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IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

ROBERT R. DI IROLIO
CLERK, U.S. DIST. CT.
W.D. OF TN, MEMPHIS

BARRY FIALA, INC.,)	
)	
Plaintiff,)	
)	
v.)	
)	02 CV 2167 M1/P
CARD USA, INC.,)	
)	
Defendant.)	

ORDER GRANTING IN PART AND DENYING IN PART PLAINTIFF'S MOTION TO REMOVE THE DESIGNATION OF "CONFIDENTIAL" OR "CONFIDENTIAL-ATTORNEY EYES ONLY" FROM CERTAIN CARD USA, INC. DOCUMENTS

Before the Court is Plaintiff's Motion to Remove the Designation "Confidential" or "Confidential-Attorney Eyes Only" From Certain Card USA, Inc. Documents, filed on January 16, 2004 (docket entry 218). In his motion, Plaintiff asks the Court to remove the designations attached by Defendant Card USA, Inc. to documents produced by Defendant during discovery. The documents at issue - which total over 10,000 pages - fall into one of two broad categories: (1) documents and Compact Disks (CDs) that depict graphics and textual matter ("graphics materials") printed on Defendant's point-of-sale activated products ("POSA"); and (2) documents that contain pricing, financial, customer and supplier information relating to Defendant's POSA products. Plaintiff argues that the majority of the documents do not contain any

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confidential information, and therefore do not qualify as "Confidential Materials" as defined in the stipulated protective order entered by the Court ("Protective Order"). Plaintiff suggests that all the designations be removed from the documents, and that to the extent any particular document may contain confidential information, the confidential portions can be redacted.

On February 4, 2004, Defendant filed its response to the motion. Defendant argues that the documents produced do in fact contain confidential business information, such as pricing, customer, supplier and sub-contractor information, and that Defendant would be harmed if that information is disclosed to Plaintiff (one of Defendant's "biggest competitors"). Defendant also argues that the task of reviewing over 10,000 pages of documents to determine which information is confidential and which information can be disclosed to Plaintiff would be unduly burdensome to Defendant.

The motion was referred to the United States Magistrate Judge for determination. On March 3, 2004, this Court held a hearing on the motion. Counsel for all parties were present either in person or by telephone. During the hearing, the parties agreed that, with the exception of the graphics materials, Defendant would review the 10,000 plus pages of documents in question and (1) redact certain information, such as terms and conditions, points of contact for

customers and suppliers, and pricing information; and (2) either redesignate the documents as "Confidential" if appropriate, or remove the designations completely. This process was to be completed by no later than April 15, 2004.¹ The issues relating to the graphics materials was taken under advisement. For the reasons below, Plaintiff's motion to remove the designations is granted in part and denied in part.

Paragraph 1 of the Protective Order provides, in part, as follows: "This Protective Order shall apply to all information, documents, and things . . . that contain trade secrets or other confidential research, technical information, marketing plans and strategies, . . . development and/or commercial information within the meaning of Rule 26(c)" Paragraph 3 of the Protective Order, however, states that:

Only information which by statute is confidential or which is or was (a) regularly maintained in a manner designed to assure confidentiality; (b) not intentionally disclosed to the public; (c) neither included in nor the basis of matter intentionally disclosed to the public; (d) intended to or of the nature that would regularly be held in confidence; and (e) delivered or conveyed in a manner to ensure that it would be held in confidence shall be deemed to be Confidential Materials.

Plaintiff argues that the graphics materials produced by Defendant do not qualify as Confidential Materials under the

¹The Court subsequently held a telephone conference with the parties on May 17, 2004, and the parties informed the Court that the redaction and redesignation process has been completed. Thus, Plaintiff's motion with respect to these non-graphics materials is denied as moot.

Protective Order because the information contained in the graphics materials was eventually disclosed to the public in the form of pre-paid telephone calling cards sold to the public. The Court, after reviewing the exhibits of samples of the graphics materials attached to Plaintiff's motion, agrees with Plaintiff. Plaintiff's motion to remove the designation of "Confidential" and "Confidential-Attorney Eyes Only" to the graphics materials is granted.

At the March 3 hearing, Defendant stated it did not dispute that the majority of the graphics materials should have their designations removed. Defendant contended, however, that the signatures of employees who approved the graphics materials should be redacted, and that the "vector images" on the CDs should remain "Confidential-Attorney Eyes Only."² With respect to the approval signatures, the Court concludes that Defendant has not sufficiently demonstrated that the identities of the employees who approved the graphics materials qualify as "Confidential Materials" under the Protective Order. See Allen v. Howmedica Leibinger, Gmhh, 190 F.R.D. 518, 525 (W.D. Tenn. 1999). Specifically, the identities of

²In its two responses filed with the Court, Defendant made no mention of the vector images. At the March 3 hearing, Defendant explained for the first time that the vector images are computerized designs of the pre-paid calling cards, which can be used by Plaintiff or anyone else who has access to the CD to manipulate the calling card image or create their own calling card using the vector image. Other than Defendant's description at the March 3 hearing, the Court has received no other information about these images.

these employees do not fall within trade secrets, confidential research, technical information, or any other category of Confidential Materials defined in the Protective Order.

With respect to the vector images of the calling cards on the CDs, the Court finds that, based on the information before the Court, the vector images on the CDs deserve protection from disclosure to the public (the "Confidential" designation), but are not entitled to the heightened "Confidential-Attorney Eyes Only" designation. In other words, Plaintiff may review the images of the POSA products on the CDs with Plaintiff's counsel as part of this litigation, but the CDs shall not be disclosed to anyone other than those persons authorized under the Protective Order. As discussed above, copies of the graphics materials printed from the CDs, such as those attached as Exhibit E to Plaintiff's motion, are not Confidential Materials.³

³On February 12, 2004, Plaintiff filed a reply to Defendant's response, asking the Court to impose sanctions against Defendant for its apparent failure to make a good faith review of the documents prior to giving the documents protected status designations under the Protective Order (docket entry 238). On February 26, 2004, Defendants filed an objection to Plaintiff's motion for sanctions, and asked that the Court impose sanctions against Plaintiff for failing to make a good faith effort to resolve the discovery dispute with Defendant before seeking court intervention (docket entry 251). Given the resolution reached by the parties at the March 3 hearing, and that Defendant as part of that resolution agreed to review the documents and incur the expenses associated with the redaction and redesignation process, Plaintiff's and Defendant's motions for sanctions is denied.

IT IS SO ORDERED.



TU M. PHAM
United States Magistrate Judge

5/18/04
Date



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US DISTRICT COURT