

**SUPERIOR COURT, STATE OF CALIFORNIA
COUNTY OF SANTA CLARA**

DEPARTMENT 7

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H. B. FULLER COMPANY,

Plaintiff,

vs.

JOHN DOE, a.k.a. LASHWR45 on YAHOO!,

Defendant.

) **CASE NUMBER: 1-05-CV-053609**

) **ORDER DENYING MOTION OF DEFENDANT**
) **TO QUASH OUT-OF-STATE SUBPOENA**

The Motion to Quash Subpoena came on regularly for hearing before the Honorable Socrates Peter Manoukian on February 10, 2006, at 8:30 a.m. in Department 7. The matter having been submitted, the Court finds and orders as follows:

Although not required to issue opinions or statements of decision when deciding cases on the motion calendar, Code of Civil Procedure §632, 4 Witkin, *California Procedure* (4th ed. 1997) Trial, §306, p.461, the Court is doing so here because it believes it may be helpful to counsel and the parties to do so.¹

This motion is about discovery; namely, a single subpoena served by Plaintiff H. B. Fuller on a Yahoo! message board. The Order of this Court does not go beyond the questions necessary to determine this motion seeking a protective order against that single subpoena, and it cannot and should not be read or interpreted more broadly. The Court makes no finding as to the ultimate merits of H. B. Fuller's claims, or any defenses to those claims. Those issues remain for another day.

I. STATEMENT OF FACTS.

"H. B. Fuller provides adhesives, sealants, and coatings for the manufacture of other, more familiar brand-name merchandise. . . Founded in 1887, H.B. Fuller manufactures and markets specialty chemicals used in thousands of formulations, and hundreds of thousands of applications worldwide. The company has direct operations in 34 countries in North America, Latin America, Europe and Asia Pacific. Distributors and licensees increase H.B. Fuller's presence to more than 100 countries."² H. B. Fuller's stock is publicly traded company whose stock price and competitive position could be affected by the public disclosures of confidential information. (Declaration of Michele Volpi, ¶ 6.)

¹ This Court notes the scholarly Order of the Hon. James Kleinberg in a matter titled *Apple Computer v. Doe1*, Case No.: 1-04-CV-032178, filed 11 March 2006. That matter is currently pending on a petition for an extraordinary writ in the Court of Appeal, Sixth District.

² http://www.hbfuller.com/About_Us/index.shtml#P0_0

This action commenced on 1 December 2005. Pursuant to Code of Civil Procedure, § 2029,³ counsel for Plaintiff H. B. Fuller filed papers in support of the issuance of a deposition subpoena for personal appearance and production of documents and things for use in proceedings pending out of state. These papers contain an Order of the Hon. Teresa R. Warner, Judge of the District Court, Second Judicial District, County of Ramsey, State of Minnesota, granted Plaintiff's petition for a commission to take an "Out-Of-State Deposition, *Duces Tecum* of Yahoo!, Inc. pursuant to the California Code of Civil Procedure. The Court further stated:

"it appears to this Court that Yahoo!, Inc. may have knowledge or information of matters material and relevant to this litigation and that it may further the interests of justice if a production of these documents is conducted by the State of California. By this commission, this court requests that you render any assistance necessary to compel Yahoo!, Inc. to appear and testify at a deposition upon oral examination and to produce the documents requested."

The commission contains several categories of documents maintained by Yahoo! pertaining to the user or registrant of the Yahoo! pseudonym/screen name/user name "lashwr45" as well as the Terms of Service.

On December 1, 2005, Plaintiff served a subpoena served upon Yahoo! seeking documents identifying Defendant and postings with any content relating to Plaintiff. On December 15, 2005, Defendant filed this Motion to Quash, arguing that the subpoena is overbroad, Plaintiff did not follow Minnesota law in obtaining the commission to take the deposition, and that the First Amendment protects Defendant's right to anonymous speech.

Yahoo! has never appeared to challenge this motion. As far as the Court is aware, Yahoo! is ready, willing and able to provide the information requested by Plaintiff.

John Doe filed a motion to quash the subpoena served on Yahoo!,⁴ claiming that the moving papers did not provide any evidence to substantiate Plaintiff's claim that John Doe's messages were improper or unlawful. He claims that since he has "... committed no wrong[, he] should be able to participate [in] online [discussions] without fear that someone who wishes to harass or embarrass them can file a frivolous lawsuit and thereby gain the power of the court's order to discover their identity." (*Columbia Ins. Co. v. Seescandy.com* (D.Cal.) 185 F.R.D. 573, 578.) First, he claims that the subpoena is overbroad because it is not limited to identifying information. Second, he claims that the Plaintiff did not properly follow Minnesota procedures for obtaining the commission. Third, he claims that neither the subpoena nor the papers filed in Minnesota or this Court show the need to obtain John Doe's identity for any legitimate purpose.

John Doe filed a declaration stating that he "is not now, nor was I at the time of my postings a Fuller employee." He described the nature of the posting. Essentially, he describes that he made two postings, that he is a shareholder, and that he did not learn about Fuller's latest reorganization from Fuller or any of its agents. He said he learned of the material he subsequently posted from two competitors of Fuller on 31 October 2005. These competitors, in turn, learned of this information from other individuals not employed by Fuller. He further states that he was not present at the 1 November 2005 meeting nor did he hear about the reorganization from anyone at the meeting. John Doe does not attach a copy of his postings. Pages 3 and 4 of the Declaration state some details of Fuller's business plans which he suggests to this Court were common knowledge.

Daniel P. Taber, Attorney, filed a declaration describing his familiarity with Plaintiff and his belief that John Doe's declaration is true and correct. He also argues that the commission was obtained in violation of Minnesota law.⁵

In the Opposition to the motion to quash, Plaintiff alleges that Defendant is an employee of Plaintiff. Plaintiff alleges that Defendant breached the confidentiality and noncompetition portions of his employment contract with Plaintiff by disclosing confidential information on a publicly accessible online bulletin board hosted by Yahoo!⁶ The information

³ In July 2005, the statute was renumbered §2029.010. It states: "Whenever any mandate, writ, letters rogatory, letter of request, or commission is issued out of any court of record in any other state, territory, or district of the United States, or in a foreign nation, or whenever, on notice or agreement, it is required to take the oral or written deposition of a natural person in California, the deponent may be compelled to appear and testify, and to produce documents and things, in the same manner, and by the same process as may be employed for the purpose of taking testimony in actions pending in California."

⁴ The Court does not take a position on whether the appearance is general or special. The Court does not assume that John Doe is a male.

⁵ The Court wonders why this portion of the declaration was filed under seal.

⁶ See the Uniform Trade Secrets Act, Civil Code §§ 3426 et. seq., (the "UTSA") adopted in 1985; Penal Code §499c; *Kewanee Oil v. Bicron* (1974) 416 U.S. 470, 489-491 (affirming the co-equal status of trade secrets with patents as methodologies for protecting proprietary information.)

(represented to be strategic and competitive information) was disclosed to H.B. Fuller employees only hours before it was posted on the message board.

Neither the specific nature of the confidential material nor the postings themselves are provided to this Court. However, in ¶ 10 of the Complaint filed in Minnesota, Plaintiff alleges that “[t]he H. Bo. Fuller employees were specifically instructed that information disseminated at the November 1, 2005 employee meeting was confidential company information and was not to be disclosed publicly. The only attendees at the November 1, 2005 meeting were employees of H. B. Fuller.”

II. ANALYSIS.

A. Notice.

John Doe alleges in his motion that he did not receive proper notice of the motion. He retained counsel who timely filed this motion to quash the subpoena served upon Yahoo!. (See *Mann v. Cracchiolo* (1985) 38 Cal.3d 18; *Alliance Bank v. Murray* (1984) 161 Cal.App.3d 1, 7-8.⁷) The point is waived. He suffered no prejudice by any technical lack of notice in Minnesota.

B. The California Policy Of Discovery.

This case is a discovery matter. It is not a strategic lawsuit against public participation, nor does John Doe even claim that it is. “Unless otherwise limited by order of the court in accordance with this title, any party may obtain discovery regarding any matter, not privileged, that is relevant to the subject matter involved in the pending action or to the determination of any motion made in that action, if the matter either is itself admissible in evidence or appears reasonably calculated to lead to the discovery of admissible evidence. Discovery may relate to the claim or defense of the party seeking discovery or of any other party to the action. Discovery may be obtained of the identity and location of persons having knowledge of any discoverable matter, as well as of the existence, description, nature, custody, condition, and location of any document, tangible thing, or land or other property.” (Code of Civil Procedure, § 2017.010.)

“The court shall limit the scope of discovery if it determines that the burden, expense, or intrusiveness of that discovery clearly outweighs the likelihood that the information sought will lead to the discovery of admissible evidence. The court may make this determination pursuant to a motion for protective order by a party or other affected person. This motion shall be accompanied by a meet and confer declaration under Section 2016.040.” (Code of Civil Procedure, § 2017.020(a).)

Civil subpoenas seeking information regarding anonymous individuals raise First Amendment concerns. (*Sony Music Entm't Inc. v. Does 1-40* (S.D.N.Y. 2004) 326 F.Supp.2d 556, 563, citing, e.g., *NAACP v. Alabama ex rel. Patterson* (1958) 357 U.S. 449, 462.) The First Amendment applies to speech on the Internet. (*Reno v. ACLU* (1997) 521 U.S. 844.) “[A]n author’s decision to remain anonymous, like other decisions concerning omissions or additions to the content of a publication, is an aspect of the freedom of speech protected by the First Amendment.” (*McIntyre v. Ohio Elections Comm’n* (1995) 514 U.S. 334, 342.)

However, this Court believes that the burden of persuading this Court to quash the subpoena is on John Doe. (see Code of Civil Procedure, § 2025.420.)

C. Trade Secrets.

The California statute concerning trade secrets reflect this state’s strong commitment to the protection of proprietary business information. (See *Integral Dev. Corp. v. Weissenbach* (2002) 99 Cal.App.4th 576, *Magnecomp*

⁷“We find that appellant’s appearance at the June 14, 1983, hearing and his opposition to the motion on its merits constitutes a waiver of the defective notice of motion. As the court stated in *Tate v. Superior Court* (1975) 45 Cal.App.3d 925, 930: ‘It is well settled that the appearance of a party at the hearing of a motion and his or her opposition to the motion on its merits is a waiver of any defects or irregularities in the notice of motion. (*Lacey v. Bertone*, 33 Cal.2d 649, 651; *Bohn v. Bohn*, 164 Cal. 532, 538; *Flood v. Goldstein Co.*, 158 Cal. 247, 251-252; *Kowalski v. Cohen*, 252 Cal.App.2d 977, 979; *McConaghy v. McConaghy*, 239 Cal.App.2d 601, 604; *Batchelor v. Finn*, 169 Cal.App.2d 410, 425-427.) This rule applies even when no notice was given at all. (*City of Pasadena v. Superior Court*, 212 Cal. 309, 315; *Reynolds v. Harris*, 14 Cal. 667, 677; *Overton v. White*, 18 Cal.App.2d 567, 567.) Accordingly, a party who appears and contests a motion in the court below cannot object on appeal or by seeking extraordinary relief in the appellate court that he had no notice of the motion or that the notice was insufficient or defective.’ (See *Estate of Pailhe* (1952) 114 Cal.App.2d 658, 660-661.”

Corp. v. Athene Co. (1989) 209 Cal.App.3d 526.) The statutes also support the compelling interest of disclosure which may, in the proper civil case, outweigh First Amendment rights. As discussed *infra*, the United States and California Supreme Courts have underscored that trade secret laws apply to everyone regardless of their status, title or chosen profession. The California Legislature has not carved out any exception to these statutes for employees, disgruntled employees, people who know employees, journalists, bloggers or anyone else.

C. Free Speech Concerns.

“[T]here is a nonstatutory qualified immunity, grounded in the free speech and privacy provisions of the United States and California Constitutions, that limits what courts can compel through civil discovery.” (*Rancho Publications v. Superior Court* (1999) 68 Cal.App.4th 1538, 1547-1548.) Some speakers may be chilled into silence without the cover of anonymity. *Id.* The qualified privilege is decided on a case-by-case basis. (*Id.* at 1549.) “The need for discovery is balanced against the magnitude of the privacy invasion, and the party seeking discovery must make a higher showing of relevance and materiality than otherwise would be required for less sensitive material.” (*Id.* at 1549.) A court must balance the right of a plaintiff to seek redress and a defendant’s right to remain anonymous. (*Id.*)

D. Plaintiff’s Interests In Protecting Its Trade Secrets Outweigh Defendant’s Rights.

In *Rancho Publications*, the court held that the plaintiff did not demonstrate a compelling need to disclose the names of anonymous authors because the plaintiff did not allege that the writings were defamatory or directly relevant to the plaintiff’s case. (*Id.* at 1551.) In contrast, in the present case, the name of Defendant is directly relevant to Plaintiff’s claim of breach of contract. Plaintiff alleges that Defendant has violated an employment confidentiality agreement. The identity of Plaintiff, and whether Plaintiff is an employee of Defendant, is directly relevant and necessary for the action to proceed. Plaintiff has put forward circumstantial evidence that Defendant is an employee of Plaintiff acting in violation of a confidentiality agreement in that Defendant’s posts were made shortly after a company meeting revealing information to a larger group of employees.

Defendant declares anonymously that he is not an employee of Plaintiff, nor an employee at the time of the meeting, and that he received the information he posted from Plaintiff’s competitors. This Court believes it is too premature to rule on the issue of whether Defendant is an employee. Plaintiff should not be restricted because of his own opinion or because of some unknown definition of what is an employee under Minnesota law.

Immunomedics, Inc. v. Jean Doe (N.J. App. Div. 2001) 775 A.2d 773 presented facts similar to those of the present case. Immunomedics alleged that messages containing confidential information were posed on a Yahoo! message board in breach of an employment contract. The court applied the test articulated in *Dendrite Int’l v. Doe No. 3* (N.J. Super. Ct. 2001) 342 N.J. Super. 134: the plaintiff must “identify and set forth the exact statements purportedly made by each anonymous poster that plaintiff alleges constitutes actionable speech” and “the plaintiff must produce sufficient evidence supporting each element of its cause of action, on a prima facie basis, prior to a court ordering the disclosure of the identity of the unnamed defendant.” The court held that Immunomedics established a prima facie case because “Immunomedics presented sufficient evidence that [the defendant] is, or was, an employee of Immunomedics.”

In the present case, Plaintiff alleges that Defendant is an employee of Plaintiff obligated to keep company information confidential. The timing of the employee meeting and the subsequent posting is remarkable.

In *Highfields Capital Mgmt. L.P. v. Doe*, (N.D. Cal. 2004) 385 F. Supp. 2d 969, 975, the court held that “when a private civil plaintiff seeks to discover the identity and address of an anonymous internet speaker” a court must apply a two part test. First, “the plaintiff must adduce competent evidence [that]... if unrebutted, tend[s] to support a finding of each fact that is essential to a given cause of action.” (*Id.* at 975-976.) Second, “if, but only if, the plaintiff makes an evidentiary showing sufficient to satisfy the court in the first component of the test . . . [the court must] compare the magnitude of the harms that would be caused to the competing interests by a ruling in favor of plaintiff and by a ruling in favor of defendant.” (*Id.* at 976.) If “the court concludes that enforcing the subpoena would cause relatively little harm to the defendant's First Amendment and privacy rights and that its issuance is necessary to enable plaintiff to protect against or remedy serious wrongs, the court would deny the motion to quash.” (*Id.*)

Applying the *Highfields* test to the present case, Plaintiff has made a prima facie showing that Defendant violated an employment contract by declaring that all employees are bound by a confidentiality agreement, confidential information was disclosed at a company meeting with employees, and that confidential information was disclosed soon after the company meeting raising the inference that the Yahoo! messages were posted by an employee.

Defendant tries to rebut this showing by declaring he is not an employee of Plaintiff.

Plaintiff argues that John Doe's declaration should not be considered because it was made anonymously. "[D]eclarations shall . . . show affirmatively that the affiant is competent to testify to the matters stated in the affidavits or declarations." C.C.P. § 437c(d). John Doe is competent to testify as to his own belief of status of employment, his personal conversations, and the content and timing of his postings at the Yahoo! message board because these statements are based on his personal knowledge. It would not be proper to require John Doe to state his name at this point because whether Plaintiff will be able to obtain the identity of John Doe is the matter at issue.

Plaintiff argues that this court should not consider the declarations of John Doe and Daniel Taber because they are tardy. "[A] trial court has inherent power . . . to obtain evidence upon which the judgment of the court may rest." *Weiss v. Chevron, U. S. A, Inc.* (1988) 204 Cal.App.3d 1094, 1098-1099. The Court will consider the declarations since there is an insufficient showing of prejudice made by the Plaintiff.

Plaintiff objects to Taber's declaration because it contains argument, as well as irrelevant and incompetent statements. "Supporting and opposing affidavits or declarations shall be made by any person on personal knowledge, shall set forth admissible evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated in the affidavits or declarations." C.C.P. § 437c(d). The court will not consider Taber's declaration to the extent it contains argument or statements not based on personal knowledge.

However, calling this case a speech case misses the mark. Unlawful conduct, whether it is trademark infringement,⁸ burglary, robbery, theft, or misappropriation of identity⁹ does not rise to a higher level because the fruits of the illegal conduct are called speech or are placed on the internet.

In conclusion, this Court will comply with the gracious request of the Minnesota judge in asking that this Court provide full faith and credit to the lawful Order of the Minnesota Court.

There is no showing that the learned Judge in Minnesota was bamboozled in the issuance of this Commission. This Court will respect the ability of the Minnesota Court to determine the legality and propriety of proceedings conducted in its Courts.

On the merits of the motion, this Court wonders why neither side explored the implications, if any, of California Penal Code § 499 or its Minnesota equivalent, if any, or of the Uniform Trade Secrets Act, Civil Code §§ 3426 et. seq., or its Minnesota equivalent, if any.

This Court believes that the Plaintiff has shown that its information was subject to a confidentiality agreement, that the agreement appears to be breached, and that it was breached by someone who was a party to the confidentiality agreement. (*Immunomedics, Inc. v. Doe* (2001) 342 N.J.Super. 160, 167.¹⁰) Plaintiff has earned the right to determine the identity of John Doe, and should not be satisfied with John Doe's parsed explanation of who he is and how he learned of the nature of the material that he posted and which Plaintiff believes is its proprietary information.

As this Court stated above, it believes that John Doe has the burden of persuading this Court that Plaintiff is not entitled to take his deposition. However, this Court believes that the material produced by Plaintiff has convinced this Court to deny the motion.

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⁸ The First Amendment, for example, does not protect copyright infringement, and the Supreme Court, accordingly, has rejected First Amendment challenges to copyright infringement actions." (*Sony Music Entm't Inc. v. Does 1-40*, 326 F.Supp.2d 556, 562-563.)

⁹ See *Fitch v. Doe* (2005) 869 A.2d 722.

¹⁰ "In balancing Moonshine's right of anonymous free speech against the strength of the prima facie case presented and the necessity for disclosure, it is clear that the motion judge struck the proper balance in favor of identity disclosure. With evidence demonstrating Moonshine is an employee of Immunomedics, that employees execute confidentiality agreements, and the content of Moonshine's posted messages providing evidence of the breach thereof, the disclosure of Moonshine's identity, which can be reasonably calculated to be achieved by information obtained from the subpoena, was fully warranted. Although anonymous speech on the Internet is protected, there must be an avenue for redress for those who are wronged. Individuals choosing to harm another or violate an agreement through speech on the Internet cannot hope to shield their identity and avoid punishment through invocation of the First Amendment."

III. CONCLUSION.

Plaintiff's Motion to Quash Subpoena to Yahoo!, Inc. is DENIED.

DATED:

HON. SOCRATES PETER MANOUKIAN
Judge of the Superior Court
County of Santa Clara