

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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UNI-SYSTEMS, LLC.,

Plaintiff,

-against-

UNITED STATES TENNIS  
ASSOCIATION, INC., et al.,

Defendants.

**ORDER**  
17 CV 147 (KAM) (CLP)

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**POLLAK**, Chief United States Magistrate Judge:

On January 11, 2017, plaintiff Uni-Systems, LLC (“Uni-Systems”) commenced this action against the United States Tennis Association (“USTA”), Rossetti Inc. and Matthew L. Rossetti Architect, P.C. (the “Rossettis”), Hunt Construction Group, Inc. (“Hunt”), Hardesty & Hanover LLC and Hardesty and Hanover LLP (collectively, “Hardesty”), Morgan Engineering Systems, Inc. (“Morgan”), and Geiger Engineers LLP (“Geiger”), asserting a variety of patent infringement claims against all defendants, as well as trade secret claims and an unfair competition claim against Hardesty and Hunt (the “Trade Secret Defendants”), all flowing from defendants’ involvement in the construction and maintenance of certain retractable stadium roofs. (See generally Compl., ECF No. 1). On April 7, 2020, the Honorable Kiyoo Matsumoto granted in part the motion to dismiss brought by defendants Rossetti and Morgan, terminating those defendants from the matter. (See 4/7/2020 Order, ECF No. 419).

Currently pending before this Court are five discovery motions: 1) defendant Hunt moves to compel the production of documents relating to plaintiff’s license for the patents and intellectual property at issue in this action; 2) plaintiff Uni-Systems moves to compel the

Rossettis, formerly defendants, to produce a privilege log that complies with Federal Rule of Civil Procedure 26(b)(5) and Local Civil Rule 26.2; 3) defendant Hunt and the USTA move for a protective order relating to the fact depositions of Daniel Zausner and Mark Flandermeyer; 4) plaintiff Uni-Systems moves to compel the Hardesty defendants to produce certain ESI; and 5) plaintiff Uni-Systems moves for a protective order regarding certain discovery requests. In addition, the parties have requested to file ten of the documents associated with the above motions under seal.

The Court discusses each substantive motion below, in turn, and separately discusses the motions to file under seal.

**A. Hunt's Motion to Compel**

On January 21, 2020, defendant Hunt moved to compel plaintiff Uni-Systems to produce documents relating to a license of patents and intellectual property that Uni-Systems conveyed when it sold its engineering business to Uni-Systems Engineering on December 31, 2013. (Hunt 1/21/2020 Ltr.<sup>1</sup> at 1). Since Uni-Systems confirms that this is the only license that it has given relating to the intellectual property at issue in this case, Hunt argues that it needs information regarding royalties from the license to determine potential damages. (Id.)

At issue in this motion are document requests made by Hunt on November 19, 2019. The requests seek “[a]ll documents reflecting any Earn-Out Payments provided by Uni-Systems Engineering, Inc. to Uni-Systems” (Request No. 12<sup>2</sup>); “[a]ll Earn-Out Calculation Statements provided by Uni-Systems Engineering, Inc. to Uni-Systems” (Request No. 13); “[a]ll Earn-Out Calculation Objections Notices” (Request No. 14); and “[a]ll communications between Uni-Systems and any third party, including Uni-Systems Engineering, Inc., concerning Earn-Out Payments, Earn-Out Calculation Statements, or Earn-Out Calculation Statement Objection Notices.” (Request No. 15). The requests also seek “[a]ll documents referring or relating to any royalties or other remuneration” received for the trade secrets or patents at issue in the case (Request No. 17); and all documents relating to “the calculation of any earnouts payable to [plaintiff],” either provided by Uni-Systems Engineering to plaintiff (Request No. 19), or from

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<sup>1</sup> Citations to “Hunt 1/21/2020 Ltr.” refer to defendant Hunt’s January 21, 2020 letter motion to compel and file documents under seal, ECF No. 408-1.

<sup>2</sup> Exhibit E to Hunt’s January 21, 2020 letter is a copy of defendant Hunt’s Requests for Production, dated November 19, 2019, ECF No. 408-2. Hunt and Uni-Systems used two different series of numbers to notate the requests; for the sake of simplicity, the Court follows Hunt’s numbering system. (See Hunt 1/21/2020 Ltr. at 1, n. 2).

plaintiff to Uni-Systems Engineering. (Request No. 20). (See Hunt 1/21/2020 Ltr. at 2; see also Ex. E).

According to Hunt, plaintiff provided the date and gross number of payments but refused to produce any of the documents, arguing that the payments were “earn-outs” and that the document requests seeking information about “Earn-Outs” were irrelevant because they did not “seek information about a royalty payment” made pursuant to that agreement. (Hunt 1/21/2020 Ltr. at 2 (quoting email from Victoria V. Corder, dated January 8, 2020, Ex. D)).<sup>3</sup> Hunt argues that plaintiff “claims these payments are ‘earn-out payments,’ but has simultaneously refused to produce any documents concerning these payments to allow Hunt to understand for itself what the payments were for, including whether any were royalties for the license.” (Id. at 2). Hunt contends that it is unfair to ask defendant to accept plaintiff’s characterization at face value, without seeing the underlying documents. (Id. at 1-2).

In response to Hunt’s motion to compel, plaintiff submitted a letter dated January 28, 2020, in which Uni-Systems argues that not only are some of these requests duplicative of nearly identical requests which have already been responded to, but in most instances, the documents sought are irrelevant and disproportionate to the needs of the case, or there are no other documents responsive to the defendant’s request. (Pl. 1/28/2020 Ltr.<sup>4</sup> at 1, 2). With respect to Request No. 17, which seeks documents referring or relating to any royalties or other

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<sup>3</sup> In the email, Ms. Corder stated that “[t]hese requests do not seek information about a royalty paid pursuant to that agreement. Generally speaking, they seek information about earn-out payments made pursuant to the documents governing the spin-off of Uni-Systems Engineering. While the Patent License Agreement and the spin-off of Uni-Systems Engineering are arguably related, they are not one and the same. As a result, the requests seek far more than would be relevant to the calculation of damages based on a reasonable royalty.” Ex. D.

<sup>4</sup> Citations to “Pl. 1/28/2020 Ltr.” refer to Uni-Systems’ January 28, 2020 letter in opposition to Hunt’s motion to compel and motion to file the letter under seal, ECF No. 409-1.

remuneration received for the trade secrets or patents at issue, Uni-Systems claims that other than the Patent License Agreement, plaintiff has no further documents to produce in response to Request No. 17. (Id.)

As for Requests Nos. 12-15, 19, and 20, plaintiff argues that these requests seek irrelevant information that is disproportionate to the needs of the case, overly broad, and unduly burdensome. (Id. at 2-3). Plaintiff explains that although Hunt seeks information regarding Earn-Out payments, information relating to those payments is not probative for determining a royalty. (Id. at 3). Specifically, plaintiff claims that when Uni-Systems Engineering acquired the assets of Uni-Systems, it agreed to pay an Earn-Out, calculated based on future revenue streams of the Uni-Systems Engineering business, paid over the course of seven years. (Id.) The calculation of the Earn-Out is not linked to any particular asset but was part of the overall consideration paid by Uni-Systems Engineering for all of the assets acquired from plaintiff, except for the Patents-In-Suit which were not part of the assets acquired under the Asset Purchase Agreement. (Id.) Thus, Uni-Systems argues that the Earn-Out calculation does not reflect a royalty for the license and therefore is irrelevant. According to plaintiff, there is no evidence of a royalty paid for the Patents-in-Suit, and Hunt's efforts to obtain information regarding the Earn-Out are merely a "back door into irrelevant and confidential information about a competitor's business and revenues." (Id.)

Plaintiff also notes that the requests as framed are overly broad and unduly burdensome in that they are not limited to a relevant time period or topic. (Id. at 3-4). If ordered to respond, plaintiff argues that it will be forced to review hundreds of emails, electronic documents and hard copy files to locate information that is not relevant to the issue of royalties as demonstrated

by the agreements that were already produced and which verify the methodology of calculating Earn-Out payments and the fact that these payments are wholly unrelated to the patents. (Id.)

In its January 31, 2020 reply, Hunt reiterates its argument that it needs information about Uni-Systems' royalties because such royalties are relevant to Uni-Systems' claim for damages. (1/31/2020 Reply<sup>5</sup> at 1). Hunt also argues that Uni-Systems has failed to show that the production of these documents would be disproportionate to the needs of the case. (Id. at 2).

Defendant is correct that, pursuant to 35 U.S.C. § 284, damages in a patent infringement action may include a reasonable royalty. As the court in Georgia Pacific Corp. v. U.S. Plywood Corp. held, any royalties actually received for a license for the patent is the first factor in determining what would be a "reasonable royalty." 318 F. Supp. 1116 (S.D.N.Y. 1970); see also Vermont Microsystems, Inc. v. Autodesk, Inc., 138 F.3d 449, 451 (2d Cir. 1998) (defining a "reasonable royalty" as "an amount which a person, desiring to use a patented article, as a business proposition, would be willing to pay as a royalty and yet be able to use the patented article at a reasonable profit") (internal quotations omitted). Defendant speculates that even though the licenses for the patents were transferred to Uni-Systems Engineering in a separate agreement, "some portion of the payments" received from Uni-Systems Engineering under the overall Asset Purchase Agreement "must be" for Uni-System Engineering's right to use the patents. (Hunt 1/31/2020 Ltr. at 1-2).

Plaintiff contends that there are no additional documents relating to the calculation of "royalties" or payments made related to the transfer of the licenses, and that they have produced relevant information showing the date and amount of any Earn-Out payments from 2014 to the

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<sup>5</sup> Citations to "1/31/2020 Reply" refer to Hunt's January 31, 2020 letter reply in support of its motion to compel and motion to file the letter under seal, ECF No. 410.

present. (Pl.'s Resp.<sup>6</sup> to Request No. 12). Plaintiffs are directed to provide an affidavit, from an individual with personal knowledge, explaining how the Earn-Out amounts are calculated, whether there is a specific amount within the calculation of the Earn-Out amounts that is allocated to compensation for the transfer of the license, and if so, produce all documents reflecting such amounts even if not explicitly designated as a "royalty." If there are no such documents and the Earn-Out amounts are not calculated using a breakdown of specific components such as amounts for licenses, the affiant should so state and indicate that all responsive documents for the period 2014 through the present have been provided.

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<sup>6</sup> Plaintiff's responses are attached as Exhibit F to Hunt's motion to compel, ECF No. 408-2.

**B. Uni-Systems' Motion to Compel a Privilege Log**

On February 20, 2020, Uni-Systems filed a motion to compel the Rossettis to provide a privilege log in conformity with Rule 26(b)(5) of the Federal Rules of Civil Procedure and Local Civil Rule 26.2, or certify that no documents are being withheld under the common interest doctrine. (Pl.'s 2/20/2020 Ltr.<sup>7</sup> at 1). Plaintiff contends that during the course of discovery, plaintiff learned that the defendants, including the Rossettis, have been communicating among themselves to attempt to design a workaround to avoid infringing the Uni-Systems' patents in connection with the design of the Armstrong Stadium. (Id. at 2). During a meet and confer on December 12, 2019, plaintiff claims that the Rossettis informed plaintiff that they were withholding documents based on various privileges, including claims of common interest with other defendants. (Id. at 3). When asked to explain further, the Rossettis stated that they were withholding emails about the case among co-defendants that had been sent after the litigation started as privileged. (Id.) According to plaintiff, the explanation was confusing because it also stated that counsel for the Rossettis was "not aware of any client-to-client materials dated after the filing of the original complaint that are being withheld on the basis of privilege." (Id.) Plaintiff argues that Rossettis are required by Rule 26 to produce a privilege log. (Id. at 4).

In response, the Rossettis submitted a letter dated February 27, 2020, asserting that there are two categories of documents implicated in plaintiff's motion: 1) pre-Complaint common interest materials, and 2) post-Complaint common interest materials. (Rossetti 2/27/2020 Ltr.<sup>8</sup> at 1). As for the first category, the Rossettis argue that the motion to compel is moot because

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<sup>7</sup> Citations to "Pl.'s 2/20/2020 Ltr." refer to Uni-Systems' motion to compel the Rossettis to provide a privilege log, filed February 20, 2020, ECF No. 411.

<sup>8</sup> Citations to "Rossetti 2/27/2020 Ltr." refer to Rossettis' February 27, 2020 response to the Uni-Systems motion to Compel, ECF No. 412.

“Rossetti has already agreed multiple times to produce a log of the Pre-Complaint Common Interest Materials.” (Id.) As for the post-Complaint common interest materials, the Rossettis point to the Order Governing Protocol for Discovery of Electronically Stored Information and Hard Copy Documents (“ESI Order”), which provides that the parties “are not required” to include in privilege logs “information generated after the filing of the original Complaint.” (Id. (citing ESI Order, ECF No. 225 at 13 ¶ 3)).<sup>9</sup>

In her April 7, 2020 Order, Judge Matsumoto dismissed plaintiff’s claims against the Rossettis and terminated them from this action. (See 4/7/2020 Order, ECF No. 419). During the May 20, 2020 telephone conference held before this Court, Uni-Systems confirmed that it has withdrawn the motion to compel a privilege log from Rossetti without prejudice to seek the relief in the separate action Uni-Systems is now pursuing against the Rossettis in the Eastern District of Michigan. As such, the Court denies the motion to compel as moot.

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<sup>9</sup> Uni-Systems also filed a reply in support of its motion on March 3, 2020, ECF No. 413.

C. **Hunt's Motion for Protective Order/ Uni-Systems' Cross-Motion to Compel Depositions**

On March 6, 2020, Hunt and the USTA filed a motion for a protective order regarding the fact depositions of Daniel Zausner and Mark Flandermeyer. (3/6/2020 Mot.<sup>10</sup>). The defendants state that they do not object to the depositions, but only request that the Rule 30(b)(6) depositions occur at the same time as the Rule 30(b)(1) depositions. (*Id.* at 1). Defendants claim that plaintiff would not agree to this request and will not agree to provide a Rule 30(b)(6) notice prior to the deposition. (*Id.* at 2). As such, the defendants request “a protective order from the Court” requesting that Uni-Systems issue a Rule 30(b)(6) deposition notice prior to the fact depositions of Mr. Zausner and Mr. Flandermeyer and order that the Rule “30(b)(1) and 30(b)(6) depositions of these witnesses may occur in a timely and efficient manner.” (*Id.* at 3). The defendants also argue that the simultaneous approach would be consistent with what this Court ordered for plaintiff’s Rule 30(b)(6) witness in a previous order. (*Id.* at 1 (citing this Court’s 9/5/2018 Order, ECF No. 258 at 3)).

In its response, Uni-Systems states that it is “premature” to notice a Rule 30(b)(6) witness given that documents are still being produced and (at the time plaintiff submitted the response) the motion to dismiss or transfer venue before Judge Matsumoto was still outstanding. (Pl.’s 3/13/2020 Ltr.<sup>11</sup> at 1). In its response, plaintiff also cross-moves for an order under Federal Rule of Civil Procedure 37 to compel the depositions to take place. (*Id.*) Uni-Systems argues that “there is no authority to support Defendants’ request that the Court force Uni-Systems to incur

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<sup>10</sup> Citations to “3/6/2020 Mot.” refer to the Hunt and the USTA’s March 6, 2020 motion for a protective order, ECF No. 414.

<sup>11</sup> Citations to “3/13/2020 Ltr.” refer to plaintiff’s March 13, 2020 letter in opposition to the motion to compel and letter cross-motion to compel, ECF No. 415.

the expense and burden of taking premature corporate representative depositions when it has chosen to proceed first with fact depositions.” (Id. at 2).

In the Hunt/USTA reply, the defendants protest the lengthy discovery process in this case and argue that simultaneously taking a Rule 30(b)(1) and Rule 30(b)(6) deposition would be efficient for both the parties and witnesses. (Hunt 3/18/2020 Reply<sup>12</sup> at 2). Uni-Systems, in its reply, states that Uni-Systems has not yet taken any fact depositions and that the proposed depositions fit within the parameters to which the parties previously agreed– to take up to 35 depositions each, without leave of Court. (Pl.’s 3/23/2020 Reply<sup>13</sup> at 1). Uni-Systems also provides that it will take necessary COVID precautions, including possibly conducting the depositions remotely. (Id. at 1-2).

Rule 1 of the Federal Rules of Civil Procedure instructs courts to work towards the “just, speedy, and inexpensive determination” of civil cases. Fed. R. Civ. P. 1. Litigation in this case has been ongoing for over three and a half years. Given the lengthy nature of discovery so far in this case, the Court believes that it is more efficient for the fact and 30(b)(6) depositions to proceed simultaneously. See 9/5/2018 Order, ECF No. 258 at 3; see also BAT v. TD Bank, N.A., 15 CV 5839, ECF No. 212, \*7 (E.D.N.Y. Feb. 20, 2020) (noting that 30(b)(6) depositions are not to be used to re-ask questions already explored with other fact witnesses); Bellinger v. Astrue, No. 06 CV 321, 2011 U.S. Dist. LEXIS 110953, at \*17 (E.D.N.Y. Sep. 28, 2011) (holding that the 30(b)(6) topics were unreasonably cumulative where plaintiff had already deposed individuals familiar with and involved in the events giving rise to the claim). Thus, in

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<sup>12</sup> Citations to “Hunt 3/18/2020 Reply” refer to Hunt’s and the USTA’s reply letter in support of their motion for protective Order, dated March 18, 2020, ECF No. 416.

<sup>13</sup> Citations to “Pl.’s 3/23/2020 Reply” refer to Uni-Systems reply letter in support of its opposition to the motion for protective Order, dated March 23, 2020, ECF No. 417.

the interest of efficiency, the Court grants the defendants' motion. As for Uni-Systems' cross-motion to compel the depositions, the Court Orders the parties to meet and confer regarding the deposition schedule and urges the parties to take all precautions pursuant to the ongoing COVID pandemic, including exploring the possibility of taking depositions remotely using videoconferencing technology.

**D. Uni-Systems' Motion to Compel ESI**

On April 22, 2020, Uni-Systems filed a motion to compel defendants Hardesty & Hanover, LLC and Hardesty & Hanover, LLP (together, "Hardesty") to produce "*missing ESI*" under Federal Rule of Civil Procedure 37(a)(3)(B)(iv). (Pl.'s 4/22/2020 Mot.<sup>14</sup> at 2-3) (emphasis added). Uni-Systems claims that the parties have undergone a lengthy meet-and-confer process regarding ESI over the past three years, but that the ESI Hardesty has produced remains deficient. (*Id.* at 2-3). Specifically, Uni-Systems avers that it needs more documents from Hardesty's custodians' email accounts that pre-date March 2014, because Hardesty's activities before 2014 include Hardesty's access of Uni-Systems confidential trade secrets. (*Id.* at 4). Uni-Systems also claims that it knows that emails are missing from Hardesty's production, because other defendants have produced them. (*Id.* at 5). Uni-Systems also claims that Hardesty "only applied a narrow set of self-selected keyword searches to a small subset of custodians' files, and refused to perform Uni-Systems' keyword searches or work collaboratively with Uni-Systems on the iterative process of identifying relative documents." (*Id.* at 5). Uni-Systems thus requests that the Court "compel Hardesty to produce an affidavit sworn to by a witness with firsthand knowledge of Hardesty's computer systems, confirming that Hardesty has searched for [the

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<sup>14</sup> Citations to "Pl.'s 4/22/2020 Mot." refer to plaintiff's letter motion to compel Hardesty to produce ESI, filed April 22, 2020, ECF No. 420.

missing] documents, that (if true) those documents were lost or destroyed, and explain the circumstances surrounding such loss or destruction so that Uni-Systems can appropriately frame a request for an adverse inference or other spoliation sanctions, if appropriate.” (Id. at 7).

In its response, Hardesty strenuously contests Uni-Systems version of events, which it characterizes as “grossly misleading.” (Hardesty 4/29/2020 Ltr.<sup>15</sup> at 1). Hardesty states that it conducted the ESI search according to the terms that the parties agreed upon, and that it has produced all the ESI available that was found utilizing those search terms. (Id. at 2, 3). As to any ESI that Uni-Systems claims is missing, Hardesty states that it “cannot produce documents that were not retained in the ordinary course of business or are not present on its email servers,” and in sum, “cannot produce documents that it does not have.” (Id. at 2, 3). Hardesty also says that it has not lost or destroyed any ESI in connection with the lawsuit. (Id. at 3). Further, Hardesty notes that Uni-Systems’ letter violates Local Civ. R. 37.3(c), which sets a three-page limitation on letters regarding discovery disputes on submissions for discovery disputes. (Id. at 1). Hardesty requests that the Court deny the motion because Uni-Systems failed to comply with the Court’s requirement “to meet and confer or attempt to do so in good faith.” (Id. at 1 n. 1 (citing Local Civ. R. 37.3(a))). Hardesty requests that if the Court does wish to consider the “baseless request for relief,” it be granted leave to file an additional response before the court decides the matter. (Id. at 1). Finally, Hardesty requests leave from the court to file a motion for sanctions for costs incurred in responding to this motion, which Hardesty claims is baseless. (Id. at 3).

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<sup>15</sup> Citations to “Hardesty 4/29/2020 Ltr.” refer to Hardesty’s April 29, 2020 letter in response to Uni-Systems’ April 22, 2020 letter, ECF No. 425.

In its reply, Uni-Systems asserts that, “cutting through the noise, Hardesty admits that it failed to produce the [so-called] Missing ESI, but argues that its failure should be excused by other document productions or the fact that it does not have the Missing ESI.” (5/4/2020 Reply<sup>16</sup> at 1). As to Hardesty’s argument that it used the search terms to which Uni-Systems agreed, Uni-Systems argues that it, although it agreed to those terms, it “never agreed that Hardesty’s November 2019 search terms and custodians would be the *only* terms and custodians used.” (Id. at 2 (emphasis in original)). Instead, Uni-Systems argues that Hardesty should now revise the search terms to capture additional ESI. (Id. (citing William A. Gross Const. Assocs., Inc. v. Am. Mfrs. Mut. Ins. Co., 256 F.R.D. 134, 135 (S.D.N.Y. 2009) (noting that the implementation of keyword searches in ESI discovery should be tested for quality assurance))). Uni-Systems asks the Court to order production of the missing ESI, or, in the alternative, “explain under oath by Hardesty does not have the missing ESI.” (Id. at 3).

Given that Hardesty has represented that it does not have the “missing” documents, the Court cannot order Hardesty to produce what it does not have. The Court Orders Hardesty to submit an affidavit from a records custodian, affirming that Hardesty conducted the ESI search according to the previously-agreed-to search terms and custodians, and that it has produced all responsive documents in its possession, custody and control. The Court further instructs the parties to meet and confer on whether additional ESI search terms are necessary.

At this time, the Court finds no basis on which to impose sanctions, and therefore denies Hardesty’s request for sanctions. However, the Court warns Uni-Systems – and indeed, all parties in this matter – that the volume of discovery disputes in this case far exceeds the bounds

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<sup>16</sup> Citations to 5/4/2020 Reply refer to Uni-Systems May 4, 2020 reply in support of its motion to compel, ECF No. 430.

of reasonableness, particularly in light of the fact that many of the disputes could have been resolved without court intervention if only the parties had engaged in a meet and confer in good faith as required by the rules. The Court cautions the parties to adhere to the local and individualized rules of this court when filing motions, and urges the parties to meet and confer in good faith to resolve disputes before seeking the assistance of this Court.

## **E. Uni-Systems' Motion for Protective Order**

### **1. The Parties' Positions**

On April 23, 2020, Uni-Systems filed a motion for a protective order from “425 excessive document requests” issued by defendants Hunt and Hardesty. (Pl.’s 4/23/2020 Mot.<sup>17</sup> at 1). Uni-Systems protests that these document requests are excessive and, in some cases, duplicative, and that they also concern Uni-Systems’ trade secrets. (Id. at 2, 3). Uni-Systems pleads for the Court to issue a protective order as the requests “are abusive and harassing.” (Id. at 3 (citing Wigler v. Elec. Data Sys. Corp., 108 F.R.D. 204, 205 (D. Md. 1985) and Mancia v. Mayflower Textile Servs. Co., 253 F.R.D. 354, 362–63 (D. Md. 2008))). Uni-Systems states that a protective order is warranted because the requests are both “oppressive in sheer number” and cumulative of previously-served discovery requests. (Id. at 6, 7). Uni-Systems also seeks expenses associated in filing this Motion under Rule 37(a)(5) because of the defendants’ “unreasonable discovery positions.” (Id. at 7). Uni-Systems states that it asked Hardesty to meet and confer regarding these issues. When Hardesty stated that it needed more time to substantively respond to Uni-Systems’ meet and confer letter and Uni-Systems considered subsequent correspondence between the two parties, Uni-Systems came to the conclusion that a meet and confer would be futile, and thus proceeded to file this motion. (Id. at 6).

In response, as with Uni-Systems’ motion to compel ESI, the Hardesty defendants argue that Uni-Systems has violated the Court’s rules on submissions for discovery disputes by submitting a seven-page letter with attachments totaling 129 pages, instead of a three-page

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<sup>17</sup> Citations to “Pl.’s 4/23/2020 Mot.” refer to Uni-Systems’ April 23, 2020 motion for a protective order, ECF No. 421-1.

limitation on letters as required in Local Civ. R. 37.3(c). (Hardesty 4/30/2020 Ltr.<sup>18</sup> at 1). Hardesty also claims that Uni-Systems “ignored” its invitation to meet and confer, also in violation of Local Civ. R. 37.3(a). (Id.)

Substantively, Hardesty claims that the document requests are not unduly burdensome, because Uni-Systems has asserted 34 separate technical trade secrets, and that the requests align with each of those trade secret assertions. (Id. at 2 (citing, *inter alia*, Testing Servs., N.A. v. Pennisi, 19 CV 7103, 2020 U.S. Dist. LEXIS 40476, at \*76-\*79 (E.D.N.Y. Mar. 9, 2020) (describing the standards for demonstrating misappropriation of a trade secret)). Hardesty requests that Uni-Systems be ordered to reference the Bates numbers of produced documents, as Uni-Systems’ objections have made it unclear which documents Uni-Systems is withholding under its objections, and claims that descriptions given during the deposition of Cyril Silberman, Uni-Systems’ CEO and 30(b)(6) witness, are not a replacement for the requested documents. (Id. at 2-3).

In its Reply, Uni-Systems, disputes the number of trade secrets at issue, asserts that “it has already produced its documents concerning the asserted trade secrets,” and argues that the number of requests is “facially unreasonable.” (5/5/2020 Reply<sup>19</sup> at 1-3). Uni-Systems also protests that Hardesty is only now raising the issue of Mr. Silberman’s testimony, even though that testimony took place over a year and a half ago. (Id. at 2).

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<sup>18</sup> Citations to “Hardesty 4/30/2020 Ltr.” refer to Hardesty’s April 30, 2020 letter in response to Uni-Systems’ April 23, 2020 letter, ECF No. 426.

<sup>19</sup> Citations to “5/5/2020 Reply” refer to Uni-Systems’ 5/5/2020 reply in support of the motion for protective order, ECF No. 431-1.

## 2. Analysis

Rule 26 vests the trial judge with broad discretion to dictate the sequence of discovery and narrowly tailor discovery to the needs of the case. Crawford-El v. Britton, 523 U.S. 574, 598 (1998); see also AMW Material Testing, Inc. v. Town of Babylon, 215 F.R.D. 67, 72 (E.D.N.Y. 2003) (noting that district courts “are empowered to use protective orders to temper the scope of discovery”). Rule 26(c) allows the Court to grant a protective order, in its discretion, shielding the movant from discovery if (1) “the movant has in good faith conferred or attempted to confer with other affected parties in an effort to resolve the dispute without court action” and (2) the movant can demonstrate a “good cause” to protect them from “annoyance, embarrassment, oppression, or undue burden or expense.” Fed. R. Civ. P. 26(c)(1).

Courts have held that the proportionality standard set out in the revised Rule 26 was added “in part, in order to ‘encourage judges to be more aggressive in identifying and discouraging discovery overuse’ by emphasizing the need to analyze proportionality before ordering production of relevant information.” Henry v. Morgan’s Hotel Grp., Inc., No. 15 CV 1789, 2016 U.S. Dist. LEXIS 8406, at \*8-9 (S.D.N.Y. Jan. 25, 2016) (internal citations omitted); see also Dongguk Univ. v. Yale Univ., 270 F.R.D. 70, 73 (D. Conn. 2010) (stating that the “proportionality consideration was added in 1983 specifically to address the perceived problem of over-discovery”). There are three factors set out in Rule 26(b)(2)(C) that courts should consider in determining whether the discovery sought is proportional to the needs of the case: 1) the discovery is unreasonably cumulative or duplicative; 2) the party seeking the discovery had ample opportunity to obtain the information sought through other means; and 3) the burden or expense of the discovery outweighs its likely benefit. Rule 26(b)(2)(C).

As an initial matter, the Court is not convinced that the parties have attempted to meet and confer in good faith to resolve this dispute; the simple fact that the parties cannot agree on whether a meet-and-confer attempt was made underscores a lack of serious attempt to resolve the issue before coming to this Court. At this time, the Court denies the motion for a protective order without prejudice to renew, and Orders the parties to meet and confer in good faith to discuss possible ways to narrow the discovery disputes. In preparation for the meet and confer, the plaintiff is instructed to identify all of the specific requests which it contends are duplicative. Only when the parties can jointly confirm that they have, in fact, held a meet and confer will the Court entertain any renewed motion. If the parties cannot resolve this matter after a good-faith meet-and-confer, and plaintiff can prove that a significant number of the requests are indeed duplicative, then the Court will grant a renewed motion for protective order.

## F. Motions to Seal

There are currently seven motions to file under seal pending before this Court associated with the motions described above.<sup>20</sup> On March 8, 2017, this Court granted the parties' joint Motion for a Protective Order designed to protect confidential discovery material in this case from disclosure.<sup>21</sup> However, this Court has previously observed that while "a protective order may provide guidance to the parties regarding what documents it might be appropriate to seal and how such documents should be presented to the Court, the decision to allow documents to be filed under seal in connection with motions and court proceedings is a wholly separate inquiry governed by a different standard than whether to maintain documents disclosed in discovery in confidence." Johnson v. Federal Bureau of Prisons, No. 16 CV 3919, 2017 WL 5197143, at \*3 (E.D.N.Y. Nov. 9, 2017). To determine whether it is appropriate to allow the parties' to file their requested motions and the attachments thereto under seal, courts engage in a two-part inquiry.

First, the court decides how strong a presumption of access a document deserves with reference to its role in the judicial process. Next, the court will "balance the weight of that presumption, if any, with competing interests, namely, the private interests and concerns of judicial efficiency and law enforcement, to determine whether or not to seal a document." Cumberland Packing Corp. v. Monsanto Co., 184 F.R.D. 504, 506 (E.D.N.Y. 1999).

A "judicial document" is one that is presented to the Court and "relevant to the performance of the judicial function and useful in the judicial process." United States v. Amodeo ("Amodeo I"), 44 F.3d 141, 145 (2d Cir. 1995). Such documents are presumptively

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<sup>20</sup> Specifically, there are motions to seal associated with ECF Nos. 408, 409, 410, 421, 426, 431, and 435.

<sup>21</sup> See Stipulated Confidentiality Agreement and Protective Order ¶ 1.3, ECF No. 27, filed March 8, 2019.

subject to public inspection and thus not properly sealed. See id. at 146. The presumption of access that attends judicial documents stems both from the common law tradition and from the Constitution: “[a]s the exercise of Article III [judicial] powers is a formal act of government, it should be subject to public scrutiny absent ‘exceptional circumstances.’” Cumberland Packing Corp. v. Monsanto Co., 184 F.R.D. at 505 (quoting United States v. Amodeo (“Amodeo II”), 71 F.3d 1044, 1049 (2d Cir. 1995)). For example, summary judgment motions and related supporting documents, and pretrial motions and related supporting documents, are judicial documents because they directly affect adjudication or determine substantive rights. See Newsday LLC v. Cty. of Nassau, 730 F.3d 156, 164 (2d Cir. 2013); Lugosch v. Pyramid Co. of Onondaga, 435 F.3d 110, 113 (2d Cir. 2006); S.E.C. v. TheStreet.Com, 273 F.3d 222, 233 (2d Cir. 2001).

In contrast to judicial documents, “[d]ocuments that play no role in the performance of Article III functions, *such as those passed between the parties in discovery*, lie entirely beyond the presumption’s reach. . . and stand on a different footing than a motion filed by a party seeking action by the court or . . . any other document which is presented to the court to invoke its powers or affect its decisions.” United States v. Amodeo (“Amodeo II”), 71 F.3d at 1050 (emphasis added) (citations and quotation marks omitted). Even when the Court analyzes such documents in the context of a discovery motion, discovery documents remain non-judicial. S.E.C. v. TheStreet.Com, 273 F.3d at 233 (holding that discovery documents analyzed by the district court were nonetheless non-judicial documents). When discovery documents were submitted to the court pursuant to a confidentiality agreement, the Second Circuit has held that it is “presumptively unfair for courts to modify protective orders which assure confidentiality and upon which the parties have reasonably relied.” Id. at 230.

Here, many of the documents which the parties seek to file under seal are non-judicial documents passed between the parties during discovery; thus, they are entitled to “little more than a prediction of public access absent a countervailing reason.” See United States v. Amodeo (“Amodeo II”), 71 F.3d at 1050 (2d Cir. 1995). Unlike dispositive motions, related supporting documents, or trial documents, the exhibits before the undersigned are before the court purely for discovery purposes, and so the confidential nature of the documents is sufficient to overcome the presumption of public access for these non-judicial documents. C.f. Newsday LLC v. Cty. of Nassau, 730 F.3d at 164; Lugosch v. Pyramid Co. of Onondaga, 435 F.3d at 113).

The Court finds that the exhibits the parties have presented to the Court in relation to their motions may be filed under seal, as they are non-judicial documents to which the confidentiality agreement may fairly apply with no countervailing public access right. However, the Court finds that the letter motions themselves may be judicial documents to which the presumption of public access may apply. See Cumberland Packing Corp. v. Monsanto Co., 184 F.R.D. at 505. The Court thus finds that letter motions and responses thereto may not properly be filed under sealed unless the parties can point to specific portions of the letters that contain confidential information and can demonstrate that the confidentiality cannot be protected by redactions of specific references rather than wholesale sealing. Accordingly, the Court conditionally grants the motions to file under seal, on the condition that the parties upload redacted copies of each letter motion, response, or reply to ECF within 30 days of this Order; if the parties do not upload a copy of any of the documents listed below by August 6, 2020, the Court will unseal the original letter motion or response in question. The Court will not permit the parties to file any letters or responses under wholesale sealing unless the parties can demonstrate that redactions of specific references cannot protect confidentiality.

Specifically:

1. ECF No. 408: Hunt requests to file both its January 21, 2020 letter motion to compel and attached Exhibits A-C under seal. The Court grants the requests, but directs Hunt to upload a redacted version of its letter motion within 30 days of this Order.
2. ECF No. 409: Uni-Systems requests to file its January 28, 2020 letter in opposition to Hunt's motion to compel, as well as the attached Exhibits, under seal. The Court grants the request, but directs Uni-Systems to upload a redacted version of its opposition letter within 30 days of this Order.
3. ECF No. 410: Hunt requests to file its January 31, 2020 letter reply in support of its motion to compel under seal. The Court grants the request, but directs Hunt to upload a redacted version of its letter within 30 days of this Order.

ECF No. 421: Uni-Systems requests to file its April 23, 2020 letter motion for a protective order, as well as the related exhibits under seal. The Court grants the request, but directs Uni-Systems to upload a redacted version of the letter motion within 30 days of this Order.

4. ECF No. 426: Hardesty requests to file its April 30, 2020 letter in response to Uni-Systems' April 23, 2020 motion for a protective order under seal. The Court grants the request, but directs Hardesty to upload a redacted version of the response letter within 30 days of this Order.
5. ECF No. 431: Uni-Systems requests to file its May 5, 2020 reply in support of its motion for protective order under seal. The Court grants the request, but directs Uni-Systems to upload a redacted version of the letter within 30 days of this Order.
6. ECF No. 435: Hardesty requests to file its May 8, 2020 letter in response to Uni-Systems' May 5, 2020 reply under seal.<sup>22</sup> The Court grants the request, but directs Hardesty to upload a redacted version of the letter within 30 days of this Order.

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<sup>22</sup> The Court did not find it necessary to cite to Hardesty's May 8, 2020 letter in its analysis *supra*.

## CONCLUSION

For the reasons discussed above, the Court grants in part Hunt's motion to compel, denies Uni-Systems' motion to compel a privilege log as moot, grants Hunt's motion for protective order and orders the parties to meet and confer regarding the depositions, grants in part Uni-Systems' motion to compel ESI, and denies Uni-Systems' motion for a protective order. The Court also grants in part the accompanying motions to seal.

The Clerk is directed to send copies of this Order to the parties either electronically through the Electronic Case Filing (ECF) system or by mail.

**SO ORDERED.**

Dated: Brooklyn, New York  
July 6, 2020

/s/ Cheryl L. Pollak

Cheryl L. Pollak  
Chief United States Magistrate Judge  
Eastern District of New York