

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN MAGNETIC DATA
STORAGE TAPES AND CARTRIDGES
CONTAINING THE SAME**

Inv. No. 337-TA-1012

Order No. 15

Complainants FUJIFILM Corporation and FUJIFILM Recording Media U.S.A. (collectively, "FUJIFILM") filed a motion seeking to exclude and disqualify Ms. Carla Mulhern from acting as an economic expert on behalf of respondents Sony Corporation, Sony Corporation of America, and Sony Electronics Inc. (collectively, "Sony"), and a memorandum in support thereof. Motion Docket No. 1012-06. Sony filed an opposition to the motion. The Commission Investigative Staff ("Staff") filed a response supporting the motion to disqualify.

FUJIFILM argues that Ms. Mulhern should be disqualified from providing expert testimony on behalf of Sony because she testified on behalf of FUJIFILM last year in another investigation before this Commission involving products and issues relevant to this investigation. See Mem. at 1 (citing *Certain Formatted Magnetic Data Storage Tapes and Cartridges Containing the Same*, Inv. No. 337-TA-931 ("931-Investigation")). It is argued:

Because Ms. Mulhern gained access not just to FUJIFILM confidential information in the prior investigation but also to FUJIFILM's work product and litigation strategies, which would no doubt inform her views in this Investigation, Ms. Mulhern should be prevented from working against FUJIFILM and FUJIFILM's motion should be granted.

Significantly, if Ms. Mulhern is allowed to serve as an expert for Sony and testify in this Investigation, she would necessarily be testifying on (1) the same issues (domestic industry and public interest); (2) involving the same products (tapes for LTO/Enterprise Tape Storage systems); and (3)

manufactured by the same company (FUJIFILM) as in the 931- Investigation. The only difference is that Ms. Mulhern's testimony in this Investigation would utilize the confidential inside knowledge she learned *from* FUJIFILM in the prior investigation *against* FUJIFILM in this Investigation.

To suggest that Ms. Mulhern would testify about FUJIFILM's tapes for LTO/Enterprise Tape Storage systems without relying on a single confidential fact, or recalling a single litigation strategy or any work product she learned in the prior investigation involving the same products and issues, strains credulity. While FUJIFILM does not question Ms. Mulhern's integrity and trusts that she will not *intentionally* utilize inside knowledge gained during the prior investigation, there is nonetheless a clear and present danger of improper use and undue prejudice to FUJIFILM resulting from her being equipped with FUJIFILM's confidential work product and strategic thinking about relevant subject matter.

Id. at 1-2 (emphasis original).

In opposition, Sony argues that the pending motion should be denied:

[B]ecause: (a) Fujifilm's bare allegation that it shared unspecified litigation strategy and defenses with Ms. Mulhern in a prior investigation is not sufficient to justify a disqualification and, in any event, Ms. Mulhern has no recollection or memory of the purported information; and (b) the limited Fujifilm confidential information she received in that investigation is of little or no relevance here, and will be disclosed in the present investigation anyway.

Opp'n at 1.

The Staff takes the position that the motion should be granted, inasmuch as "FUJIFILM has demonstrated that it had a confidential relationship with Ms. Mulhern in *Certain Formatted Magnetic Data Storage Tapes and Cartridges Containing the Same*, Inv. No. 337-TA-931 ('931 Investigation'), and that Ms. Mulhern received privileged and confidential information from FUJIFILM in the 931 Investigation that is relevant to this investigation." *See* Staff Resp. at 1.

Although disqualification of an expert is rare, it is at times warranted based on that expert's prior relationship with an adversary if the adversary establishes that:

- (1) it was objectively reasonable for the adversary to conclude that a confidential relationship existed with the expert; and
- (2) the adversary disclosed confidential or privileged information to the expert that is relevant to the current litigation.

Wang Labs., Inc. v. Toshiba Corp., 762 F. Supp. 1246, 1248 (E.D. Va. 1991); see *Certain Acousto-Magnetic Electronic Article Surveillance Systems, Components Thereof, and Products Containing Same*, Inv. No. 337-TA-904, Order No. 7, at 3 (Apr. 22, 2014) (citing *Hewlett-Packard Co. v. EMC Corp.*, 330 F. Supp. 2d 1087, 1092-93 (N.D. Cal. 2004)) (“*Surveillance Systems*”).

Determining whether to disqualify an expert also requires balancing competing policy objectives. See *Surveillance Systems*, Order No. 7, at 3 (citing *Koch Refin. Co. v. Jennifer L. Boudreaux MV*, 85 F.3d 1178, 1183 (5th Cir. 1996)). Factors weighing in favor of disqualification include the objectives of preventing conflicts of interest and maintaining the integrity of the judicial process. *Id.* Factors weighing against disqualification include the objectives of ensuring access to expert witnesses who possess specialized knowledge and allowing experts to pursue their professional calling. *Id.*

With respect to the first prong of the two-part *Wang* test, it is determined that FUJIFILM has demonstrated that Ms. Mulhern was retained as an expert witness in the 931 Investigation to

testify on behalf of all respondents, including FUJIFILM. *See* Routh Decl. at ¶¶ 4, 5;¹ *Certain Formatted Magnetic Data Storage Tapes and Cartridges Containing the Same*, Inv. No. 337-TA-931, Agreement to Be Bound by the Protective Order of Carla S. Mulhern (EDIS Doc. No. 549733) (Jan. 22, 2015) (“I am an expert retained by Respondents in the above-referenced proceeding.”). As an expert in the 931 Investigation, Ms. Mulhern submitted two reports on behalf of FUJIFILM and other respondents related to the issues of domestic industry, remedy, bond, and public interest. Routh Decl. at ¶ 5. Ms. Mulhern was also subject to a deposition regarding her opinions in that investigation. *Id.* Given the scope of work performed on behalf of FUJIFILM and other respondents in the 931 Investigation, it is objectively reasonable for FUJIFILM to conclude that a confidential relationship existed with Ms. Mulhern.

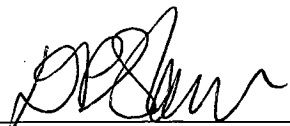
Turning now to the second prong of the *Wang* test, it is determined that FUJIFILM has shown that it provided confidential information to Ms. Mulhern in connection with her work as an expert in the 931 Investigation. In particular, FUJIFILM has shown that it exchanged information with Ms. Mulhern regarding its litigation strategies and defenses, and that counsel for FUJIFILM participated in the preparation and deposition of Ms. Mulhern. Routh Decl. at ¶¶ 9, 10. FUJIFILM’s prior litigation strategies and defenses from the 931 Investigation are relevant to this investigation because both investigations involve magnetic data storage tapes and cartridges manufactured by FUJIFILM, and because the complainants in both investigations have argued that the requested remedial orders do not implicate the statutory public interest factors based, at least in part, on the availability of substitute products. *See Certain Formatted Magnetic*

¹ “Routh Decl.” refers to the Declaration of Steven J. Routh submitted by FUJIFILM in support of the pending motion. Mr. Routh was counsel for FUJIFILM in the 931 Investigation. *See* Mot. at 3 n.1.

Data Storage Tapes and Cartridges Containing the Same, Inv. No. 337-TA-931, Responsive Statement of Public Interest Under Section 210.8(b), at 2-3 (EDIS Doc. No. 541885) (Sept. 11, 2014); Complainants' Responsive Statement of Public Interest Under Section 210.8(b), at 1-4 (EDIS Doc. No. 583854) (Jun. 16, 2016). Inasmuch as the issues considered by Ms. Mulhern in the 931 Investigation overlap with the issues she would likely be asked to address in this investigation, FUJIFILM has shown that it previously disclosed confidential or privileged information to Ms. Mulhern that is relevant to the current litigation.

Moreover, it is determined that policy objectives weigh in favor of disqualification under the circumstances of this investigation. Given the relatively early stage of this investigation, Sony will suffer little prejudice if it is required to engage a new expert with qualifications similar to those of Ms. Mulhern at this time. Indeed, Ms. Mulhern's prior work on behalf of FUJIFILM has been a matter of public record. Further, any prejudice to Sony or Ms. Mulhern is outweighed by the potential prejudice to FUJIFILM should Ms. Mulhern be allowed to testify against FUJIFILM after working on FUJIFILM's behalf on substantially similar matters in the 931 Investigation.

Accordingly, Motion No. 1012-06 is granted.



David P. Shaw
Administrative Law Judge

Issued: September 26, 2016

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PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **ORDER NO. 15** has been served by hand upon the Commission Investigative Attorney, **Whitney Winston, Esq.**, and the following parties as indicated, on _____

SEP 26 2016



Lisa R. Barton, Secretary
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