

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

<b>BLACK &amp; DECKER, INC. and BLACK</b>	)	
<b>&amp; DECKER (U.S.) INC.,</b>	)	
	)	
<b>Plaintiffs,</b>	)	<b>No. 13 C 3075</b>
	)	
<b>v.</b>	)	<b>Magistrate Judge</b>
	)	<b>Maria Valdez</b>
<b>POSITEC USA INC. and RW DIRECT,</b>	)	
<b>INC.,</b>	)	
	)	
<b>Defendants.</b>		

**ORDER**

Before the Court is Defendants Positec USA Inc. and RW Direct Inc.’s (“Defendants”) Motion for Protective Order [Doc. No. 56]. Defendants ask the Court to enter a protective order pursuant to Fed.R.Civ.P. 26(c) and 30(d)(3) sustaining its objections to Plaintiff’s questions and its instructions to deponent Tom Duncan (“Duncan”) (and future deponent Paul Tellefsen (“Tellefsen”)) to limit their testimony at the depositions by not answering questions relating to the Rockwell brand of power tools including questions with respect to the quality of the tools and consumers of those tools. Plaintiffs argue that there was no lawful basis to instruct the witnesses not to answer these questions at deposition.

**ANALYSIS**

**A. Rule 30 Analysis**

Rule 30(c)(2) provides that an objection made at a deposition “whether to evidence, to a party’s conduct, to the officer’s qualifications, to the manner of taking the deposition, or to any other aspect of the deposition,” must be noted on the

record, “but the examination still proceeds.” Fed.R.Civ.P. 30(c)(2). As the scope of deposition topics lies within the broad discretion of the Court, the power of a party to limit deposition topics is substantially circumscribed. A party may instruct a witness not to answer “only when necessary to preserve a privilege, to enforce a limitation ordered by the court, or to present a motion under Rule 30(d)(3).” *Id.* In turn, Rule 30(d)(3) provides that a party may move to terminate or limit a deposition “on the ground that it is being conducted in bad faith or in a manner that unreasonably annoys, embarrasses, or oppresses the deponent or party.”

Fed.R.Civ.P. 30(d)(3)(A). The Seventh Circuit has held that the proper course of action under Rule 30(d)(3) is to “halt the deposition and apply for a protective order.” *Redwood v. Dobson*, 476 F.3d 462, 467 (7th Cir. 2007). A court may then order the deposition terminated “or may limit its scope and manner as provided in Rule 26(c).” Fed.R.Civ.P. 30(d)(3)(B).

At Duncan’s deposition, defense counsel – Ms. DePriest, objected to the disputed line of questioning on the basis of “relevance.” [Duncan Dep. Tr. at 45:16-21]. Elaborating on her relevance basis during the deposition, and again within the instant motion and its corresponding hearing, Ms. DePriest argued the line of questioning was for an improper purpose – the Plaintiffs were seeking evidentiary fodder for post-trial motions currently pending in an unrelated Trade Dress case between the parties. [Tr. at 44:1-9].

The Court finds this argument unpersuasive. Defendants never made mention of a Rule 30(d)(3) motion at the deposition. Nor did the Defendants give

any indication that the directive not to answer given to Duncan (and advanced instruction to Tellefsen) was also based on such grounds. Instead, the Defendants instructed Duncan not to testify solely on the ground that questions were not relevant to this lawsuit. However, relevancy is not a basis for the termination of a deposition under Rule 30(d)(3). *See Medline Inds. v. Lizzo*, No. 08 C 5867, 2009 WL 3242299, at \*2 (N.D. Ill. Oct. 6, 2009) (“the relevance [of deposition] questions is an improper ground for a motion under Rule 30(d)(3)”). Accordingly, a party that instructs a witness not to testify pursuant to Rule 30(c)(2) because that party will file a Rule 30(d)(3) motion, cannot rely on relevance as the basis for its contemplated motion.

Now, and as an aside at the Duncan deposition, Defendants contend that Plaintiffs’ questions relating to the Rockwell-brand meet the requirements of Rule 30(d)(3)(A). However, merely because sought-after deposition testimony may be used in other pending litigation does not mean, in and of itself, the deposition is taken in: “bad faith or [is a conduct] that unreasonably annoys, embarrasses, or oppresses the deponent or party.” Fed.R.Civ.P. 30(d)(3)(A). After Defendants posed its initial relevance objection to Plaintiffs’ questioning of Duncan, Plaintiff counsel responded: “This deposition is taken in this case, and I’m allowed to understand the different product lines that this company sells and the interaction of those. If there is any overlap with the other case, that’s not our problem.” [Tr. at. 44:10-15]. Defense counsel did not attempt to argue the relevancy basis at that time, nor did she make it clear on the record that she intended to file a motion for protective

order. Instead, after a short break in the deposition, Defense counsel stated: “we are terminating the deposition at this time. Plaintiff is clearly taking discovery, improper discovery for another case [...]” [Tr. at. 48:6-11].

Although irrelevance is not a valid reason for Defense counsel to advise the deponent that he need not answer the questions, “irrelevant questions, however, may unnecessarily touch sensitive areas or go beyond reasonable limits [...] [and] refusing to answer may be justified.” *Eggleston v. Chi. Journeymen Plumbers' Local Union No. 130, U. A.*, 657 F.2d 890, 903 (7th Cir. 1981). However, the information in *Eggleston* was irrelevant and concerned the sensitive issue of race whereas here, the information about other product lines in a patent infringement case is well within reasonable bounds. Similarly, Plaintiffs’ counsel did not appear to harass the witness, abuse the witness, or threaten the witness in any way. In fact, the deposition progressed for less than one hour before its termination.

In sum, Defendants’ sole objection to Plaintiffs’ questions was limited to relevance. Defendants did not say that they believed the questioning to be abusive, or that they even contemplated a Rule 30(d)(3) motion. The Court thus finds that there was no basis for terminating the deposition. Even so finding, Defendants seek an order from the Court upholding its relevancy objections pursuant to Rule 26(c).

## **B. Rule 26 Analysis**

Under Rule 26, a party may “obtain discovery regarding any matter, not privileged, that is relevant to the claim or defense of any party, including the existence, description, nature, custody, condition and location of any books,

documents, or other tangible things.” Fed.R.Civ.P. 26(b)(1). Discoverable information is not limited to evidence admissible at trial. Instead, such information is relevant “if the discovery appears reasonably calculated to lead to the discovery of admissible evidence.” *Id.*

Defendants argue that the Rockwell-brand information is not relevant to any claim or defense in this case, an alleged infringement claim of one patent – whether the motor mounting on the accused product infringes the Plaintiff’s intellectual property. The Plaintiffs counter that the information sought is generally relevant to the issue of damages. According to Plaintiffs, the information goes to the importance of the accused products to Defendants’ overall business for purposes of determining a reasonable royalty and damages. [Doc. No. 78, *Plts’ Supp. Br.* at 1-2]. Plaintiffs also argue that the Defendants agree that this information is arguably relevant since Defendants produced Rockwell data in response to Plaintiffs’ discovery requests seeking all documents relevant to a reasonable royalty and damages determination. [*Id.*]. Defendants acknowledge that they did produce such information but say it was “just in the ordinary course.” That may be, but the Defendants did not respond to written discovery with that caveat. There was no objection lodged that the Rockwell-brand line of products was irrelevant, in spite of the production of the Rockwell information.

Consequently, Plaintiff had information on the Rockwell-line as produced by the Plaintiffs without objection. Damages are certainly relevant and a determination of what may be a reasonable royalty is a type of damage. *See* 35

U.S.C. § 284. "In litigation, a reasonable royalty is often determined on the basis of a hypothetical negotiation, occurring between the parties at the time that infringement began." *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1312 (Fed. Cir. 2011). Under an "analytical approach" to damages, an expert subtracts "the infringer's usual or acceptable net profit from its anticipated net profit realized from sales of infringing devices." *Sloan Valve Co. v. Zurn Indus., Inc.*, 33 F. Supp. 3d 984, 990 (N.D. Ill. 2014); *citing TWM Manufacturing Co., Inc. v. Dura Corp.*, 789 F.2d 895, 899 (Fed. Cir. 1986).

Accordingly, the Court finds that Plaintiffs' questions relating to the Rockwell line are arguably relevant to a damage claim in this case. This Court also finds that Defendants' objections were not justified. Defendants themselves produced discovery concerning the topic and in light of this and applicable case law, an objection based on relevancy is overruled.

### **C. Rule 37 Sanctions Analysis**

Plaintiffs also ask this Court to require the Defendants reproduce the two witnesses for deposition in Chicago at the Defendants' expense, and to reimburse the Plaintiffs for the fees and expenses associated with responding to this motion. Because this Court has found that there was no basis to halt the deposition, Plaintiffs may recover sanctions under Rule 37 for Defendants' termination of the Duncan deposition.

Under Rule 37, if a motion for a protective order is denied, the Court "must, after giving an opportunity to be heard, require the movant, the attorney filing the

motion, or both to pay the party or deponent who opposed the motion its reasonable expenses incurred in opposing the motion, including attorney's fees." Fed.R.Civ.P. 37(a)(5)(B). The Seventh Circuit has recognized that this rule "presumptively requires every loser to make good the victor's costs." *Rickels v. City of S. Bend, Ind.*, 33 F.3d 785, 786 (7th Cir. 1994). However, Rule 37(a)(5)(B) further provides that the Court "must not order this payment if the motion was substantially justified or other circumstances make an award of expenses unjust." This Court has "broad discretion in discovery matters." *James v. Hyatt Regency Chicago*, 707 F.3d 775, 784 (7th Cir. 2013); *citing Kalis v. Colgate-Palmolive Co.*, 231 F.3d 1049, 1056 (7th Cir. 2000).

Here, the Court has determined that there was no reasonable basis to halt the deposition of Duncan. Further, the Court has found that the Defendants failed to follow adequate procedure in their decision to stop the deposition. No attempt was made to discuss the relevancy issues and the Defendants failed to make clear on the record they intended to file a motion for protective order. While the Court is mindful that the Defendants were concerned that the discovery sought would impact another case; that fact provides no basis for a determination of whether the information is irrelevant in the instant case. Further, Defendants had (and still have) a recourse to address the use of the information if it is to be used in another case. An application to the district court overseeing the post-trial proceedings in the other case to prevent the use of the information is absolutely available to the Defendants.

With this in mind, the Court finds the costs for Duncan's prematurely-terminated deposition shall be borne by the Defendants. These costs shall not include attorneys' fees, as the deposition lasted a short time. Further, both the costs of re-deposing Duncan, and the deposing of Tellefsen, would have been borne by the Plaintiffs in the normal course of litigation, therefore the Court declines to award expenses or attorneys' fees in connection with the resumption and completion of those two depositions. Lastly, the Defendants will be ordered to pay the reasonable expenses, including attorneys' fees, incurred by Plaintiffs in opposing Defendants' motion for a protective order. Plaintiffs are directed to submit affidavits itemizing and supporting their fees and expenses claims within thirty (30) days of this date.

### **CONCLUSION**

For the reasons explained above, the Court finds and concludes that Defendants may depose Duncan and Tellefsen regarding the Rockwell-line of products as it relates to damages only, and consistent with the opinions expressed in this Order. Therefore, Defendants' Motion for a Protective Order [Doc. No. 56] is DENIED. Plaintiffs' request to impose their costs and expenses of participation in Mr. Duncan's deposition of December 7, 2016, on Defendants is GRANTED. Plaintiffs' request to impose their attorneys' fees of participation in Mr. Duncan's deposition of December 7, 2016, on Defendants is DENIED. Plaintiffs' request for an award of their costs, including fees, in opposing the present motion, is GRANTED.



**SO ORDERED.**

**ENTERED:**

A handwritten signature in black ink that reads "Maria Valdez". The signature is written in a cursive style with a large initial "M" and a long, sweeping underline.

**DATE: January 31, 2016**

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**HON. MARIA VALDEZ**  
**United States Magistrate Judge**