C
Motions, Pleadings and Filings

United States District Court, C.D. California.

ANDAMIRO U.S.A.
v.
KONAMI AMUSEMENT OF AMERICA, INC., et al.,

No. CV00-8561.

April 26, 2001.

Mark L. Sutton, Esq., **Howard L. Hoffenberg**, Esq., Park & Sutton LLP, Los Angeles, Counsel for Plaintiff.

David I. Roche, Esq., Baker & McKenzie, Chicago, IL, Counsel for Defendants.

JONES.

PROCEEDINGS (IN CHAMBERS):

***1** The court has received plaintiff's Motion for Leave to Take More than Ten Depositions Under Fed.R.Civ.P. 26(b)(2), filed on April 17, 2001.

As set forth below, the court grants in part and denies in part plaintiff's motion.

1. *Depositions Taken and Requested by Plaintiff.*

Plaintiff filed an action against defendants alleging that Konami's arcade and home/console "foot movement" video games infringes U.S. Patent No. 4,720,789. Neither plaintiff nor defendants is a manufacturer, Rather, the plaintiff and defendants are the distributing subsidiaries of a Korean and Japanese manufacturer, respectively.

As of April 17, 2001, plaintiff had taken six one-half day depositions over a period of three days. [FN1] (Joint Stipulation at 8). These depositions involved the arcade version of Konami's "foot movement" video game and took place in Illinois.

FN1. With regard to issue 1 in the parties' joint stipulation, the court rules as follows: By its express terms, the ten-deposition rule in Fed.R.Civ.P. 30(a)(2)(A) qualifies a party's right to take testimony by oral examination. *See* Fed.R.Civ.P. 30(a)(1). Thus, the court does not count subpoena duces tecum issued to third-parties in the ten-deposition limit imposed by Rule 30. A custodian of records deposition, however, which obtains testimony regarding the existence, description, nature, custody, condition and location of documents, is different than the production of documents and, therefore, is properly characterized as "oral testimony." *See Bank of America Nat. Trust & Sav. Ass'n v. Loew's Intern. Corp .*, 18 F.R.D. 489, 491 (S.D.N.Y.1956). If plaintiff's "records-only depositions" are, in fact, subpoena duces tecum then they would not count toward the ten-deposition limit; if plaintiff's "records-only depositions" are, in fact, custodian of records depositions, they would be counted. (*See* Joint Stipulation at 5).

Plaintiff argues that it requires four additional depositions of defendants' employees in Redwood City, California to discover facts about the home/console version of Konami's "foot movement" video game. (Joint Stipulation at 14). According to plaintiff, defendants' arcade-version employees did not know about the home version of defendants' video game. (Joint Stipulation at 10-11).

If plaintiff takes four "Redwood City" witnesses, plaintiff will have taken ten depositions. For additional depositions to be taken, plaintiff must seek leave of the court. *See Express One International, Inc. v. Sochata,* 2001 WL 363073, at *2 (N.D.Tex.2001); Fed.R.Civ.P. 30(a)(2)(A).

Plaintiff, therefore, requests leave of the court to take eight additional depositions:

(1) the deposition of the production manager of Konami's arcade machines (Mr. Yokobori);
(2) the deposition of the terminated head of technical services and repair (Mr. Losser);
(3) four experts to be designated by defendants; and
(4) two custodian of records depositions (a law firm and an accounting firm).

(Joint Stipulation at 12-13).

Plaintiff asserts that the first two depositions are necessary to discover facts relevant to infringement. (Joint Stipulation at 13-14). Plaintiff also argues that it needs to depose defendants' experts in anticipation of trial. (*Id.*) Finally, plaintiff wished to depose two third-party witnesses to discover the nature of defendants' post-filing merger and to investigate whether defendants have engaged in a fraudulent conveyance in an attempt to render themselves judgment proof (*Id.*)

2. *Defendants' Objections to More than Ten Depositions.*

Defendants object to plaintiff's requests; instead they assert that the case is simple and does not require extensive deposition testimony from defendants' employees. (Joint Stipulation at 15-16). According to defendants, plaintiff need only understand (1) how the accused products operate; (2) how many have been sold, when and to whom; (3) whether the claims of the patent cover the accused product; and (4) whether the patent is invalid. (*Id.*)

***2** Further, defendants assert that plaintiff "squandered" the depositions taken already and should not, therefore, be allowed to waste any more time. (*Id.*) Finally, defendants object to any discovery of the merger of the defendants as irrelevant to "any claim or defense" asserted in this case. (*Id.*)

3. *The Court Grants Leave for Plaintiff to Take Four Additional Depositions.*

In considering plaintiff's request for leave to take more than ten depositions, the court must examine the request and consider the asserted need for additional discovery in light of the stated principles of Fed.R.Civ.P. 26(b)(2). *Express One International, supra* 2001 WL 363073, at *2; *Siegel v. Truett-McConnell College, Inc.*, 13 F.Supp.2d 1335, 1337 (N.D.Ga.1994). Specifically, the court must consider whether (1) the discovery sought is unreasonably cumulative or duplicative, or is obtainable from some other source that is more convenient, less burdensome or less expensive; (2) the party seeking discovery has ample opportunity to obtain the information sought; or (3) the burden or expense of the proposed discovery outweighs its likely benefit, taking into account the needs of the case, the amount in controversy, the party's resources, and the importance of the proposed discovery in resolving the issues.

(a) Witnesses Eleven and Twelve

Based on plaintiff's description of the depositions it has yet to complete and in light of the discovery already obtained and the plaintiff's burden of proof, the court finds that plaintiff has ample opportunity within the ten-deposition limit to obtain relevant information regarding defendants' arcade version of the accused product and damages. (Joint Stipulation at 9-10, 15).

The court, therefore, sustains defendants' objection with regard to the depositions of Ikamoto and Losser and shall not grant leave to take the deposition of these additional two witnesses. [FN2]

> FN2. Plaintiff may elect, however, to substitute these two deponents for two of the Redwood City witnesses without having to obtain further leave from the court.

(b) Witnesses Thirteen through Sixteen

It is not clear whether expert depositions under Fed.R.Civ.P. 26(b)(4) are governed by Fed.R.Civ.P. 30(a)(2)(A). *Express One International, supra* 2001 WL 363073, at *3. Assuming, *arguendo,* that experts are included in Rule 30's broad application to "any person," the court's Rule 26(b)(2) analysis leads to the conclusion that it should grant leave for plaintiff to take the four expert depositions. *Id.* ("These are not persons whose opinions could be discovered from other sources; therefore, the discovery sought is not duplicative or unreasonably cumulative.") In addition, the expense of taking these experts' depositions is borne by the party taking the depositions. *See* Fed.R.Civ.P. 26(b)(4)(C). Finally, it is crucial for plaintiff to have this information and the benefit of this discovery vastly outweighs the burden or expense to defendants.

The court, therefore, overrules defendants' objection with regard to the depositions of defendants' four experts and the court shall grant leave to take the deposition of these additional four witnesses. [FN3]

> FN3. If defendants ultimately name fewer than four experts, plaintiff may not "transfer" the court's grant of leave to depose these four witnesses in order to depose any non-expert witnesses. Alternatively, if defendants designate more than four experts, plaintiff shall have leave to take the deposition of these experts also, without further leave of the court.

(c) Witnesses Seventeen and Eighteen

***3** The court agrees with defendants that discovery on the subject of the defendants' merger is not relevant to any present claim or defense. (Joint Stipulation at 17). Further, the plaintiff's attempt to secure discovery regarding the structure of the defendants' recent merger is wholly premature. Plaintiff has not yet had a *Markman* hearing in this case. Without the court's determination of the scope of plaintiff's patent, there is no reasonable probability at this juncture that plaintiff will be able to establish infringement, much less causal injury and damages. [FN4]

> FN4. Post-judgment discovery (including depositions), however, is available if needed to secure payment of an award of damages. *See In re Rothery,* 200 B.R. 644, 653 (9th Cir.1996).

The court, therefore, sustains defendants' objections with regard to plaintiff's proposed deposition of its attorneys and accountants and the court shall not grant leave to take these "custodian of records" depositions.

IT IS SO ORDERED.

2001 WL 535667 (C.D.Cal.), 59 U.S.P.Q.2d 1094

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