

# 17-424-cv

---

**IN THE UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT**

---

ESTHER KIOBEL, by her attorney-in-fact, CHANNA SAMKALDEN,  
*Petitioner-Appellee,*

v.

CRAVATH, SWAINE & MOORE, LLP,  
*Respondent-Appellant.*

---

On Appeal from the United States District Court for the Southern District  
of New York, No. 16 Civ. 7992 (AKH), District Judge Alvin K. Hellerstein

---

**BRIEF OF *AMICUS CURIAE* CHAMBER OF COMMERCE OF THE  
UNITED STATES OF AMERICA, ASSOCIATION OF CORPORATE  
COUNSEL, AND NATIONAL ASSOCIATION OF MANUFACTURERS IN  
SUPPORT OF RESPONDENT-APPELLANT**

---

Kate Comerford Todd  
Sheldon Gilbert  
U.S. CHAMBER  
LITIGATION CENTER, INC.  
1615 H St., N.W.  
Washington, D.C. 20062  
202.463.5685

*Counsel for Amicus Curiae The  
Chamber of Commerce of the United  
States of America*

John P. Elwood  
VINSON & ELKINS LLP  
2200 Pennsylvania Ave, NW, Ste 500W  
Washington, D.C. 20037  
202.639.6518

Zachary J. Howe  
VINSON & ELKINS LLP  
1001 Fannin Street, Ste 2500  
Houston, Texas 77002  
713.758.2154

*Counsel for Amici Curiae*

Amar Sarwal  
ASSOCIATION OF  
CORPORATE COUNSEL  
1025 Connecticut Ave., N.W.  
Suite 200  
Washington, D.C. 20036  
202.293.4103

*Counsel for Amicus Curiae  
Association of Corporate Counsel*

## **CORPORATE DISCLOSURE STATEMENT**

Pursuant to Rule 26.1 of the Federal Rules of Appellate Procedure, each of the amici curiae certifies that it has no parent corporations, and no publicly held corporation owns 10% or more of its stock.

**TABLE OF CONTENTS**

	<u>Page</u>
CORPORATE DISCLOSURE STATEMENT .....	i
TABLE OF AUTHORITIES .....	iv
STATEMENT OF INTEREST .....	1
ARGUMENT .....	3
I.    REQUIRING LAW FIRMS TO DISCLOSE DOCUMENTS THAT THEIR CLIENTS COULD NOT BE COMPELLED TO PRODUCE WILL CHILL ATTORNEY-CLIENT COMMUNICATIONS .....	3
A.    The Compelled Production Of Client Documents Poses Special Risks For Candid Attorney-Client Communications .....	4
B.    The District Court’s Decision Contravenes These Principles And Will Severely Chill Attorney-Client Communications .....	8
II.   THE DISTRICT COURT’S IMPROPER DEPARTURE FROM THE ORIGINAL <i>KIOBEL</i> CONFIDENTIALITY ORDER WILL UNDERMINE CONFIDENCE IN PROTECTIVE ORDERS .....	12
A.    The District Court Failed To Acknowledge The “Vital Function” Protective Orders Serve Or To Determine Whether Extraordinary Circumstances Justified Modifying The Order .....	14
B.    The District Court’s Decision Conflicts With This Court’s Precedents Addressing Section 1782 Petitions Seeking Information Subject To Protection Orders.....	19
C.    By Allowing Ready Circumvention Of The Original <i>Kiobel</i> Confidentiality Order, The District Court’s Decision Undermines Confidence In Protective Orders.....	21

CONCLUSION.....25  
CERTIFICATE OF COMPLIANCE.....27  
CERTIFICATE OF SERVICE .....28

**TABLE OF AUTHORITIES**

	<u>Page(s)</u>
 <b><u>CASES</u></b>	
<i>AT &amp; T Corp. v. Sprint Corp.</i> , 407 F.3d 560 (2d Cir. 2005).....	16, 18
<i>Ctr. for Auto Safety v. Chrysler Grp., LLC</i> , 809 F.3d 1092 (9th Cir. 2016) .....	15, 24
<i>Colton v. United States</i> , 306 F.2d 633 (2d Cir. 1962).....	3, 4
<i>FDIC v. Ernst &amp; Ernst</i> , 677 F.2d 230 (2d Cir. 1982) (per curiam).....	16
<i>Fisher v. United States</i> , 425 U.S. 391 (1976).....	5, 6, 8, 11, 12
<i>Four Pillars Enters. Co. v. Avery Dennison Corp.</i> , 308 F.3d 1075 (9th Cir. 2002) .....	20
<i>Geller v. Branich Int’l Realty Corp.</i> , 212 F.3d 734 (2d Cir. 2000).....	14
<i>Hunt v. Blackburn</i> , 128 U.S. 464 (1888).....	5
<i>In re Application of Sarrion, S.A.</i> , 119 F.3d 143 (2d Cir. 1997).....	6, 7, 8, 9, 11
<i>In re Cathode Ray Tube (CRT) Antitrust Litig.</i> , No. CV-12 80 151 MISC, 2012 WL 6878989 (N.D. Cal. Oct. 22, 2012).....	20
<i>In re Cty. of Erie</i> , 473 F.3d 413 (2d Cir. 2007).....	4, 5
<i>In re Grand Jury Investigation</i> , 399 F.3d 527 (2d Cir. 2005).....	3, 4

*In re Iwasaki Elec. Co., Ltd.*,  
 No. M19-82, 2005 WL 1251787 (S.D.N.Y. May 26, 2005) ..... 19, 20, 21

*In re Kellogg Brown & Root, Inc.*,  
 756 F.3d 754 (D.C. Cir. 2014) ..... 10, 11

*In re Qualcomm Inc.*,  
 162 F. Supp. 3d 1029 (N.D. Cal. 2016) .....20

*In re Teligent, Inc.*,  
 640 F.3d 53 (2d Cir. 2011).....16

*Intel Corp. v. Advanced Micro Devices, Inc.*,  
 542 U.S. 241 (2004) ..... 13, 14

*Iridium India Telecom Ltd. v. Motorola, Inc.*,  
 165 F. App’x 878 (2d Cir. 2005) .....16

*Kiobel v. Royal Dutch Petroleum Co.*,  
 133 S. Ct. 1659 (2013).....23

*Lia v. Saporito*,  
 541 F. App’x 71 (2d Cir. 2013) .....17

*Martindell v. Int’l Tel. & Tel. Corp.*,  
 594 F.2d 291 (2d Cir. 1979)..... 14, 16, 21, 24

*Minpeco S.A. v. Conticommodity Servs., Inc.*,  
 832 F.2d 739 (2d Cir. 1987).....16

*Ratliff v. Davis Polk & Wardwell*,  
 354 F.3d 165 (2d Cir. 2003)..... 7, 8, 12

*Schmitz v. Bernstein Liebhard & Lifshitz, LLP*,  
 376 F.3d 79 (2d Cir. 2004)..... 19, 20

*SEC v. TheStreet.Com*,  
 273 F.3d 222 (2d Cir. 2001)..... 14, 15, 16, 18, 21, 24

*StoneEagle Servs., Inc. v. Gillman*,  
 No. 3:11-CV-2408-P, 2013 WL 6008209  
 (N.D. Tex. Nov. 13, 2013) ..... 17, 20

*Trammel v. United States*,  
445 U.S. 40 (1980) .....4

*U.S. Philips Corp. v. Iwasaki Elec. Co., Ltd.*,  
142 F. App'x 516 (2d Cir. 2005) .....19

*Upjohn Co. v. United States*,  
449 U.S. 383 (1981)..... 3, 4, 11, 12

*Via Vadis Controlling GmbH v. Skype, Inc.*,  
No. CIV. A. 12-MC-193-RGA, 2013 WL 646236  
(D. Del. Feb. 21, 2013) .....20

**RULES**

Fed. R. Civ. P. 26(c).....15

**OTHER AUTHORITIES**

Upasana Khatri,  
*Kiobel v. Cravath: An Example of How a Little-Known U.S. Law  
can be Used as a Pre-Litigation Tool Overseas*, Oxford Human  
Rights Hub Blog (Feb. 22, 2017), <https://tinyurl.com/lqdcy33> ..... 11, 12, 21, 22

Richard Marcus,  
*Myth and Reality in Protective Order  
Litigation*, 69 Cornell L. Rev. 1 (1983) ..... 15, 22, 24

Arthur R. Miller,  
*Confidentiality, Protective Orders, and Public Access  
to the Courts*, 105 Harv. L. Rev. 427 (1991) ..... 12, 14, 15, 16, 17, 24

Tom Spahn,  
*Corporate Attorney-Client Privilege in the Digital Age: War on  
Two Fronts?*, 16 Stan. J.L. Bus. & Fin. 288 (2011) .....5

8 J. Wigmore,  
*Evidence* § 2307 (McNaughton rev. 1961).....6



## STATEMENT OF INTEREST<sup>1</sup>

The Chamber of Commerce of the United States of America (“Chamber”) is the world’s largest business federation. The Chamber represents 300,000 direct members and indirectly represents the interests of more than three million businesses and professional organizations of every size, in every industrial sector, and from every region of the country. An important function of the Chamber is representing its members’ interests before Congress, the Executive Branch, and the courts. The Chamber regularly files amicus curiae briefs in cases that raise issues of concern to the business community.

The Association of Corporate Counsel (“ACC”) is the leading global bar association that promotes the common professional and business interests of in-house counsel. ACC has over 42,000 members who are in-house lawyers employed by over 10,000 organizations in more than 85 countries. ACC has long sought to aid courts, legislatures, regulators, and other law or policy-making bodies in understanding the role and concerns of in-house counsel. To ensure that clients are able to turn to their in-house counsel for confidential legal advice, ACC has

---

<sup>1</sup> No party’s counsel authored this brief. No party, party’s counsel, or person other than amicus curiae, its members, or its counsel provided money for the brief’s preparation or submission. Both parties have consented to the filing of this brief.

championed the attorney-client privilege and confidentiality protections for sensitive business information produced during litigation.

The National Association of Manufacturers (“NAM”) is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states. Manufacturing employs more than 12 million men and women, contributes \$2.17 trillion to the U.S. economy annually, has the largest economic impact of any major sector, and accounts for more than three quarters of private-sector research and development in the nation. The NAM is the powerful voice of the manufacturing community and the leading advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across the United States.

Amici represent many of the businesses in the United States and their in-house attorneys. Many of the Chamber’s and NAM’s members (and ACC members’ employers) have foreign subsidiaries and affiliates. Amici’s members regularly engage in litigation; in doing so, they rely on the understanding that documents are not subject to diminished protection because they are transmitted to counsel to assist in the provision of legal services, and that the limitations imposed by protective orders will be strictly observed according to their terms. Amici are concerned about the implications of the district court’s unprecedented ruling—that it will discourage the kind of full and frank attorney-client communications that

courts have long understood “promote broader public interests in the observance of law and administration of justice,” *Upjohn Co. v. United States*, 449 U.S. 383, 389 (1981), and that it will undermine litigants’ confidence in the protections afforded by confidentiality orders and thereby undermine discovery procedures and settlement discussions.

## ARGUMENT

### I. **REQUIRING LAW FIRMS TO DISCLOSE DOCUMENTS THAT THEIR CLIENTS COULD NOT BE COMPELLED TO PRODUCE WILL CHILL ATTORNEY-CLIENT COMMUNICATIONS**

It has long been recognized “that sound legal advice or advocacy serves public ends and that such advice or advocacy depends upon the lawyer’s being fully informed by the client.” *Upjohn Co. v. United States*, 449 U.S. 383, 389 (1981). “[C]ourts have by reason and experience concluded that a consistent application of the [attorney-client] privilege over time is necessary to promote the rule of law by encouraging consultation with lawyers, and ensuring that lawyers, once consulted, are able to render to their clients fully informed legal advice.” *In re Grand Jury Investigation*, 399 F.3d 527, 531 (2d Cir. 2005).

In order to promote the open communication between clients and their counsel that is the bedrock of effective legal representation, this Court has long held that, “if the client could have refused to produce” documents, “the attorney may do so when they have passed into his possession.” *Colton v. United States*, 306 F.2d

633, 639 (2d Cir. 1962). The district court's decision ordering Respondent-Appellant Cravath, Swaine & Moore, LLP ("Cravath") to produce client documents from several foreign clients (collectively, "Shell") that those clients could not be required to produce represents a sharp break from bedrock principles of law. If allowed to stand, that decision will disrupt settled expectations and severely chill attorney-client communications, "mak[ing] it difficult for . . . attorneys to formulate sound advice" and "threaten[ing] to limit the[ir] valuable efforts . . . to ensure their client's compliance with the law." *Upjohn Co.*, 449 U.S. at 392. The decision below should be reversed.

**A. The Compelled Production Of Client Documents Poses Special Risks For Candid Attorney-Client Communications**

Courts protect attorney-client communications because of the "need for the advocate and counselor to know all that relates to the client's reasons for seeking representation if the professional mission is to be carried out." *Trammel v. United States*, 445 U.S. 40, 51 (1980); accord *Grand Jury Investigation*, 399 F.3d at 531. "The first step in the resolution of any legal problem is ascertaining the factual background and sifting through the facts with an eye to the legally relevant." *Upjohn*, 449 U.S. at 390-91. After all, a lawyer who is not "fully informed" about the facts of a case cannot exercise "independent professional judgment to separate the relevant and important from the irrelevant and unimportant." *Id.* at 391 (citation omitted); see *In re Cty. of Erie*, 473 F.3d 413, 418-19 (2d Cir. 2007).

To encourage the frank communication necessary to render legal services “promot[ing] broader public interests in the observance of law and administration of justice,” *Cty. of Erie*, 473 F.3d at 418 (internal quotation omitted), it is essential that represented parties be assured that they will be “free from the consequences or the apprehension of disclosure.” *Hunt v. Blackburn*, 128 U.S. 464, 470 (1888). In an age when communications are overwhelmingly written—whether in traditional paper records and documents, or emails and electronic files—the provision of a client’s documents to counsel is especially important in ensuring legal advice is fully informed of all relevant facts. *Cf.* Tom Spahn, *Corporate Attorney-Client Privilege in the Digital Age: War on Two Fronts?*, 16 *Stan. J.L. Bus. & Fin.* 288, 292-94, 308 (2011) (noting that “technological advances have fundamentally changed how the world communicates”).

Courts have long recognized that seeking compelled production of client documents in counsel’s possession poses particular dangers for candid attorney-client communications. In *Fisher v. United States*, 425 U.S. 391 (1976), the Supreme Court confronted the question whether attorneys could be compelled to produce client documents that the client itself could refuse to disclose—there, because of the Fifth Amendment privilege against self-incrimination. The Court concluded that “[w]hen the client himself would be privileged from production of the document, . . . the attorney having possession of the document is not bound to

produce [it],” *id.* at 404 (quoting 8 J. Wigmore, *Evidence* § 2307 (McNaughton rev. 1961)). The Court emphasized that prohibiting disclosure under such circumstances was “necessary to achieve [the] purpose” of the privilege. *Id.* at 403. In words directly relevant here, the Court reasoned that, “if the client knows that damaging information could more readily be obtained from the attorney following disclosure than from himself in the absence of disclosure, the client would be reluctant to confide in his lawyer and it would be difficult to obtain fully informed legal advice.” *Id.*

This Court has repeatedly recognized that Section 1782 does not abridge the principles governing attorney-client communications articulated above. *In re Application of Sarrio, S.A.*, 119 F.3d 143 (2d Cir. 1997), involved a Spanish company’s efforts to use Section 1782 to obtain documents that foreign branches of Chase Manhattan Bank, N.A., provided to the bank’s counsel in New York for review. Proceeding on the understanding that Section 1782 could not be used to compel production of documents from foreign Chase branches, this Court reasoned that “[t]he principle articulated in *Fisher*” would protect them from disclosure, because “the policy of promoting open communications between lawyers and their clients . . . would be jeopardized if documents unreachable in a foreign country became discoverable because the person holding the documents sent them to a lawyer in the United States for advice.” *Id.* at 146. This Court emphasized that,

“[i]f discovery of documents could be obtained more easily from attorneys than from their clients, clients would hesitate to show their documents to their attorneys.” *Id.*

The Court reaffirmed that principle in *Ratliff v. Davis Polk & Wardwell*, 354 F.3d 165 (2d Cir. 2003), which likewise involved an effort to obtain documents belonging to a foreign company (there, a Dutch firm) that had been provided to their U.S. lawyers to use in giving legal advice. *Id.* at 169. This Court explained that “[e]xposing documents—not otherwise subject to production—to discovery demands after delivery to one’s attorney whose office was located within the sweep of a subpoena would produce a curious and unacceptable result. The price of an attorney’s advice would be disclosure of previously protected matters.” *Id.* This risk of disclosure, the Court reasoned, “would not only chill open and frank communications between attorneys and their clients, it would disenfranchise local counsel from representing foreign entities.” *Id.* This Court thus reaffirmed that “if the documents were unobtainable while in the hands of a client by reason of constitutional privilege or common law principle the same would be true when the documents were delivered to the client’s attorney for the purpose of formulating legal advice.” *Id.*

*Sarrio* and *Ratliff* ultimately were decided on other grounds. In *Sarrio*, this Court determined that the client’s subsequent waiver of privilege mooted the

appeal. 119 F.3d at 147-48 & n.3. In *Ratliff*, the Court held that the client had voluntarily disclosed the documents to a third party in the United States. 354 F.3d at 170-71. But this Court's reasoning in both cases strongly supports the conclusion that Section 1782 does not permit a law firm to be compelled to produce documents that could not be obtained from the client.

**B. The District Court's Decision Contravenes These Principles And Will Severely Chill Attorney-Client Communications**

The district court's decision ordering Cravath to produce client documents that the Firm's clients could not have been required to produce represents an abrupt break from the principles explained in *Fisher*, *Sarrio*, and *Ratliff*. Allowing that decision to stand would inhibit communications between attorneys and their firms. Shell provided Cravath with over 100,000 pages of documents for one purpose only: so that Cravath could provide legal services in connection with the *Kiobel* and *Wiwa* lawsuits. Had Shell known that engaging a New York law firm would expose those documents to production years after the fact, Shell may have been much less willing to disclose information to Cravath throughout the litigation. Those inhibitions would have hindered Cravath's ability to comply with discovery requests *and* to furnish Shell legal representation, thus harming the parties and the litigation process itself.

Because the same could be said of virtually every client, it is clear that the decision will have broad effects; indeed, it is difficult to overstate how damaging



the district court decision will be if uncorrected. The decision stands for the proposition that a foreign litigant can use the U.S. judicial process to obtain documents that would not be discoverable from the client itself, through the expedient of compelling their disclosure from the client's U.S. counsel. As this Court explained in *Sarrío*, “[i]f discovery of documents could be obtained more easily from attorneys than from their clients, clients would hesitate to show their documents to their attorneys.” 119 F.3d at 146.

Clients may insist that documents that their counsel must access for a given case be maintained on servers or in warehouses outside of the United States to limit the risk of disclosure in other litigation, making it more difficult and costly for counsel to investigate the facts and respond to discovery requests. Clients may demand that discovery requests be answered only using documents already within the U.S., putting attorneys in the position of having to engage in detailed counseling and review at every turn to minimize the need for disclosure of foreign documents, making the discovery process more protracted and difficult for fear of effectively losing control over the purposes to which documents may be put. Those concerns would be heightened in cases of particular importance to the company's business—such as intellectual property, where a large portion of the company's value may be tied up in trade secrets that might be disclosed subject to

protective order. But the risk of further disclosures of such critical secrets could be catastrophic, affecting the party's litigation decisions.

Both courts and companies could be placed in the difficult situation of evaluating the reasonableness of concerns about the risk of future disclosures (and thus the sorts of discovery sanctions that might be imposed) in light of a continuing refusal to produce. Thus, a district court facing a company that refuses to produce documents because of the risk of disclosure in future litigation (despite the fact that documents would be subject to a current protective order), would have to determine what sanctions would be appropriate. An adverse inference instruction? Monetary sanctions? Both the district court and the litigant would find themselves in the impossible position of weighing unknowable future risks.

The district court's decision thus would have far-reaching implications. As the D.C. Circuit explained, "prudent counsel monitor court decisions closely and adapt their practices in response." *In re Kellogg Brown & Root, Inc.*, 756 F.3d 754, 762-63 (D.C. Cir. 2014). The "novelty and breadth of the District Court's reasoning" here generates "uncertainty" about whether counsel may be forced to disclose client documents in their possession. *Id.* at 763. "That uncertainty matters in the privilege context, for the Supreme Court has told us that 'an uncertain privilege, or one which purports to be certain but results in widely

varying applications by the courts, is little better than no privilege at all.” *Id.* (quoting *Upjohn*, 449 U.S. at 393).

The court’s ruling appears to have been based on its conclusion that “there is no concern that privileged materials will be disclosed” because the relevant documents “have already been vetted for privilege.” A280. But that conclusion disregards *Sarrio*’s reasoning that, while *Fisher* involved privileged communications, its rationale *also* applied to documents “not amenable to subpoena duces tecum because they lie outside the statutory limits of the court’s power to compel production.” 119 F.3d at 146. And as demonstrated by the widespread judicial approval of protective agreements (including in this very case), it is clear that clients have confidentiality interests even in unprivileged documents; simply because a client has consented to disclosure to some plaintiffs and for some purposes (often in return for reciprocal disclosures) does not extinguish interests in not having documents disclosed further.

And although the district court downplayed the scope of its opinion by emphasizing that many of the documents “may be unobtainable” from the client directly in the underlying litigation, A285, that will *frequently* be the case. As petitioner’s counsel recently noted, litigants find Section 1782 expedient *precisely because* other jurisdictions do not provide the generous discovery available under U.S. law. See Upasana Khatri, *Kiobel v. Cravath: An Example of How a Little-*

*Known U.S. Law can be Used as a Pre-Litigation Tool Overseas*, Oxford Human Rights Hub Blog (Feb. 22, 2017), <https://tinyurl.com/lqdcy33> (noting counsel turned to Section 1782 because “Dutch law . . . offers limited opportunities for discovery”).

While it is certainly true that “[d]ocuments obtain no *special* protection because they are housed in a law firm,” A280 (quoting *Ratliff*, 354 F.3d at 170-71 (emphasis added)), it is equally important that they do not *lose* protection when they are held there, *cf.* Arthur R. Miller, *Confidentiality, Protective Orders, and Public Access to the Courts*, 105 Harv. L. Rev. 427, 466 (1991) (“The rulemakers who crafted our broad discovery regime to promote the disposition of civil disputes on their merits never intended that rights of privacy or confidentiality be destroyed in the process.”). Any other rule would be inimical to this Court’s precedent and the public ends served by full and frank attorney-client communications. *See Upjohn*, 449 U.S. at 389; *Fisher*, 425 U.S. at 402.

## **II. THE DISTRICT COURT’S IMPROPER DEPARTURE FROM THE ORIGINAL *KIOBEL* CONFIDENTIALITY ORDER WILL UNDERMINE CONFIDENCE IN PROTECTIVE ORDERS**

Shell produced most of the documents at issue here in reliance on a stipulated confidentiality order between Kiobel and Shell. That order barred Kiobel from using those materials in any other forum. The district court ordered Cravath to produce those same documents for a purpose prohibited by the confidentiality

order—use in anticipated Dutch litigation, *see* A58 ¶ 7. And the court did so without Shell’s approval (or even its participation in this litigation). The district court ordered Cravath, a nonparty to the original agreement, to enter a new stipulation with Kiobel that largely tracked the prior confidentiality order, but with two critical differences. First, because the district court had no authority over Dutch courts, the stipulation could only direct Kiobel to “request” confidential treatment for any documents she used in any Dutch lawsuit; it could not ensure a Dutch court would maintain the documents’ confidentiality. Second, because Shell was not a party, it gave Shell no right to enforce an order concerning the confidentiality of its own documents.

By effectively modifying the original Kiobel confidentiality order, although one of its two parties was absent, the district court erred. If the district court’s decision is not reversed, it will badly undermine confidence in the protective orders that are essential to modern litigation. Litigants may be reticent to produce discovery in the United States—even under a protective order—for fear that protective orders may be altered years or decades later so that documents will be disseminated for purposes the party never consented to or even contemplated. The district court abused its discretion in failing to properly analyze the protective orders when considering the Section 1782 petition in this case. *Cf. Intel Corp. v.*

*Advanced Micro Devices, Inc.*, 542 U.S. 241, 265-66 (2004) (confidentiality issues reviewed under fourth discretionary factor for Section 1782 analysis).

**A. The District Court Failed To Acknowledge The “Vital Function” Protective Orders Serve Or To Determine Whether Extraordinary Circumstances Justified Modifying The Order**

There is “a strong presumption against the modification of a protective order.” *SEC v. TheStreet.Com*, 273 F.3d 222, 229 (2d Cir. 2001). “Where there has been reasonable reliance by a party,” modification will not be permitted “absent a showing of improvidence in the grant of [the] order or some extraordinary circumstance or compelling need.” *Id.* (quoting *Martindell v. Int’l Tel. & Tel. Corp.*, 594 F.2d 291, 296 (2d Cir. 1979)). This standard is “more substantial than the good cause needed to obtain a sealing order in the first instance.” *Geller v. Branich Int’l Realty Corp.*, 212 F.3d 734, 738 (2d Cir. 2000). There are good reasons for applying such a stringent standard.

*First*, reliable protective orders are “vital” to “secur[ing] the just, speedy, and inexpensive determination of civil disputes . . . by encouraging full disclosure of all evidence that might conceivably be relevant. This objective represents the cornerstone of our administration of civil justice.” *TheStreet.Com*, 273 F.3d at 229 (citations and quotations omitted). Protective orders further this objective by safeguarding litigants’ privacy and property rights, Miller, *supra*, at 464-74, and protecting against “needless ‘annoyance, embarrassment, oppression, or undue burden

or expense.’” *TheStreet.Com*, 273 F.3d at 229 (quoting Fed. R. Civ. P. 26(c)); *see also* Miller, *supra*, at 446 (“the protective order is a tool particularly well-adapted to minimize discovery abuse”). “And if previously-entered protective orders have no presumptive entitlement to remain in force, parties would resort less often to the judicial system for fear that such orders would be readily set aside in the future.” *TheStreet.Com*, 273 F.3d at 229-30. *Second*, “it is . . . presumptively unfair for courts to modify protective orders which assure confidentiality and upon which the parties have reasonably relied,” because such modifications “unfairly disturb the legitimate expectations of litigants.” *Id.* at 230; *see also* Miller, *supra*, at 499-500 (“To the extent that the parties relied on the protective order . . . , subsequent dissemination would be unfair.”).

*Third*, “for protective orders to be effective, litigants must be able to rely on them.” Miller, *supra*, at 501. If they are *unreliable*, parties would “contest discovery requests with increasing frequency and tenacity,” *id.* at 483, and “would be less forthcoming in giving testimony,” *TheStreet.Com*, 273 F.3d at 230; *see also* Richard Marcus, *Myth and Reality in Protective Order Litigation*, 69 Cornell L. Rev. 1, 21-23 (1983). In other words, if a party could not rely on a protective order, it would “chart its course through discovery cautiously and belligerently, to the detriment of the legal system.” *Ctr. for Auto Safety v. Chrysler Grp., LLC*, 809 F.3d 1092, 1109 (9th Cir. 2016) (Ikuta, J., dissenting). Moreover, parties would be

“less willing to settle their disputes.” *TheStreet.Com*, 273 F.3d at 230; *Martindell*, 594 F.2d at 295; Miller, *supra*, at 483. Courts should hesitate to make litigation “more contentious, protracted, and expensive.” Miller, *supra*, at 483; *see also* Marcus, *supra*, at 2, 17. Indeed, the justice system simply “could not bear the increased burden that would accompany reducing the frequency of settlement or delaying the stage in the litigation at which settlement is achieved.” Miller, *supra*, at 486. Such harmful outcomes provide a “compelling reason to discourage modification of protective orders in civil cases.” *TheStreet.Com*, 273 F.3d at 230.

In light of these compelling reasons for leaving protective orders intact, it is unsurprising that this Court has repeatedly refused to permit their modification. *See, e.g., See In re Teligent, Inc.*, 640 F.3d 53, 59-60 (2d Cir. 2011); *Iridium India Telecom Ltd. v. Motorola, Inc.*, 165 F. App’x 878, 881 (2d Cir. 2005); *AT & T Corp. v. Sprint Corp.*, 407 F.3d 560, 562 (2d Cir. 2005); *Minpeco S.A. v. Conticommodity Servs., Inc.*, 832 F.2d 739, 743 (2d Cir. 1987); *FDIC v. Ernst & Ernst*, 677 F.2d 230, 232 (2d Cir. 1982) (per curiam); *Martindell*, 594 F.2d at 296-97. Modifications are exceptional, and rightfully so.

The district court failed to acknowledge the purpose of protective orders, the standard for modifying them, or cases applying that standard. Those omissions are striking given the nature of this case. Most obviously, “the action itself was brought to gain access to discovery,” which should have made the court “particu-



larly hesitant” to modify the protective order. Miller, *supra*, at 497-98. Moreover, Kiobel’s is “[t]he least sympathetic case for discovery,” because she “is merely *contemplating* the commencement of litigation.” *Id.* at 499 (emphasis added). Most importantly, Kiobel “seek[s] access to material that was previously disclosed under a protective order.” *Id.* All of these factors should have alerted the court to the need for caution—and the need to apply the proper analysis for modifying protective orders. In authorizing the release of documents here in violation of the original *Kiobel* confidentiality order, the district court “in essence, . . . alter[ed] the terms of the [p]rotective [o]rder, after [the defendant] produced documents with the assurance that they would be afforded the protection offered under the [p]rotective [o]rder.” *StoneEagle Servs., Inc. v. Gillman*, No. 3:11-CV-2408-P, 2013 WL 6008209, at \*2 (N.D. Tex. Nov. 13, 2013). Accordingly, the district court’s actions should be analyzed under the standard for modifying protective orders.

Analysis under the proper standard would have proved fatal to the disclosures the district court ordered here. Petitioner Kiobel did not show that the protective orders were improvidently granted, and would be estopped from arguing as much because she was a party to the orders. *See Lia v. Saporito*, 541 F. App’x 71, 73-75 (2d Cir. 2013). Nor has petitioner shown extraordinary circumstance or compelling need. Being forced to use Dutch discovery rules in a Dutch proceeding

is far from extraordinary, and petitioner has not shown that she would be unable to obtain needed documents from Shell through those proceedings or that Shell would refuse to comply. Instead, it appears that U.S. discovery is being used simply to avoid application of Dutch rules. That is not a compelling reason to modify the protective order. *Cf. AT & T Corp.*, 407 F.3d at 562 (“[movant] has failed to demonstrate that . . . either extraordinary circumstances or a compelling need exist. Rather, [the] motion appears to be an attempt to circumvent the close of discovery in his State Court Action.”).

The district court’s failure to consider these factors undermines the “vital function” served by protective orders. *TheStreet.Com*, 273 F.3d at 229. Indeed, if Shell had known that providing documents to Cravath exclusively for use in the prior litigation would risk the subsequent disclosure of those documents, it may have resisted discovery, produced fewer documents, or proceeded more cautiously throughout. That, in turn, might have prolonged litigation and discouraged the “full disclosure” necessary to “the just, speedy, and inexpensive determination” that “represents the cornerstone of our administration of civil justice.” *Id.* (citations and quotations omitted). And even if the inability to rely on a protective order did not alter litigants’ behavior in every case, it certainly would in many.

**B. The District Court’s Decision Conflicts With This Court’s Precedents Addressing Section 1782 Petitions Seeking Information Subject To Protection Orders**

The important functions served by protective orders do not lose their vitality when a Section 1782 petition is filed, and the high bar for modifying such orders does not simply disappear. Yet the district court implicitly assumed as much in its opinion, which fails to analyze the protective orders at issue here. That approach conflicts with decisions from this Court and others.

This Court has recognized the importance of protective orders when analyzing Section 1782 petitions. Indeed, the Court affirmed the denial of a Section 1782 petition even when plaintiffs in a foreign proceeding agreed to be bound by a protective order from the domestic proceeding because “the documents were obtained only for use in the American action” and “released for use . . . on the explicit condition that they would remain unavailable to anyone else.” *Schmitz v. Bernstein Liebhard & Lifshitz, LLP*, 376 F.3d 79, 85 (2d Cir. 2004). By contrast, this Court affirmed the grant of a Section 1782 petition in another case only after concluding that the “plain language of the protective order” “clearly contemplates the possibility that the parties will wish to use confidential material in related actions” and that the district court thus “enforced rather than modified the terms of the protective order.” *U.S. Philips Corp. v. Iwasaki Elec. Co., Ltd.*, 142 F. App’x 516, 518 (2d Cir. 2005); *see also In re Iwasaki Elec. Co., Ltd.*, No. M19-82, 2005

WL 1251787, at \*1-3 (S.D.N.Y. May 26, 2005) (protective order language “invites an application to . . . make available the discovery material for use in related litigation”). Read together, *Iwasaki* and *Schmitz* suggest that the fact that a protective order does not contemplate the use of discovered materials in foreign proceedings provides a compelling reason to deny Section 1782 petitions. Other courts have reached similar conclusions in denying discovery under Section 1782 because the documents sought are subject to a protective order.<sup>2</sup>

The protective orders here do not contemplate the use of discovered materials in other proceedings. Indeed, the orders explicitly state that “Confidential Material shall be used solely for purposes of the Litigation and for no other purpose whatsoever” and can be disclosed only to specified individuals or entities

---

<sup>2</sup> Cf. *Four Pillars Enters. Co. v. Avery Dennison Corp.*, 308 F.3d 1075, 1080 (9th Cir. 2002) (affirming denial of discovery under Section 1782 that “would frustrate the protective order of [another] federal court”); *In re Qualcomm Inc.*, 162 F. Supp. 3d 1029, 1044-45 (N.D. Cal. 2016) (“[M]any of the documents” are “subject to protective orders issued by this court . . . . Those protective orders bar [Respondents] from unilaterally producing many of the documents designated as confidential, and responding to [Petitioner’s] request would require significantly time-consuming measures to comply with the redaction protocols and protective orders in place.”); *StoneEagle*, 2013 WL 6008209, at \*2 (“[T]he Protective Order . . . does not include an exception for the parties to use the documents in related litigation.”); *Via Vadis Controlling GmbH v. Skype, Inc.*, No. CIV. A. 12-MC-193-RGA, 2013 WL 646236, at \*3 (D. Del. Feb. 21, 2013); *In re Cathode Ray Tube (CRT) Antitrust Litig.*, No. CV-12 80 151 MISC, 2012 WL 6878989, at \*4 (N.D. Cal. Oct. 22, 2012) (“there is no way to anticipate all of the ways in which [respondent’s] confidential documents, which are now protected by an order of this court, could become exposed and not protected in [the foreign proceeding], and might become available for public use in business matters”).

involved in the litigation. A58-59 ¶¶ 7, 9. Moreover, the orders specify that they will “continue to be binding throughout and after the conclusions of this Litigation.” A64 ¶ 21. Unlike the protective order at issue in *Iwasaki*, no provision contemplates the use of discovered information in related litigation. And, unlike in *Iwasaki*, no related litigation was ongoing at the time the protective order was entered.

**C. By Allowing Ready Circumvention Of The Original *Kiobel* Confidentiality Order, The District Court’s Decision Undermines Confidence In Protective Orders**

As noted above, this Circuit vindicates parties’ reliance interests in protective orders by employing strict standards for their modification. Thus, a party seeking to modify a protective order to use covered documents in a foreign proceeding would have to demonstrate “extraordinary circumstance or compelling need.” *TheStreet.Com*, 273 F.3d at 229 (quoting *Martindell*, 594 F.2d at 296). By holding otherwise, the district court’s decision will significantly undermine confidence in protective orders, which are essential to modern discovery.

The district court’s decision permits litigants to avoid the stringent standards for modifying protective orders through the simple expedient of a Section 1782 petition. Indeed, *Kiobel*’s counsel recently explained that it turned to Section 1782 here precisely because “a confidentiality agreement prohibited this evidence from being used for any other purpose.” *Khatri, supra*. Counsel cited its ready

circumvention of the *Kiobel* protective order as proof of Section 1782’s “utility . . . as a pre-litigation tool” for litigants who do not wish to be bound by a foreign forum state’s discovery rules, and invited interested readers to “participat[e] in a webinar about [Section 1782]” and “volunteer on a [Section 1782] case” to help file similar claims. *Id.* Thus, litigants plainly have concluded that the district court’s decision creates a significant foreign-litigation loophole for circumventing inconvenient protective orders.

There is no serious question that litigants will take note of this loophole when deciding whether they can rely on protective orders. U.S. discovery is “intrusive[] and burdensome,” Marcus, *supra*, at 6, particularly to foreign companies accustomed to more modest discovery obligations under the judicial system of their home country. Protective orders lessen the burden by assuring litigants that the intrusiveness will extend only to the case in question. *See id.* The district court’s decision changes that calculus entirely by making a U.S. law firm’s possession of documents—obtained solely to facilitate the provision of legal services—the basis for modifying a protective order without satisfying the traditional showing of extraordinary circumstances or compelling need. Thus, the foreign company’s production of documents for U.S. litigation becomes not the end of its disclosures; it is potentially just the beginning.

Indeed, disclosure under Section 1782 may represent just the tip of the iceberg, because the district court's order raises the specter of still further disclosures because it cannot guarantee foreign courts will protect the documents' confidentiality, and because the owner of the documents is not a party to the order concerning their confidentiality. It is not hard to imagine that foreign companies accustomed to far more limited discovery would react with alarm to a decision that permits documents disclosed for a specific and limited purpose to be disseminated for entirely different purposes. The district court's order puts foreign companies participating in U.S. litigation in the untenable position of responding to everyday discovery requests by weighing grave but ultimately unknowable downside risks.

As if that were not enough, the district court's actions underscore that litigants face risks that appear to carry no expiration date. The alleged wrongful acts underlying this case occurred in the early 1990s, *see Kiobel v. Royal Dutch Petroleum Co.*, 133 S. Ct. 1659, 1662 (2013); the protective orders were entered in 2002 to facilitate discovery in the U.S.-based lawsuits, A65; and the last of those cases was decided in 2013, *see Kiobel*, 133 S. Ct. 1659. The Section 1782 petition was not filed until nearly 15 years after the protective orders were entered and over three and a half years after the last of the cases relating to those protective orders was resolved. Thus, the clear message of the district court's decision is not only

that protective orders are not so protective, but also that a litigant who places faith in a protective order may suffer for its misplaced reliance decades later.

By allowing such ready—and calamitous—circumvention, the district court’s decision will badly undermine confidence in the protective orders that are the lifeblood of discovery. “[T]he more readily protective orders are destabilized, the less confidence litigants will have in them.” Miller, *supra*, at 501; *see also* Marcus, *supra*, at 18 (“Protective orders obviously are of little value if parties cannot rely on them.”). Foreign companies will be understandably reluctant to produce documents as part of U.S.-based litigation, even subject to protective orders, for fear that disclosure in that litigation will subject them to unknown (and unknowable) future disclosure in other litigation for years and decades to come. Counseling clients exposed to such risks will be exceptionally difficult.

Realizing that protective orders can be readily circumvented, litigants will have every reason to “contest discovery requests with increasing frequency and tenacity,” Miller, *supra*, at 483; to “chart its course through discovery cautiously and belligerently, to the detriment of the legal system,” *Ctr. for Auto Safety*, 809 F.3d at 1109 (Ikuta, J., dissenting); and to “be less forthcoming . . . and less willing to settle their disputes,” *TheStreet.Com*, 273 F.3d at 230; *Martindell*, 594 F.2d at 295; Miller, *supra*, at 483.



\* \* \* \* \*

A single district court opinion rarely undermines important reliance interests in the civil justice system so severely as the decision below. But the district court's decision simultaneously unsettled two long-recognized interests at the very core of modern litigation—the interests in promoting full and frank attorney-client communications, and in safeguarding litigants' confidence in the protective orders that are the lifeblood of discovery. To avoid significant harm to those important interests, the decision below should be reversed.

#### **CONCLUSION**

The judgment of the district court should be reversed.

Dated: April 20, 2017

Respectfully submitted,

*Of counsel:*

Kate Comerford Todd  
Sheldon Gilbert  
U.S. CHAMBER  
LITIGATION CENTER, INC.  
1615 H St., N.W.  
Washington, D.C. 20062  
Telephone: 202.463.5685  
Facsimile: 202.463.5346

*Counsel for Amicus Curiae  
Chamber of Commerce  
of the United States of America*

Amar Sarwal  
ASSOCIATION OF  
CORPORATE COUNSEL  
1025 Connecticut Ave., N.W.  
Suite 200  
Washington, D.C. 20036  
202.293.4103

*Counsel for Amicus Curiae  
Association of Corporate Counsel*

/s/ John Elwood

John P. Elwood  
VINSON & ELKINS LLP  
2200 Pennsylvania Avenue, N.W.  
Suite 500 West  
Washington, D.C. 20037  
Telephone: 202.639.6755  
Facsimile: 202.639.6604

Zachary J. Howe  
VINSON & ELKINS LLP  
1001 Fannin Street, Suite 2500  
Houston, Texas 77002-6760  
Telephone: 713.758.2154  
Facsimile: 713.615.5004

*Counsel for Amici Curiae*

## CERTIFICATE OF COMPLIANCE

1. This document complies with the type-volume limitations of Fed. R. App. P. 32(a)(7) because, excluding the parts of the document exempted by Fed. R. App. P. 32(f), this document contains 5,780 words.

2. This document complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type-style requirements of Fed. R. App. P. 32(a)(6) because this document has been prepared in a proportionally spaced typeface using Microsoft Word 2010 in 14-point Times New Roman.

Dated: April 20, 2017

/s/ John Elwood

John Elwood

*Counsel for Amici Curiae*

### CERTIFICATE OF SERVICE

I hereby certify that the foregoing was filed with the Clerk using the appellate CM/ECF system on April 20, 2017. All counsel of record are registered CM/ECF users, and service will be accomplished by the CM/ECF system.

Richard Herz  
Marco Simons  
Upasana Khatri  
EarthRights International  
1612 K Street NW #401  
Washington, DC 20006

Neal Katyal  
Jessica Lynn Ellsworth  
Eugene Alexis Sokoloff  
Hogan Lovells US LLP  
555 13th Street, NW  
Washington, DC 20004

Lauren A. Moskowitz  
Cravath, Swaine & Moore LLP  
Worldwide Plaza  
825 8th Avenue  
New York, NY 10019

Sean Marotta  
Hogan Lovells US LLP  
555 13th Street, NW  
Washington, DC 20004

Dated: April 20, 2017

*/s/ John Elwood*

\_\_\_\_\_  
John Elwood