the persons to whom such access would be provided are limited (including only certain attorneys at the Italian law firm representing INVISTA's affiliate). Moreover, the reason for the proposed disclosure is both legitimate and one that would promote efficiency—it is meant to allow INVISTA to obtain informed and coordinated legal advice both from its counsel in this case, as well as from the counsel that it and its affiliates have hired in related litigation involving the foreign counterpart to patents-at-issue in this case. (Tr. at 8); *see Abbott GmbH & Co., KG v. Centocor Ortho Biotech, Inc.*, C.A. No. 09-11340-FDS (D.I. 67), slip op. at 2-4 (D. Mass. July 14, 2010) (issuing Supplemental Protective Order permitting disclosure of confidential information produced in United States litigation to counsel for parties and their affiliates in Canadian litigation involving a related Canadian patent, as disclosure “would not . . . be expanded to a significantly larger group of individuals” and “would prevent unnecessary duplication of efforts and wasteful expenditure of resources”); *Infineon Techs. AG v. Green Power Techs. Ltd.*, 247 F.R.D. 1, 3-4 (D.D.C. 2005) (finding good cause to modify protective order to allow sharing of confidential documents with foreign counsel in related foreign litigation between parties, in part because “it is more efficient to permit discovery to be shared in a forum litigating similar issues”); *see also Oracle Corp. v. SAP AG*, No. C-07-01658 PJH (EDL), 2010 WL 545842, at *2 (N.D. Cal. Feb. 12, 2010). Even more importantly, the Protective Order here builds in significant protections to vitiate privacy interests and prevent against the inappropriate disclosure or misuse of such information. To that end, the Protective Order requires that the

confidential materials not be disclosed or used for any purpose other than that related to the instant United States-based litigation. This type of protection cabins the potential for any unduly negative impact of the disclosure on Defendants.

For these reasons, the Court finds that INVISTA has demonstrated good cause to modify the Protective Order and will grant the instant request.

B. Use of Twelve Redacted M&G Documents in the Italian Actions

The second issue relates to whether the Court should, pursuant to paragraph 4(c) of the Protective Order, permit INVISTA to provide its Italian counsel with redacted versions of twelve of Defendants' documents, such that those documents could be utilized in the Italian proceedings.

Here, the Court finds that INVISTA has made a credible argument as to why these twelve documents may be deemed probative to the Italian proceedings (D.I. 215 at 3-4), sufficient to convince the Court that INVISTA does not seek to use the documents for "purposes other than as legitimate to legal actions and proceedings." *Johnson Foils, Inc. v. Huyck Corp.*, 61 F.R.D. 405, 410 (N.D.N.Y. 1973). Additionally, the scope of the request is limited to a small number of documents. This helps to blunt Defendants' argument that INVISTA's true motive is to inappropriately use this United States litigation (and paragraph 4(c) of the Protective Order) primarily in an attempt to gain access to documents for use in the foreign proceeding in a way that flouts foreign discovery rules.³ (D.I. 219 at 1) Moreover, the documents-at-issue have been redacted (at times heavily so), such that even Defendants do not assert that disclosure of any

³ So too does the fact that the Italian actions were filed by M&G's corporate affiliate, not by INVISTA or its affiliates.

portions of the twelve documents-at-issue would make public any proprietary trade secret that could cause significant economic or competitive harm. These facts, along with the other protections available through the Italian court system that can be used to minimize public disclosure of such materials, (D.I. 215 at 4; *id.* at ex. A at ¶ 6), provide further support for allowing the use of the twelve documents. *See Johnson*, 61 F.R.D. at 409 (noting that in considering whether use of such documents in a foreign forum should be allowed, courts do endeavor to give protection to a producing party's "claimed sensitive materials" by "safeguard[ing] confidential information [the disclosure of which would be] harmful to business interests"). In light of these factors, and in light of the general principle that federal courts "allow full use of [such discovery] information" in foreign forums, the law counsels in favor of granting INVISTA's motion. *Id.* at 410; *see also In re Jenoptik AG*, 109 F.3d 721, 723 (Fed. Cir. 1997).

Defendants argue that in deciding this issue, the Court should employ a test utilized to adjudicate motions brought pursuant to 28 U.S.C. § 1782(a) ("Section 1782(a)"), (D.I. 219 at 4), which permits a district court in the jurisdiction where a person resides or is found to order the person to "give his testimony . . . or to produce a document or other thing for use in a proceeding in a foreign or international tribunal." In making this argument, Defendants cite to the decision of this Court in *Via Vadis Controlling GmbH v. Skype, Inc.*, No. Civ. A. 12-MC-193-RGA, 2013 WL 646236 (D. Del. Feb. 21, 2013). (D.I. 219 at 2) As this Court noted in *Via Vadis*, if a district court otherwise has the authority to compel production of evidence under Section 1782(a), it then utilizes its discretion to determine whether to do so by looking primarily at four factors (the "*Intel* factors"): "(1) whether the person from whom discovery is sought is a

participant in the foreign proceeding; (2) the nature of the foreign tribunal, the character of the foreign proceedings, and the receptivity of the foreign government to federal judicial assistance; (3) whether the request conceals an attempt to circumvent foreign proof-gathering restrictions or other policies; and (4) whether the request is unduly intrusive or burdensome.” *Id.* at *1 (citing *Intel Corp. v. Advanced Micro Devices, Inc.*, 542 U.S. 241, 264-65 (2004)).

The instant issue does not involve a Section 1782(a) motion, and some courts have refused to apply the Section 1782(a) factors in situations such as this.⁴ *In re Jenoptik AG*, 109 F.3d at 723; *Oracle Corp.*, 2010 WL 545842, at *2. But even were the Court to assess the four *Intel* factors in resolving this question, those factors would not counsel against permitting the use of the twelve redacted documents at issue.

First, neither of the parties from whom discovery is sought here (M&G USA Corporation and M&G Polymers USA, LLC) are the same entity as that involved in the Italian litigation (M&G Polimeri). In its filings and at oral argument, Defendants emphasized the distinct corporate identity of Defendants from M&G Polimeri. (D.I. 219 at 2 (Defendants noting that “[n]either of the M&G defendants are a party to the Italian proceedings”); Tr. at 30 (Defendants’

⁴ Defendants also assert that application of these same four *Intel* factors should be used in determining the first issue: whether INVISTA’s Italian counsel should be granted access, pursuant to the Protective Order, to confidential documents from this case. (D.I. 219 at 2-3) The Court is not convinced that the *Intel* factors, which are meant to be used to determine whether a party to a United States legal proceeding can be required to provide documents *for use in a foreign tribunal*, are applicable to the question of whether such documents can be reviewed by an opposing side’s foreign attorneys, but *not be used in a foreign legal proceeding*. *Oracle Corp.*, 2010 WL 545842, at *2 (declining to utilize Section 1782(a) factors as to determination of whether court should modify protective order to allow foreign counsel access to certain information). As just one example, the second *Intel* factor, regarding whether the foreign court would consider the evidence at issue, would seem wholly inapt to the question of attorney access to documents that are not to be used in that foreign court. As a result, the Court has not considered these factors in rendering a decision as to the first issue.

counsel stating that M&G Polimeri is not a “common party” to Defendants and was not deemed a document “custodian in this [U.S.-based] case,” such that it “didn’t participate in document review or [in] any of the discovery responses”)) As a result, at least on its face, this factor favors Plaintiff’s motion, as it cannot be argued that INVISTA could simply seek the documents at issue in the Italian proceedings from the same corporate entity that is litigating in the instant United States proceeding.⁵ *Via Vadis*, 2013 WL 646236, at *2 (“when the person from whom discovery is sought is a participant in the foreign proceeding . . . the need for § 1782(a) aid generally is not as apparent as it ordinarily is when evidence is sought from a nonparticipant in the matter arising abroad”) (quoting *Intel*, 542 U.S. at 244).

Second, as to the receptivity of the foreign government to federal judicial assistance, Defendants do not directly argue that a foreign court would not consider the evidence at issue. *Via Vadis*, 2013 WL 646236, at *2 (noting that the test pursuant to this factor is whether a foreign court “would consider” the evidence). Instead, they point to a Declaration of their Italian counsel, which concludes that the documents are “speculative” and asserts that, in and of themselves, the documents would not “disclose the required elements of the EP [] Patent for a finding of patent infringement in Italy.” (D.I. at 221 at ¶ 13; *see also* D.I. 219 at 4). Yet that assertion is far from a claim that the documents would not be utilized by an Italian court or could not be deemed in some way probative of the infringement issues at play in the Italian litigation—especially in light of INVISTA’s particularized arguments as to why the documents

⁵ The impact of this factor may be muted a bit, depending on the nature of the corporate relationship between M&G Polimeri and Defendants and how closely connected these entities are. There is little information about the exact nature of that connection before the Court, however.

are probative in that way. (D.I. 215 at 3-4) This factor thus favors disclosure.

The third *Intel* factor is whether the request conceals an attempt to circumvent foreign proof-gathering restrictions or other policies. On the one hand, in the Section 1782(a) context, district courts may compel discovery even of materials that could not be discovered in foreign jurisdictions. *Via Vadis*, 2013 WL 646236, at *2; *see also Intel*, 542 U.S. at 261 (“A foreign nation may limit discovery within its domain for reasons peculiar to its own legal practices, culture, or traditions—reasons that do not necessarily signal objection to aid from United States federal courts.”). Thus, the Third Circuit and other courts have asked whether a foreign court has denied the moving party access to the documents at issue, in determining whether the instant request amounts to an “attempt to circumvent” a foreign court’s rules. *In re Chevron Corp.*, 633 F.3d 153, 163 (3d Cir. 2011) (noting that without a showing that the foreign tribunal had denied the moving party access to these same documents, it would “be a stretch to conclude that” the request for documents in a Section 1782(a) proceeding was an attempt to circumvent foreign restrictions that would be “somehow [] offensive” to the foreign court); *see also Infineon*, 247 F.R.D. at 4. And here, there is no suggestion that the Italian courts have denied INVISTA access to the same documents that it now seeks through this motion. On the other hand, if M&G Polimeri does in fact possess the twelve documents at issue (although it is a separate entity from Defendants, Defendants appear to suggest that M&G Polimeri does possess the documents) and if it would be possible to obtain these same documents from M&G Polimeri in the Italian proceedings (Defendants suggest that it would, though perhaps only after significant effort), then one could argue that by obtaining an order in this case to use the documents in the Italian proceedings, INVISTA would be “overcom[ing] the [discovery] rules and procedures of the

[Italian] courts.” *Via Vadis*, 2013 WL 646236, at *2. In the end, without a greater showing that allowing such use would offend principles of international comity, this factor is (for Defendants) at best neutral.

The fourth factor is whether the request is unduly intrusive or burdensome to Defendants. At oral argument, Defendants’ counsel seemed to acknowledge that it would be difficult to argue that the use of only twelve (at times, heavily redacted) documents amounted to such an intrusion. (Tr. at 33 (“12 documents, how intrusive is it? You know, there is maybe not much of an argument for that. I’ve got to agree with that.”)) The Court agrees. Were the scope of the request different, or were there a supportable claim that the disclosure of these materials would cause significant competitive disadvantage to Defendants, this analysis might be different.⁶

For all of these reasons, the Court finds that INVISTA has demonstrated good cause for why it should be permitted, pursuant to Paragraph 4(c) of the Protective Order, to disclose the twelve documents at issue to its Italian counsel for use in the Italian proceedings.

IV. CONCLUSION

For the reasons set forth above, INVISTA’s motion (D.I. 194) is GRANTED.

Because this Memorandum Order may contain confidential information, it has been

⁶ In *Via Vadis*, this factor counseled against allowing disclosure of the materials, in that the materials at issue there: (1) constituted defendant’s source code and related technical documents, which this Court found to be “the most sensitive and confidential property of [defendant]”; and (2) in an underlying protective order in the case, both parties had specifically agreed that these materials-at-issue would be prohibited from disclosure in the very foreign proceedings in which plaintiff now sought their use via the Section 1782(a) motion. *Via Vadis*, 2013 WL 646236, at *3. Here, there is no assertion that the documents-at-issue (especially after being redacted to eliminate reference to arguable trade secrets of Defendants) are at all similar to the source code at issue in *Via Vadis*, nor does the Protective Order in this case contain language forbidding the use of such materials in foreign proceedings.

released under seal, pending review by the parties to allow them to submit a single, jointly proposed, redacted version (if necessary) of the Memorandum Order. Any such redacted version shall be submitted no later than **April 2, 2013** for review by the Court. The Court will subsequently issue a publicly-available version of its Memorandum Order.

Dated: March 28, 2013



Christopher J. Burke
UNITED STATES MAGISTRATE JUDGE