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13 UNITED STATES DISTRICT COURT
14 SOUTHERN DISTRICT OF CALIFORNIA

15 CARY A. JARDIN,)
16)
Plaintiff,)
17)
vs.)
18)
DATALLEGRO, INC. and STUART FROST,)
19)
Defendants.)
20)

No. 3:10-cv-02552-IEG-WVG
PLAINTIFF’S OBJECTION TO
MAGISTRATE JUDGE’S JUNE 27, 2011
MINUTE ORDER AND REQUEST FOR
INDEPENDENT REVIEW

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1 Pursuant to 28 U.S.C. §636(b)(1) and Federal Rule of Civil Procedure 72(a), Plaintiff Cary
2 A. Jardin (“Jardin”) respectfully objects to Magistrate Judge Gallo’s determinations and decisions
3 regarding a modified protective order, *specifically the disqualification of Mr. Jardin’s counsel* from
4 representing him with regard to the preparation of a trade secret statement or a similar disclosure in
5 accordance with California Code of Civil Procedure §2019.210 (“Section 2019.210”). Because these
6 determinations and decisions are conclusions of law based on whether the rule of procedure set forth
7 in Section 2019.210, in whole or in part, can be applied to an action in federal court, they should be
8 reviewed independently by the district court. *Computer Econ., Inc. v. Gartner Grp., Inc.*, 50 F.
9 Supp. 2d 980, 983 (S.D. Cal. 1999).

10 I. INTRODUCTION

11 The central issue in this case is the determination of the proper inventor(s) of the invention
12 claimed in U.S. Patent No. 7,818,349 (the “‘349 Patent”) and, if necessary, the correction of the
13 inventors of the patent under 35 U.S.C. §256. Mr. Jardin submits that, as a review of largely
14 publicly available documents makes clear, he is the inventor of the inventions claimed in the ‘349
15 Patent.

16 Despite the straight-forward legal claim, Defendants DATAlegro, Inc. (“DATAlegro”) and
17 Stuart Frost (“Frost”) (collectively, Defendants”) have confused the issues by injecting spurious and
18 irrelevant claims of trade secrets and have demanded that before Mr. Jardin can pursue his
19 inventorship claim, he must first provide a trade secret statement or similar disclosure in accordance
20 with California state law civil procedure concepts. Defendants have attempted to use this demand as
21 leverage to refuse to agree to any use of protected material from the 2008 case in the 2010 case
22 unless Mr. Jardin agrees to modify the existing protective order to meet their demands.¹

23 Of critical importance, Mr. Jardin has not (and does not) allege that any confidential
24 DATAlegro information will be necessary to prove that he should be added as at least a co-inventor
25 of the ‘349 Patent. Instead, much of the evidence in this case will be found in publically available

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27 ¹ The “2008 case” refers to *Jardin v. DATAlegro, Inc.*, No. 08-CV-1462 (S.D. Cal.). The
28 “2010 case” refers to the instant action.

1 documents, as well as corroborating documents originating from Mr. Jardin (much of which
2 Defendants have already received during the 2008 case). However, Mr. Jardin should not be
3 required to prove his inventorship case prior to the opening of discovery and without assistance of
4 the legal team who has assisted in preparing the complaint, amended complaint, and all other
5 documents in this case.

6 On June 27, 2011, the Honorable Magistrate Judge Gallo made certain findings and rulings
7 during a telephonic discovery hearing (the "Hearing") and issued a subsequent Minute Order (Dkt.
8 No. 50) (the "Order") which: (1) required Mr. Jardin to "either provide a trade secret statement or to
9 respond to a specific interrogatory that seeks the same information" prior to any other discovery; (2)
10 included the drastic remedy of *disqualifying Mr. Jardin's current patent litigation team* from
11 participation in the trade secret statement/special interrogatory; and (3) required that the parties
12 revise an existing protective order (Dkt. No. 77 in the 2008 case) consistent with the findings in the
13 Hearing. See Declaration of Regis C. Worley, Jr. in Support of Plaintiff's Objection to the
14 Magistrate Judge's June 27, 2011 Rulings ("Worley Decl."), Ex. A at 37-40. See also Order. For
15 the reasons below, Mr. Jardin objects to the Order and the findings and rulings of the Hearing to
16 which it refers as erroneous. Pursuant to 28 U.S.C. §636(b)(1) and Federal Rule of Civil Procedure
17 72(a), Plaintiff respectfully objects to the Order and requests an independent review by the District
18 Court to correct the errors. See also *Computer Econ.*, 50 F. Supp. 2d at 983.

19 The primary objection is to whether Mr. Jardin's current counsel should be *disqualified* from
20 participating in the preparation of a trade secret statement. This issue may be resolved in one of two
21 ways. First, as a preliminary matter, the Court need not even reach the question of whether
22 disqualification is appropriate, as the provisions of Section 2019.210 do not govern discovery in this
23 federal action brought pursuant to a federal question under 35 U.S.C. §256. Second, should the
24 Court nonetheless find that some type of disclosure is required, Mr. Jardin should not suffer the
25 drastic consequences of being deprived of his choice of counsel, as this case does not involve
26 Defendants' trade secrets and Defendants have not shown any undue harm from continued
27 participation of Plaintiff's counsel.

28

1 **II. BACKGROUND**

2 This dispute arose as the parties were attempting to modify the protective order from the
3 2008 case to allow Protected Material from that case to be used in the 2010 case. Defendants
4 demanded a provision requiring Mr. Jardin to submit a trade secret statement or similar disclosure
5 pursuant to Section 2019.210 regardless of the fact that this is not a trade secret case and that
6 California procedural law does not apply to a case arising under the federal patent laws. Mr. Jardin
7 did not concede to Defendants demands and, being unable to move Defendants to compromise,
8 brought the issue to Magistrate Judge Gallo. The parties' briefs setting forth their positions are
9 submitted with these objections. *See* Worley Decl., Exs. B & C.

10 Mr. Jardin filed his original complaint in the 2010 case to correct the inventorship and
11 ownership of the '349 Patent. With regard to Plaintiff's complaint (Dkt. No. 1), the Court ruled that
12 Counts III through VI were preempted by the California Uniform Trade Secret Act ("CUTSA")
13 because they stemmed from the misappropriation of a trade secret.² *See* Dkt. No. 30 at 4-6. In
14 dismissing Counts III-VI, however, the Court invited Plaintiff to amend his complaint "if he can
15 identify a cognizable property interest that lies outside of trade secret law." *Id.* at 6. Plaintiff has
16 done so via the assertion of a new slander of title claim as Count III, which targets the actions of
17 Defendants during prosecution of the '349 Patent and would allow Mr. Jardin to recover the costs
18 and fees in clearing the cloud over the title of the invention. *See* First Amended Complaint for
19 Correction of Inventorship Under 35 U.S.C. §256 and Related Actions (Dkt. No. 40) ("FAC").
20 Defendants then moved to dismiss Count III, which is being briefed and is pending before the Court.
21 The parties' respective positions are set forth in their papers and need not be discussed here. Of note
22 are the two possible outcomes of that motion. In one scenario, the Court may find that Count III of
23 the FAC is not preempted by CUTSA and would presumably allow Count III to stand. In another
24 scenario, the Court may find that Count III is preempted by CUTSA and would presumably dismiss
25 Count III. In either of these two scenarios, the allowed counts will not involve trade secret

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27 ² Counts I and II seek correction of inventorship and ownership under 35 U.S.C. §256. Dkt.
28 No. 1.

1 allegations. Therefore, CUTSA would not apply and there is no need to require compliance with
2 Section 2019.210, which governs state procedure for trade secret cases.

3 More importantly, Mr. Jardin has not (and does not) allege that any confidential DATAlegro
4 information will be necessary to prove that he should be added as at least a co-inventor of the ‘349
5 Patent. To the contrary, the 2010 case – unlike the 2008 case – does not focus on DATAlegro’s
6 product. Instead, the 2010 case focuses on the claimed invention in the ‘349 Patent and the
7 contributions made by Mr. Jardin to that claimed invention. Worley Decl., Ex. A at 13:9-13 (“the
8 2010 case focuses on the invention and inventorship . . . it does not say, for example, that the product
9 that was previously accused in the 2008 case used to belong to Cary Jardin and had been
10 misappropriated”). Mr. Jardin does not intend to use confidential DATAlegro information to
11 support his contention that he should be added as an inventor to the ‘349 Patent. Accordingly, the
12 DATAlegro technology which Plaintiff’s counsel reviewed in the 2008 case is irrelevant to the 2010
13 case.

14 Though the allegations in the 2008 case and the present case are entirely different, there may
15 be some overlap between discovery sought by the parties. Thus, in an effort to avoid duplicative
16 discovery in the present case, the parties attempted to modify the protective order from the 2008 case
17 so that any discovery obtained in the 2008 case could be used in the present case. The goal of the
18 protective order modification was simply to avoid duplicative discovery and promote efficiency for
19 all parties and the Court. Defendants, however, have used this modification as an avenue to renew
20 its request that Plaintiff submit a trade secret statement identifying alleged trade secret information
21 and to attempt to disqualify Mr. Jardin’s counsel from participation in such statement.

22 This issue came to a head on June 27, 2011 during the Hearing. One of the findings there
23 was that it is “[not] at all prejudicial to Mr. Jardin to in the first instance have to either provide a
24 trade secret statement or to respond to a specific interrogatory that seeks the same information.”
25 Worley Decl., Ex. A at 38:10-14. It was further found that “Mr. Jardin’s attorneys at Robbins
26 Geller, who worked on that 2008 case, had access to the information, reviewed the information,

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1 including the expert, Mr. Greenspun, *would not participate in the preparation of the trade secret*
 2 *statement or interrogatory response.*” *Id.* at 39:8-12³. The Order required the protective order to be
 3 revised to “be consistent with the Court’s findings in the hearing.” Order at 1. It does not appear
 4 that there was any consideration of whether Defendants would be harmed if Mr. Jardin’s counsel
 5 participated in any disclosures. Moreover, no such harm would occur, as this case is based on
 6 inventorship, not misappropriation, and is governed by 35 U.S.C. §256.⁴

7 The Court has yet to determine whether Mr. Jardin’s Count III for slander of title is
 8 preempted by CUTSA because the Court has yet to rule on Defendants’ Motion to Dismiss Count III
 9 (Dkt. No. 45). Counts I and II are based on a federal question, rather than diversity. Worley Decl.,
 10 Ex. A at 19:21-20:3. Yet, the Order mandates that the trade secret statement/special interrogatory
 11 response “would apply to the first two claims [Correction of Inventorship and Correction of
 12 Ownership under 35 U.S.C. §256], even if the third one [Slander of Title] is dismissed.” Worley
 13 Decl., Ex. A at 37:6-7. Thus, because: (1) Mr. Jardin is now required to provide a trade secret
 14 statement response on all claims in the present case and (2) his current attorneys have been
 15 *disqualified* from doing so, Mr. Jardin has been greatly prejudiced and will suffer significant harm if
 16 the Order stands.

17 **III. ISSUES FOR INDEPENDENT REVIEW**

18 Whether Mr. Jardin’s counsel should be disqualified can be resolved by addressing whether
 19 compliance with Section 2019.210 is applicable in this case and, if so, whether disqualification is
 20 appropriate given the facts of this case. Thus, the issues are:

21 (1) Does Section 2019.210 govern discovery in a federal action?

22 (2) Does the Court have the discretion to selectively apply portions of Section
 23 2019.210 to a federal action?

25 ³ Citations and footnotes are omitted and emphasis is added unless otherwise noted.

26 ⁴ It appears that the errors in the Order arose in part from confusion between an inventorship
 27 action under 35 U.S.C. §256 and a state law action for trade secret misappropriation. *See* Worley
 28 Decl., Ex. A at 23:20-26:23.

1 (3) If so, should all or part of Section 2019.210 apply to an inventorship action based
2 on a federal question?

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4 (4) If so, should a plaintiff be denied counsel of his choosing to respond to all or part
5 of the Section 2019.210 disclosures because that counsel reviewed unrelated material
6 in another case?

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8 **IV. THE STANDARD OF REVIEW IS AN INDEPENDENT REVIEW BY THE
DISTRICT COURT**

9 Pursuant to 28 U.S.C. §636(b)(1), a “judge of the court may reconsider any pretrial matter”
10 decided by a Magistrate Judge where it has been shown that the order is clearly erroneous or
11 contrary to law. A party may object to a Magistrate Judge’s order within 14 days and the district
12 judge “must consider timely objections and modify or set aside any part of the order that is clearly
13 erroneous or is contrary to law.” Fed. R. Civ. P. 72(a).

14 Questions of whether Section 2019.210 or a similar procedure can be applied to an action in
15 federal court are based on conclusions of law. *Computer Econ., Inc.*, 50 F. Supp. 2d at 983 (“Careful
16 review of the transcript of the hearings before the magistrate judge, the briefs filed by the parties,
17 and the magistrate judge’s order reveals that the sanctions order was based solely on a determination
18 that CCP §2019(d) is a rule of procedure inapplicable in federal court. Since the magistrate judge’s
19 order was based entirely on a conclusion of law, it will be reviewed independently.”). Therefore, the
20 Order and the findings on which it relies should be reviewed independently by the district court. *Id.*

21 **V. ARGUMENT**

22 Section 2019.210 does not apply to actions in federal court. Likewise, a court does not have
23 discretion to apply bits and pieces of Section 2019.210 – whether or not labeled as a “trade secret
24 statement.” C.C.P. §2019.210. Because Section 2019.210 does not apply in federal actions, it is
25 improper to require compliance with all or part of Section 2019.210 in a federal action based on a
26 federal question of inventorship under 35 U.S.C. §256. Moreover, it is improper to require the
27 drastic step of disqualifying Mr. Jardin’s desired counsel in an action to determine inventorship
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1 based on Section 2019.210 and that counsel’s prior review of product material that is not at issue in
2 the inventorship case.

3 **A. Section 2019.210 Does Not Govern Discovery in Federal Actions**

4 The law on this point is clear – Section 2019.210 does not govern discovery in federal
5 actions. *Hilderman v. Enea Teksci, Inc.*, No. 05cv1049 BTM (AJB), 2010 U.S. Dist. LEXIS 1527,
6 at *9 (S.D. Cal. Jan. 8, 2010) (“Accordingly, the Court holds that §2019.210 does not apply to
7 federal actions.”); Worley Decl., Ex. C at 1-2.

8 Defendants sole case cited in their letter brief is *Computer Econ.*, which is an older case
9 addressing whether Section 2019.210 (formerly 2019(d)) “applies in diversity actions.” *Computer*
10 *Econ.*, 50 F. Supp. 2d at 986. There, it was found that there was no “collision” between Section
11 2019.210 and Fed. R. Civ. P. 26(c) because “Rule 26(c) permits a defendant to file a motion for a
12 protective order to prevent the disclosure of *defendant’s* trade secrets, while CCP §2019(d) requires
13 the *plaintiff* to identify its allegedly misappropriated trade secrets before seeking discovery.” *Id.* at
14 988 (emphasis in original). This decision was reached based in part over the concern that to find
15 otherwise would encourage forum shopping. *Id.* at 991.

16 Although the Southern District of California originally found no collision between Section
17 2019.210 and the Federal Rules of Civil Procedure in *Computer Econ.*, it corrected that finding in
18 the recent *Hilderman* case. In *Hilderman*, the Court corrected its earlier finding that Section
19 2019.210 does “not conflict with any provisions” of the Federal Rules by finding “that **§2019.210**
20 **conflicts with Fed. R. Civ. P. 26.**” *Hilderman*, 2010 U.S. Dist. LEXIS 1527, at *5-*6; Worley
21 Decl., Ex. C at 1-2; Worley Decl., Ex. A at 9. In reaching its decision, the Court in *Hilderman* was
22 guided by a Ninth Circuit decision holding that provisions of California’s anti-SLAPP statute
23 conflicted with the Federal Rules of Civil Procedure, noting that the anti-SLAPP provisions “create a
24 default rule that allows the defendant served with a complaint to immediately put the plaintiff to his
25 or her proof before the plaintiff can conduct discovery whereas Fed. R. Civ. P 56(f) ensures that
26 adequate discovery will occur before summary judgment is considered.” *Hilderman*, 2010 U.S. Dist.
27 LEXIS 1527, at *8-*9. Thus, the Court found Section 2019.210 does not apply to federal action

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1 because it “imposes burdens on discovery that are not in keeping with the liberal discovery scheme
2 of the Federal Rules of Civil Procedure.” *Id.* at *9; Worley Decl., Ex. C at 1-2.

3 Simply stated, Section 2019.210 does not apply to federal actions.

4 **B. The Court Does Not Have Discretion to Apply Parts of Section**
5 **2019.210 in a Federal Action**

6 Not only does Section 2019.210 not apply to federal actions, but the Court does not have
7 discretion to apply selected portions of Section 2019.210 to govern discovery. This issue was
8 already addressed in *Funcat Leisure*, a diversity action involving express claims of statutory
9 misappropriation of trade secrets and common law misappropriation of trade secrets. *Funcat Leisure*
10 *Craft, Inc. v. Johnson Outdoors, Inc.*, No. S-06-0533 GEB GGH, 2007 U.S. Dist. LEXIS 8870, at
11 *2-*3 (E.D. Cal. Jan. 29, 2007).

12 In *Funcat Leisure*, the Court considered the *Computer Econ.* case and its finding that there
13 was no “collision” between Section 2019.210 and the Rule 26(c). The Court in *Funcat Leisure*
14 acknowledged that, although “in the abstract,” there may not be a collision,

15 *the court disagrees with Computer Economics* insofar as “collision” is the deciding
16 factor for determination of whether a state procedural rule can be engrafted into
17 federal court proceedings. *The Federal Rules of Civil Procedure govern this case*,
18 Fed. R. Civ. P. 1, and, unless stipulated otherwise or ordered after stipulation
19 pursuant to case management orders, *it is not within the discretion of the court to*
20 *willy nilly apply bits and pieces of the discovery civil procedure codes of the various*
21 *states, even the state in which the district court sits. And, the district court is not*
22 *free to legislate new, mandatory discovery procedures under the rubric that the*
23 *state law does not “conflict with” the federal rules simply because it thinks state*
24 *law supplies a better way to go.* The Computer Economics court fails to emphasize
25 that the rule of application is one of procedure, and therefore federal law controls.
26 As plaintiffs point out in their supplemental briefing, “[a] special case arises when
27 the federal law is embodied in a Federal Rule of Civil Procedure. In that situation,
28 the federal rule must be applied if it does not ‘abridge, enlarge, or modify any
substantive right’ in violation of the Rules Enabling Act.” *Freund v. Nycomed*
Amersham, 347 F.3d 752, 761 (9th Cir. 2003), citing Rules Enabling Act, 28 U.S.C.
§2072.

Id. at *5-*6; Worley Decl., Ex. C at 2; Worley Decl., Ex. A at 9-10.

Therefore, while the Court does have broad discretion, that discretion is not unlimited and
must be consistent with the Federal Rules of Civil Procedure. Worley Decl., Ex. A at 15. It is
improper to selectively apply portions of Section 2019.210 to govern discovery because, as stated in
Funcat Leisure, “federal law controls” and “it is not within the discretion of the court to willy nilly

1 apply bits and pieces of the discovery civil procedure codes of the various states” even if “it thinks
2 state law supplies a better way to go.”⁵

3 **C. Section 2019.210 Should Not Apply All or in Part to an Inventorship**
4 **Action Based on a Federal Question**

5 An action brought pursuant to a federal question under 35 U.S.C. §256 should be governed
6 by federal rules, not state civil procedure concepts that may result in different outcomes in different
7 jurisdictions. Defendants seek to incorporate the principles of Section 2019.210 to govern discovery
8 of Counts I and II (raised pursuant to 35 U.S.C. §256) regardless of this Court’s decision on their
9 pending motions to dismiss Count III (for slander of title). Worley Decl., Ex. A at 36-37. To allow
10 such relief would be directly contrary to law.

11 Defendants’ request is unprecedented and entirely unsupported in any of the cited cases,
12 which discussed the application of Section 2019.210 to federal actions sitting in diversity. *See*
13 *Computer Econ.*, 50 F. Supp. 2d at 981, 986 (case for trade secret misappropriation removed from
14 San Diego Superior Court based on diversity and in which the Court only considered whether
15 Section 2019.20 “applies in diversity actions”); *Funcat Leisure*, 2007 U.S. Dist. LEXIS 8870, at *2-
16 *3 (case involving express claims of trade secret misappropriation in which the Court “questioned
17 the applicability of [Section 2019.210] in a diversity action in federal court”); *Hilderman*, 2010 U.S.
18 Dist. LEXIS 1527, at *2-*4 (diversity action in which plaintiff had already served a trade secret
19 disclosure at the time of the decision); *see also* Worley Decl., Ex. A at 37:21-38:3.

20 Importantly, the gravamen of this inventorship dispute is a simple, straight-forward issue:
21 who invented the invention claimed in the ‘349 Patent? This dispute will focus on inventorship of
22 the claimed invention, not the infringement of Defendants’ product of Mr. Jardin’s patent. Worley
23 Decl., Ex. A at 11-13. Indeed, while DATAlegro may have ownership interest in the patent,
24 DATAlegro’s products are not at issue, and it is Mr. Frost – not DATAlegro – who has the
25 knowledge of his alleged inventorship of the ‘349 Patent. *Id.* Hence, DATAlegro’s products or

26 ⁵ Though the titles may vary, “whether we call it a trade secret statement or nothing more than
27 a response to an interrogatory” (Worley Decl., Ex. A at 29) the end result is the same. The concepts
28 embodied in Section 2019.210 should not be applied to govern discovery in a federal action.

1 trade secrets are not relevant to this inquiry, and DATAlegro’s involvement with this suit stems
 2 merely from its ownership of the ‘349 Patent. Thus, documents or information concerning how the
 3 DATAlegro technology works – which Plaintiff concedes may be highly confidential in accordance
 4 with their designations⁶ – are irrelevant to the present case. *Id.* Indeed, Mr. Jardin will likely seek
 5 only a small amount of discovery in this case – which would not involve the use of the DATAlegro
 6 software that was at issue in the 2008 case.

7 In sum, Section 2019.210 does not apply to an action for correction of inventorship brought
 8 pursuant to 35 U.S.C. §256. Though “a rose by any other name would smell as sweet,”⁷ here
 9 “whether we call it a trade secret statement or nothing more than a response to an interrogatory,”⁸ the
 10 application of “bits and pieces” of Section 2019.210 would be equally improper. *See Funcat*
 11 *Leisure*, 2007 U.S. Dist. LEXIS 8870, at *5-*6; Worley Decl., Ex. C at 1-2; Worley Decl., Ex. A at
 12 9-10. Because of the simplicity of the 2010 case, a protective order – or even modification to the
 13 protective order from the 2008 case – is not warranted. As stated above, Mr. Jardin does not expect
 14 to use any confidential DATAlegro information from the 2008 case for the present case, nor does he
 15

16 _____
 17 ⁶ There are three designations of Protected Material in accordance with the protective order in
 18 the 2008 case:

19 (a) “CONFIDENTIAL” if it contains information not readily available to the general
 20 public;

21 “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” if it contains (i) non-
 22 public technical, financial, and/or other commercially-sensitive information (e.g.,
 23 pricing, customer lists, business and/or marketing plans or analysis, license
 24 agreements and the like) and/or trade secrets; (ii) is subject to an express obligation
 25 of confidentiality owed by the Producing Party to a third-party; or (iii) is subject to
 26 the privacy interest of any individual; [and]

27 (c) “HIGHLY CONFIDENTIAL SOURCE CODE – OUTSIDE COUNSEL ONLY”
 28 if it comprises or describes computer source code.

Dkt. No. 77 in 2008 case, ¶2.

⁷ Shakespeare, William, *Romeo and Juliet* (1597).

⁸ Worley Decl., Ex. A at 29:8-9.

1 intend to elicit trade secret information regarding the DATAlegro technology via the discovery
2 process of the present case.

3 **D. Mr. Jardin Will be Significantly Prejudiced if the Court Disqualifies**
4 **the Attorneys of His Choice from Participation In Any Part of the**
5 **2010 Case**

6 Defendants seek the drastic remedy of disqualifying Mr. Jardin's desired counsel from
7 participating in the trade secret statement or equivalent response. Worley Decl., Ex. A at 17.
8 Defendants, however, have not met the required burden to show that Mr. Jardin's current attorneys
9 should be disqualified, and if this decision is allowed, Mr. Jardin will suffer significant harm.
10 Importantly, "disqualification is a drastic measure that is generally disfavored and should only be
11 imposed when absolutely necessary." *O'Shea v. Epson Am., Inc.*, No. CV 09-8063 PSG (CWx),
12 2010 U.S. Dist. LEXIS 62809, at *5 (C.D. Cal. June 4, 2010). Also, "a party seeking
13 disqualification bears a 'heavy burden.'" *Id.* In its determination whether to disqualify Plaintiff's
14 counsel from participation in the trade secret response, the Court should consider the "conflict
15 between the clients' right to counsel of their choice and the need to maintain ethical standards of
16 professional responsibility." *Id.* at *4. Further, the disqualification of counsel "pose[s] the very
17 threat to the integrity of the judicial process that they purport to prevent." *Id.* at *6 (citing *Gregori*
18 *v. Bank of Am.*, 207 Cal. App. 3d 291, 300-301 (1989)). Jardin's counsel from the 2008 case should
19 not be disqualified whatsoever from the 2010 case.

20 In *Epson*, defendants moved to disqualify the counsel from the representation of plaintiff
21 because they alleged that plaintiffs' counsel had access to confidential and privileged information
22 that provided them with an unfair advantage in litigating the current case. *See Epson*, 2010 U.S.
23 Dist. LEXIS 62809, at *8. In denying defendants' disqualification motion, the Court in *Epson*
24 reasoned that plaintiff's counsel had not "been in possession of privileged or confidential
25 information that would unfairly advantage Plaintiffs in this action." *Id.* at *9.

26 The Court in the present case should apply the reasoning from *Epson* to the facts that have
27 been presented thus far. As explained during the Hearing, in the 2010 case, "we are not focusing on
28 a product, unlike the 2008 case." Worley Decl., Ex. A at 12:18-19. While information concerning
DATAlegro's technology that was discovered in the 2008 case may contain DATAlegro's trade

1 secrets, information from the ‘349 Patent and its applications are publicly available and, therefore,
2 do not contain any trade secrets. Any trade secrets that arguably existed were lost once the ‘349
3 Patent and its applications were published. Worley Decl., Ex. A at 14:2-4; *see also Bonito Boats,*
4 *Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150-51 (1989) (explaining that an inventor, like Mr.
5 Frost claims to be, can either keep his invention as a secret or disclose it and attempt to obtain a
6 patent); Cal. Civ. Code §3426.1(d)(2) (a trade secret must be subject of efforts to maintain its
7 secrecy). And, because the claims of the ‘349 Patent and its applications – not the DATAlegro
8 technology – are at issue in the present case, Mr. Jardin’s counsel does not possess an unfair
9 advantage in the present litigation and should not be disqualified from any type of participation.

10 Defendants would suffer no harm if Mr. Jardin’s counsel from the 2008 case were permitted
11 to prepare any disclosure required by this Court. For example, Defendants’ demand for a
12 “statement” as to the intellectual property taken by Mr. Frost can be met simply by reviewing the
13 publicly-available records of the United States Patent & Trademark Office. Mr. Frost took from Mr.
14 Jardin the invention described by the claims of the ‘349 Patent. Evidence that will be presented to
15 corroborate Mr. Jardin’s conception of that invention includes information disclosed and provided by
16 Mr. Jardin to Mr. Frost, such as Mr. Jardin’s patent applications (10/345,504 and 10/345,811), the
17 XPrime source code and other materials. Mr. Frost, in turn, took and used the information and
18 materials to file provisional patent application 60/546,428 and non-provisional patent application
19 number 11/059,510, which eventually matured into U.S. Patent No. 7,818,349 – the subject matter of
20 the 2010 case. The amount of information from the claims of the ‘349 Patent attributable to Mr.
21 Jardin (*i.e.*, which specific claims originated from Mr. Jardin, such as corroborated by Mr. Jardin’s
22 patent applications and the XPrime source and materials) will be determined through the brief
23 discovery process and by expert testimony.

24 Accordingly, Defendants will not suffer any harm in the present case by allowing Mr.
25 Jardin’s attorneys to participate in the case because DATAlegro’s trade secret information is not
26 relevant to the present case. Any ruling to the contrary would result in a drastic remedy that would
27 cause significant harm to Mr. Jardin. Should the Court determine otherwise, that disqualification
28 should only apply in the event a disclosure pursuant to Section 2019.210 is necessary and it should

1 be specifically tailored to only require the disqualified individuals to not share Defendants' trade
2 secret material (designated as "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" or
3 "HIGHLY CONFIDENTIAL SOURCE CODE – OUTSIDE COUNSEL ONLY" – *see* n.6, *supra*)
4 with the individual(s) preparing that disclosure.

5 **VI. CONCLUSION**

6 For reasons above, the Court should find that neither Section 2019.210 nor any "bits and
7 pieces" of that state civil procedure provision are applicable to govern discovery in this action raised
8 under a federal question. Defendants can follow the discovery process under the Federal Rules of
9 Civil Procedure to seek the information they request through Section 2019.210. Additionally, the
10 drastic step of disqualification of Mr. Jardin's counsel of his choosing is neither necessary nor
11 appropriate.

12 DATED: July 11, 2011

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on July 11, 2011, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I caused to be mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on July 11, 2011.

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