

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

Polaris Industries Inc.,

Plaintiff,

v.

CFMOTO Powersports, Inc., CFMOTO
America, Inc., John T. O'Mara & Angela
M. O'Mara, d/b/a Quad Central
MotorSports, and Leo's Kawasaki Sales
South, Inc.,

Defendants.

Case No. 10-cv-4362 (JNE/HB)

ORDER

Dennis C. Bremer, Alan G. Carlson, Samuel T. Lockner, and William Bullard, Carlson Caspers Vandenburg Lindquist & Schuman PA, 225 South Sixth Street, Suite 4200, Minneapolis, MN 55402, for Plaintiff.

Boris Parker and Nicholas M. Wenner, Parker & Wenner, 100 South Fifth Street, 2100 Fifth Street Towers, Minneapolis, MN 55402; Jeffrey D. Shewchuk, Shewchuk IP Services, LLC, 3356 Sherman Court, Suite 102, Eagan, MN 55121, for Defendants.

HILDY BOWBEER, United States Magistrate Judge

I. Introduction

This matter is before the Court on Plaintiff's Motion for Protective Order Concerning Topic 7 of Defendants' Notice of Rule 30(b)(6) Deposition [Doc. No. 204], which was heard on April 17, 2015. For the reasons set forth below, the Court grants Plaintiff's motion.

II. Background

A little over a year ago, on March 15, 2014, Defendants served their Second Amended Prior Art/Invalidity Claim Chart. (Defs.' Second Am. Prior Art/Invalidity Claim Chart, Shewchuk Decl. Exs. 1a, 1b, 1c, 1d [Doc. Nos. 211-1, 211-2, 211-3, 211-4].) Pertinent to this motion, it identified six vehicles: the Lancia Delta S4, the Yamaha Rhino, the Schwimmwagen, the 2004 Polaris Vista, the XR311 (nicknamed "G.I. Hotrod"), and the Baja Boot, which Defendants contend are invalidating prior art to Plaintiff's patents, and it cited a number of exhibits in connection with each. (*Id.*) Plaintiff served its responsive Amended Prior Art Statement on May 5, 2014. (Pl.'s Am. Prior Art Statement, Shewchuk Decl. Exs. 2a, 2b, 2c, 2d [Doc. Nos. 211-5, 211-6, 211-7, 211-8].) Among other things, Plaintiff's prior art statement objected that "CFMOTO has not established that all of the evidence or references it is relying on are prior art." (Shewchuk Decl. Ex. 2a at 4 [Doc. No. 211-5].)

The record does not reflect any subsequent correspondence, written discovery, or motion practice directed to the adequacy or specificity of either party's prior art statement until January 28, 2015, when Defendants served a Rule 30(b)(6) deposition notice seeking corporate testimony about "[a]ny evidence or facts which Polaris contends supports an argument that any document or evidence cited in Defendants' Prior Art Statement is not prior art to the '220 patent." (Notice 30(b)(6) Dep., Kohlhepp Decl. Ex. 1 ¶ 7 [Doc. No. 207-1].) On February 19, 2015, Polaris served its objections to the notice, stating with respect to Topic 7:

Polaris objects to this Topic to the extent it seeks testimony more appropriate for expert analysis or testimony or relating to a legal term of art or conclusion. Polaris further objects to this Topic as seeking a legal conclusion and expert testimony as to terms recited in the asserted claims, and as premature in that the Court has not construed the asserted claims of the asserted patents.

Polaris further objects to this Topic as being overly broad and unduly burdensome and seeking discovery beyond the scope permitted by the Federal Rules of Civil Procedure to the extent that it seeks discovery that is unreasonably cumulative or duplicative of other discovery. Polaris objects to this Topic as it would be more appropriately fashioned as a contention interrogatory and as it is premature. Polaris objects to this Topic as improperly shifting the Defendants' burden of establishing a reference constitutes prior art to the patents-in-suit. Polaris further objects to this request to the extent that it purports to put any obligation on Polaris to conduct any investigation associated with third parties or with documents produced by third parties or in the possession, custody, or control of third parties. Polaris will not perform such an investigation.

(Pl.'s Resp. and Objections, Kohlhepp Decl. Ex. 3 at 9-10 [Doc. No. 207-3].) Defendants did not respond to Plaintiff's objections, and neither party sought to meet and confer on the matter before the deposition. (Pl.'s Mem. at 3 [Doc. No. 206].) As a result, the deposition was underway on February 25, 2015, when Defendants stated their intent to question Plaintiff's witness on Topic 7. (*Id.*) Plaintiff's counsel responded that the witness could testify in his personal capacity about prior art, but not on behalf of the company. (*Id.*) Defense counsel was not willing to be limited in that respect, and the parties reached an impasse on this issue. (*Id.*)

Plaintiff subsequently asked Defendants whether they could identify specific documents or evidence in Defendants' prior art statement as to which Plaintiff's dispute of their prior art status particularly concerned Defendants. (Emails Dated Mar. 21, 2015, and Mar. 26, 2015, Kohlhepp Decl. Ex. 4 [Doc. No. 207-4].) Defense counsel declined

to identify specific documents or evidence, and reiterated his belief that Defendants were entitled to a corporate witness on Topic 7 as stated. (*Id.*) This motion followed.

III. Discussion

A. Standard of Review

Federal Rule of Civil Procedure 26(c) grants the court broad discretion to decide when a protective order is appropriate, and what degree of protection is necessary. *May Coating Tech., Inc. v. Illinois Tool Works*, 157 F.R.D. 55, 57 (D. Minn. 1994) (citations omitted). “The requirement that good cause be shown, however, still must be met by the party seeking the protective order.” *Id.* Good cause exists when justice requires the protection of “a party or person from annoyance, embarrassment, oppression, or undue burden or expense.” Fed. R. Civ. P. 26(c). “The party seeking the order . . . bears the burden of establishing the requisite ‘good cause.’” *Northbrook Digital, LLC v. Vendio Servs.*, 625 F. Supp. 2d 728, 734 (D. Minn. 2008). When determining whether to issue a protective order, courts use a balancing test to determine whether good cause exists, weighing the moving party’s potential burden against the opposing party’s interest in the discovery at issue. *Brosdahl-Nielsen v. Walden Automotive Group, Inc.*, No. 04-cv-1363 (JMR/JSM), 2004 WL 6040018, at *2 (D. Minn. Nov. 24, 2004).

B. Plaintiff’s Motion

Plaintiff argues it is entitled to a protective order prohibiting Defendants from seeking testimony on Topic 7, because: (1) Topic 7 is unduly burdensome; (2) it is Defendants’ burden, not Plaintiff’s, to prove that the asserted references are prior art; (3) Topic 7 improperly seeks to depose a corporate witness about legal conclusions; and

(4) Defendants could have sought the information in Topic 7 through less burdensome means. (Pl.'s Mem. at 6-9.)

Defendants respond that they need to elicit testimony from a corporate representative on this issue because Plaintiff did not fully disclose its prior art position in its prior art statement. (Defs.' Br. at 9-10 [Doc. No. 210].) Defendants argue that while their own prior art statement sets forth "how the various claims of the patents-in-suit are invalid over six primary prior art vehicles," Plaintiff's prior art statement "did not provide its position on why any of these six vehicles are not prior art." (*Id.* at 2-3.) They contend, therefore, that: (1) Topic 7 was necessary to assure they were not "sandbagged" by Plaintiff in discovery, only to be faced with previously undisclosed evidence or arguments at trial; (2) preparing a witness to testify to evidence and facts on this topic in Plaintiff's possession is not "extraordinarily burdensome"; (3) serving "another" contention interrogatory or request for admission would have been pointless, because the Court's scheduling order was "essentially a court-ordered interrogatory and request for admission" requiring Plaintiff to set forth its prior art position; and (4) the fact that Plaintiff may not have a burden to conduct prior art research is "beside the point" because the topic simply asked for that information already in Plaintiff's possession.¹ (*Id.* at 5-9.)

¹ The parties also disagree about who had the burden to bring the issue to a head before the deposition. Plaintiff argues that if Defendants disputed the objection to Topic 7, they should have prompted a meet and confer with Plaintiff before the deposition. (Pl.'s Mem. at 5-6.) Defendants counter that no rule required Defendants to resolve every objection before taking the deposition, and Plaintiff's objection did not clearly state that it would refuse to provide a witness on this topic altogether. (Defs.' Br. at 7.) While the Court believes the better practice for both sides would have been to meet and confer before the deposition, the Court will address the dispute on the merits rather than

Defendants also complain that Plaintiff's prior art statement improperly attempts to condition disclosure of its full invalidity position on Defendants first demonstrating that a particular piece of art is in fact prior art. For example, they note Plaintiff's statement that

Defendants have failed to show that all of the references regarding the [prior art vehicle cited by Defendants] qualify as prior art. Polaris makes its statements in this Claim Chart regarding the [vehicle] only to the extent that one or more of the [vehicle] references qualifies as prior art.

(Defs.' Br. at 3.) They also complain that Polaris "flatly refused to respond" to Defendants' prior art allegations with regard to the 2004 Vista (*id.* at 4), apparently a reference to Plaintiff's statement in its prior art statement that because the 2004 Vista "does not qualify as prior art . . . Polaris will not address such vehicle in this Claim Chart. Polaris will supplement this Claim Chart to address the Vista vehicle in the event Defendants persuade the Court that it qualifies as prior art, and identify the differences between such vehicle and the claims of the '220 patent" (Pl.'s Am. Prior Art Statement, Shewchuk Decl. Ex. 2b at 3 [Doc. No. 211-6]).

Plaintiff, however, notes that Defendants' own prior art statement did not sufficiently explain what the references showed or how they invalidated the asserted claims. As a result, Plaintiff argues, it could not reasonably be expected to rebut Defendants' interpretation or explain how those references failed to invalidate Plaintiff's

conclude that either side "waived" its right to relief by failing to seek a resolution before the deposition.

claims. (Pl.'s Am. Prior Art Statement, Shewchuk Decl. Ex. 2a at 2-3 [Doc. No. 211-5]; *see* Pl.'s Mem. at 8.)

But the instant motion does not concern the adequacy of either Defendants' or Plaintiff's prior art statements overall. Approximately one year has passed since they were served, and neither party ever moved to compel more specific or complete statements. The only issue before the Court is whether Defendants should have been permitted to seek Rule 30(b)(6) testimony from Plaintiff's corporate witness on the subject of "[a]ny evidence or facts which Polaris contends support an argument that any document or evidence cited in Defendants' Prior Art Statement is not prior art to the '220 patent."

Under the circumstances of this case, the Court agrees with Plaintiff that, even assuming *arguendo* that Plaintiff's prior art statement was deficient, a Rule 30(b)(6) deposition on Topic 7 was not the appropriate mechanism for seeking supplementation. Although the topic calls for "evidence or facts," it is inextricably linked to Plaintiff's contentions and legal analysis about what constitutes "prior art." More, it is intertwined with whether and why a particular document or piece of evidence cited in *Defendants'* prior art statement is or is not prior art. While a Rule 30(b)(6) deposition might, for example, have been appropriate to seek any information within Plaintiff's corporate knowledge about each of the vehicles named in Defendants' prior art statement, Topic 7, as framed, called on Plaintiff's corporate witness to analyze each of the more than fifty references in Defendants' prior art statement (including various YouTube videos, websites, and photographs); understand the legal parameters of what constitutes "prior

art”; and then investigate whether the company knew of “evidence or facts” that would “support an argument” that any of the references was not prior art. Not only would that exercise have been burdensome, but it would essentially have amounted to a spoon-feeding and then disgorgement of attorney and/or expert analysis, which is not within the scope of a corporate representative’s knowledge.² This is particularly true where, as here, only one of the six vehicles that were the subjects of the references identified by Defendants was a Polaris vehicle.³ If that is not the burden Defendants sought to impose with Topic 7, they could have responded to Plaintiff’s objections to disabuse Plaintiff of this understanding and clarify the scope of the topic. Instead, Defendants were silent, suggesting that Plaintiff’s interpretation of the topic was indeed what they sought.

If Defendants were dissatisfied with Plaintiff’s prior art statement or felt vulnerable to the risk of “sandbagging,” they had ample time to use the appropriate tools to allay those concerns – a motion to compel a more complete prior art statement, contention interrogatories, requests for admissions, or requests for production of documents – whether singly or in combination. *See SmithKline*, 2004 WL 739959, at *2 (noting that in some circumstances, a party may resist a Rule 30(b)(6) deposition on the basis that the information sought is more appropriately discoverable through contention

² Courts have noted that a non-attorney witness is typically ill-suited to answer questions that call for a legal position. *See SmithKline Beecham Corp. v. Apotex Corp.*, No. 99-cv-4304, 2004 WL 739959, at *3 (E.D. Pa. Mar. 23, 2004) (concluding that a Rule 30(b)(6) deposition was inappropriate for seeking a plaintiff’s legal position concerning statements in its patents); *Exxon Research and Eng’g*, 44 Fed. Cl. 597, 598 (Fed. Cl. 1999) (holding that contention interrogatories were more appropriate than depositions to inquire about claim construction).

³ Defendants’ counsel acknowledged at the April 17, 2015, hearing that the 2004 Polaris Vista was thoroughly explored in connection with other Rule 30(b)(6) deposition topics.

interrogatories). The Court does not necessarily disagree with Defendants' characterization of the scheduling order's requirements for invalidity and prior art disclosures as "a contention interrogatory/request for admission for both parties directed at prior art relevant to the patents-in-suit." But the comparison does not prove their point. Whether a party is concerned about an incomplete claim chart or prior art statement, or an incomplete interrogatory answer or response to request for admission, the proper response is to first raise the concern with the other party, and then, if necessary, follow up either with motion practice or supplemental discovery requests suitable to the information sought.

For all of these reasons, the Court **GRANTS** Plaintiff's motion. Plaintiff will not be required to provide a corporate witness to testify in response to Topic 7 of Defendants' Notice of Rule 30(b)(6) Deposition. That being said, this motion does not seek a finding, and the Court takes no position, on the adequacy of either party's prior art statement, including Plaintiff's disclosures with respect to the subject matter Defendants sought to explore in Topic 7. The Court reminds both sides that a party who fails to meet its obligations to disclose its positions and contentions on infringement and validity may risk losing the opportunity later to rely on information that was not properly disclosed. *Cf.* Order on Pl.'s Mot. Strike Prior Art Statements and Expert Opinions and Def.'s Mot. Strike Portions of Dane's Expert Report & Quash Subpoena, *Dane Tech., Inc. v. Gatekeeper Sys., Inc.*, No. 12-cv-2730 (ADM/JJK) [Doc. No. 274] (D. Minn. Jan. 20, 2015) (considering whether to strike additional evidence and information in the plaintiff's expert report that defendants argued went beyond what was referenced in the plaintiff's

infringement contention disclosures). “The purpose of defendants’ prior art statements and plaintiffs’ prior art responses is to commit parties to their respective position, to focus discovery efforts, and to thereafter avoid surprise or ambush at trial.” *Bombardier Recreational Prod., Inc. v. Arctic Cat, Inc.*, No. 12-CV-2706 MJD/LIB, 2014 WL 2945877, at *8 (D. Minn. Apr. 28, 2014), *set aside on other grounds*, 2014 WL 2946456 (D. Minn. June 30, 2014). Both parties are advised to ensure that their disclosures meet these goals.

Dated: April 27, 2015

s/ Hildy Bowbeer
HILDY BOWBEER
United States Magistrate Judge