**IN THE UNITED STATES DISTRICT COURT**
**FOR THE MIDDLE DISTRICT OF FLORIDA**
**ORLANDO DIVISION**

SPIRAL DIRECT, INC. and
SPIRAL DIRECT, LTD.

Plaintiffs, Civil Action No.: 6:15-cv-00641-JA-TBS

v.

BASIC SPORTS APPAREL, INC.

Defendant.
_____/

**PLAINTIFF'S OPPOSITION TO NON-PARTY SIMON PROPERTY GROUP'S MOTION TO QUASH SUBPOENAS**

Plaintiffs Spiral Direct, Inc. ("Spiral U.S.") and Spiral Direct LTD ("Spiral U.K.") (collectively, "Plaintiffs") oppose the Motion to Quash Subpoenas ("Motion") (Doc. 42) filed by Non-Party Simon Property Group, Inc. ("Simon") on the grounds that (i) the subpoenas, on their face, do not impose an undue burden on Simon, (ii) Simon failed to confer with Plaintiffs concerning the scope of the subpoenas in violation of Local Rule 3.01(g) prior to filing its Motion, and (iii) Simon's requests that the scope of the subpoenas be modified and/or for additional time to respond are moot because Plaintiffs and Simon finally conferred, *after* the Motion was filed, and reached an accord to modify and limit the scope of the subpoenas.

Simon's Motion is, at this juncture, entirely about whether Simon is entitled to recover attorney's fees incurred in filing the Motion. Simon should be denied attorney's fees because the Motion, filed June 21, 2016, was unnecessary. Simon misinterpreted an extremely short, single three minute May 26, 2016 conversation with Plaintiffs' counsel regarding an extension of time as a Local Rule 3.01(g) substantive conferral on the issues raised by the Motion. The Motion also reflects that Simon construed the subpoenas incorrectly and filed the Motion even though conferral would have and in fact actually clarified the actual scope and intent of the

subpoenas. Since there was no conferral under Local Rule 3.01(g) prior to the filing of the Motion, the Court should deny Simon's claim for entitlement to attorney's fees.

There is a dispute as to the nature of the one-time telephone conversation between counsel for Simon and counsel for Plaintiffs. Simon claims in its Motion that it inquired as to whether the scope of the subpoenas could be narrowed to production of actual leases involving the Defendant, and that Plaintiffs' counsel refused. Plaintiffs' dispute this account entirely. The conversation between counsel for Simon and Plaintiffs' counsel occurred at 10:32 a.m. on May 26, 2016, and lasted for exactly 3 minutes and 11 seconds.[1] Plaintiffs' counsel, as set forth in her Declaration, recalls that Simon's counsel explained that his client had only been served on May 25, 2016[2] and asked for an extension of time, to which Plaintiffs' counsel immediately agreed. Plaintiffs' counsel also recalls counsel discussed *in general* what information the Plaintiffs were seeking from the subpoenas, but she does not recall that there was a specific discussion of the Simon subpoenas or a specific or general request for a limitation of their scope, or that she refused a request for a limitation.[3] There was no discussion concerning the need to file a motion to quash.[4] Plaintiffs submit that any discussion of all of these issues raised in the Motion would have taken longer than 3 minutes. Had there been a substantive discussion of the scope of the subpoenas and Simon's request for a modification, there would have been additional conferrals prior to the filing of the Motion.

What is not in dispute is that following this one telephone call, Simon's counsel sent a confirming email and letter thanking Plaintiffs' counsel for agreeing to an enlargement of time.

[1] See Exhibit 1 to Declaration of Jill S. Riola, a true and correct copy of which is attached as Exhibit "A."
[2] Contrary to what Simon said in its Motion, it was served with the subpoenas at issue on May 18, 2016, not May 25, 2016. True and correct copies of the subpoenas with notes confirming the May 18, 2016 service date are attached as Exhibit "B." The subpoenas were issued May 5, 2016 and originally called for a response by May 31, 2016. Plaintiffs agreed to enlarge time until June 21, 2016.
[3] Riola Decl. at ¶6.
[4] Riola Decl. at ¶8.

Neither the email nor the letter stated any concerns regarding the alleged scope and burden of the subpoenas[5], issues of confidentiality, or the Motion itself. Accordingly, Plaintiffs had no notice of Simon's position until it received Simon's Motion on June 21, 2016. Substantive conferral *after* the filing of the Motion has resulted in an agreement between the parties as to the scope of the subpoenas and renders the remainder of the Motion moot.

## I. LEGAL STANDARD ON A MOTION TO QUASH

Rule 26 of the Federal Rules of Civil Procedure provides that:

> Unless otherwise limited by court order, the scope of discovery is as follows: Parties may obtain discovery regarding any non-privileged matter that is relevant to any party's claim or defense and proportional to the needs of the case, considering the importance of the issues at stake in the action, the amount in controversy, the parties' relative access to relevant information, the parties' resources, the importance of the discovery in resolving the issues, and whether the burden or expense of the proposed discovery outweighs its likely benefit. Information within this scope of discovery need not be admissible in evidence to be discoverable.
>
> *Rule 26(b)(1), FRCP.*

"With regard to the burden imposed on non-parties in responding to discovery requests, courts consider the following factors: relevance, the requesting party's need for the documents, the breadth of the document request, and the time period covered by the request." *Ubiquiti Networks, Inc. v. Kozumi USA Corp.*, 295 F.R.D. 517, 521 n.2 (N.D. Fla. 2013) (balancing enumerated factors in deciding motion to quash subpoenas) (quoting *Bozeman v. Chartis Cas. Co.*, No. 2:10–cv–102–FtM–36SPC, 2010 WL 4386826, at *3–4 (M.D. Fla. Oct. 29, 2010). *See also Schaaf v. SmithKline Beecham Corp.*, No. 3:06CV120 J25TEM, 2006 WL 2246146, at *2 (M.D. Fla. Aug. 4, 2006) ("Courts must also consider the status of a witness as a non-party when determining the degree of burden; the status of the person as a non-party is a factor often

[5] See Exhibits 2 and 3 to the Riola Declaration.

weighing against disclosure." (citations omitted)); *Narcoossee Acquisitions, LLC v. Kohl's Dept. Stores, Inc.*, No. 6:14-CV-203-ORL-41TB, 2014 WL 4279073, at *2 (M.D. Fla. Aug. 28, 2014) ("In determining whether a subpoena imposes undue burden or expense on a nonparty, courts must balance the requesting party's interests in disclosure against the burden of disclosure on the nonparty." (citing 9A Wright & Miller, *Federal Practice & Procedure* § 2463.1 (3d 3d.)).

The subpoenas served in this case on Simon were substantively the same as subpoenas served on other non-party owners and managers of shopping malls identified by the Defendant in this case as locations for retail sales.[6] The subpoenas sought relevant information that the Defendant was not able to provide on Plaintiffs' request. The scope of the subpoenas was reasonable and the time period was reasonably confined to the time periods identified by the Defendant as the dates in which they were operating at malls owned or operated by Simon. Regardless, however, as set forth herein, in a conferral that *followed* the filing of the Motion, Plaintiffs agreed to further limit the scope of the subpoenas.

## II. THE UNDERLYING CASE

This is a trademark infringement suit arising from the use of the trademark "SPIRAL" for clothing. Plaintiffs have been using their SPIRAL mark on clothing in the United States, through a predecessor in interest, since 1993, and on the internet since at least as early as March, 1997. Basic Sports Apparel, Inc. ("Defendants" or "BSA") is the owner of a US Registration for SPIRAL for specific items of clothing,[7] (the "BSA Mark") which issued in January 1999, and claimed a first use date of June 15, 1997 (the "Registration"). In January 2015, BSA sent Plaintiffs a cease and desist letter, and in April 2015, Plaintiffs brought a declaratory judgment action alleging, inter alia, that BSA abandoned the BSA Mark and Registration through non-use

[6] Other than identity of the shopping mall at issue and the time period for which information was sought, the nonparty subpoenas served on shopping mall owners and operators were the same.

[7] BSA claimed in its application that it used its SPIRAL mark on "jackets, pullovers, hats, jeans, T-shirts, vests, shorts, underwear, shoes, socks, gloves, headbands and scarves." (The "BSA Goods")

and committed fraud on the United States Patent and Trademark Office ("USPTO") in both obtaining and maintaining its Registration for the BSA Mark.

## III. PLAINTIFFS' DISCOVERY OF TIME, PLACE AND SALE OF BSA GOODS IS RELEVANT INFORMATION WHICH PLAINTIFFS SOUGHT FIRST FROM DEFENDANT AND THEN LATER FROM NON-PARTIES

Discovery seeking the time and place of BSA's sales of the BSA Goods using the BSA Mark pertains directly to the issue of whether BSA has abandoned the BSA Mark and Registration, whether BSA used its BSA Mark on its BSA Goods prior to the use of the SPIRAL mark by Plaintiffs, and whether BSA made fraudulent statements to the USPTO at the time it applied to register the BSA Mark.

For the purpose of determining when abandonment has occurred, the Lanham Act defines "use" as "the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark." 15 U.S.C. § 1127. *Health & Sun Research, Inc. v. Australian Gold, LLC*, 2014 WL 988762 *2 (M.D. Fla. March 13, 2014). "Trademark ownership is always appurtenant to commercial activity. Thus, actual and continuous use is required to acquire and retain a protectable interest in a mark." *Tally–Ho, Inc. v. Coast Cmty. Coll. Dist.*, 889 F.2d 1018, 1022–23 (11th Cir. 1989).

Plaintiffs allege that BSA is not making actual and continuous use of the BSA Mark on all of the BSA Goods in the "ordinary course of trade" in the retail clothing business and that Plaintiffs engaged in the prior use of the SPIRAL mark. Plaintiffs also claim that BSA committed fraud on the USPTO when it filed its application for Registration and when it filed its statutory maintenance documents, all under penalty of perjury, because it knew it was not using the BSA Mark on all of the BSA Goods on any of the relevant dates. Fraud in procuring a trademark registration occurs when an applicant knowingly makes false, material representations of fact in connection with his application. *In re Bose Corp.*, 580 F.3d 1240, 1245, 91 U.S.P.Q.2d

1938 (Fed. Cir. 2009). Furthermore, the Trademark Trial and Appeal Board has said that a person can commit fraud on the USPTO by willfully failing to correct an originally innocent misrepresentation to the USPTO if that person later learns of the true facts, knowing that the USPTO has relied upon the misrepresented facts in conferring a substantive benefit upon that person. *McCarthy on Trademarks and Unfair Competition*, Fourth Edition, §31:61, and cases cited therein.

Accordingly, Plaintiffs require certain information that is not in their possession concerning BSA's sale of its BSA Goods and the dates and locations of such sales, which Plaintiffs sought directly from BSA, but were unable to obtain, prior to the issuance of the non-party subpoenas.

**A. Prior Discovery to BSA To Obtain Relevant Information**

Plaintiffs' attempts to certain information relevant to use and abandonment of the BSA Mark on the BSA Goods directly from BSA were unsuccessful.

**1. Interrogatory No. 2.**

In their Request for Interrogatories, Request No. 2, Plaintiffs requested the following information:

> Identify each item of the BSA Goods on which the mark SPIRAL was/is in use on each of the following dates, and for each such item, identify each State in which such item was/is sold, transported, or offered for sale by BSA, and the method of such sale, transport, or offer for sale.
>
> i. June 15, 1997
> ii. September 17, 1997
> iii. January 19, 1999
> iv. January 19, 2004
> v. July 19, 2004
> vi. January 19, 2005
> vii. July 19, 2009
> viii. January 19, 2009
> ix. July 19, 2009
> x. January 19, 2012

xi. July 19, 2012
viii. (sic) January 19, 2015
ix. (sic) July 19, 2015

BSA failed to provide the requested information and instead responded with only the names of various shopping malls and the years during which it purportedly sold the BSA Goods in such malls:

> RESPONSE: Defendant objects to this Interrogatory to the extent that it requests the State in which any BSA good was sold as overly burdensome and not reasonably directed to the discovery of evidence relevant to the issues raised in the pleadings. BSA had a registered trademark, and so sales of BSA goods anywhere in the US is sufficient to show continuous use, as opposed to a common law trademark claim which is restricted to the actual geographic area of sales. Defendant sold the following BSA Goods on all relevant dates in the Interrogatory; Jackets, pullovers, hats, jeans, T-shirts, vests, shorts, underwear, shoes, socks, gloves, headbands, and scarves. Stores offering one or more of the BSA Goods, and the relevant periods of time such sales occurred including the following:
>
> a. 1997-1998 – at 900 North Michigan in Chicago, IL; at the Cielo Vista Mall, El Paso, TX; at 1147 Larry Mahan in El Pas, TX;
>
> b. 1999-2000 – at 900 North Michigan in Chicago, IL; at the Oakbrook Mall in Oakbrook, IL; at 301 Williams, in El Paso TX;
>
> c. 2000-2001 – at Fox Valley Mall in Aurora, IL; at Woodfield Mall in Schaumburg, IL and at 301 Williams in El Paso, TX;
>
> d. 2002-2003 - at Grapevine Mills Mall in Grapevine, TX; The Galleria in Houston, TX; at 301 Williams in El Paso, TX;
>
> e. 2003-2004 – at St. Louis Mills Mall in Hazelwood, MO; The Galleria in Houston, TX; at 301 Williams in El Paso, TX;
>
> f. 2004-2005 – at 301 Williams in El Paso, TX;
>
> g. 2005-2006 – In Colorado Mills, Lakewood, CO; 301 Williams in El Paso, TX;

h. 2006-2007 – Colorado Mills, Lakewood, CO and 301 Williams in El Paso, TX;

i. 2007-2008 - 301 Williams in El Paso, TX;

j. 2009-2010 – Colorado Mills, in Lakewood, CO; Flat Iron Crossing in Broomfield, CO; 301 Williams in El Paso, TX;

k. 2010-2011 – Colorado Mills, in Lakewood, CO; Flat Iron Crossing in Broomfield, CO and 301 Williams in El Paso, TX;

l. 2011-2012 – Colorado Mills, in Lakewood, CO; 301 Williams in El Paso, TX;

m. 2012-2013 – Colorado Mills, in Lakewood, CO; 301 Williams in El Paso, TX;

n. 2013-2014 – Cherry Creek Mall in Denver, CO; Flat Iron Crossing in Broomfield, CO; 301 Williams in El Paso, TX;

o. 2015 to date: Cherry Creek Mall, Denver, CO and 301 Williams in El Paso, TX.[8]

BSA's response notably failed to indicate the specific dates during which BSA ostensibly did business in each of the malls,[9] the names of the stores in which it did business,[10] let alone the identity of which of the BSA Goods it sold in each of these stores. BSA did not produce actual leases and claimed during conferral about its production that it produced everything in its possession.

**2. Request for Production No. 13**

Similarly, in Plaintiffs' Request for Production of Documents, Request No. 13, Plaintiffs sought the following documents:

13. For each item of the BSA Goods individually, and for each of the past five (5) years, all documents identifying the following:

i. channels of trade;

[8] BSA's Response to the First Set of Interrogatories is attached hereto as Exhibit "C."
[9] From discovery of other non-party mall owners Plaintiffs have determined that BSA generally leased storefronts for only a few months at a time, not for the entirety of the time period seemingly indicated in BSA's Response.
[10] BSA has done business in stores named SPIRAL or SPIRA.

ii. method of sale, offer for sale, or distribution;
iii. annual net profits;
iv. units sold;
v. total advertising dollars spent.

BSA's response to the request for documents regarding the channels of trade was similarly insufficient:

> 13. Defendant objects to this request on the grounds that it is vague and ambiguous as to what is being demanded. "All documents" related to channels of trade is overbroad. *Plaintiff is referred to Defendants' response to Interrogatory No. 2, which identifies all of Defendant's retail stores, including those stores operated within the past five years.* Defendant did not keep records distinguishing sales, methods of sales, net profits, or units sold of Spiral marked goods from sales of other kinds of goods, or advertising expenses related solely to sales of Spiral marked goods. Defendant's sales records (which do not distinguish between sales of Spiral marked goods from other sources of income) will be made available for inspection at Plaintiffs' convenience, as many of them are contained in banker's boxes. [Emphasis added].[11]

BSA also failed to produce any leases demonstrating that it conducted business in the above identified malls. In fact, the only documents BSA produced regarding business in any retail establishments were a series of unresponsive and undated photographs.

**3. Conferral with BSA counsel**

In light of the deficiencies of the production and interrogatory responses, Plaintiffs' counsel conferred extensively with counsel for BSA as required by Local Rule 3.01(g) and the Federal Rules of Civil Procedure. BSA did not produce leases in conjunction with its identification of the malls in its responses to the interrogatory and request for production, and BSA's counsel advised in February 2016, prior to the BSA depositions, that *"[t]o the best of my knowledge, we have produced all documents the client provided to us."* Accordingly, Plaintiffs had no reason to believe that BSA was in possession of, or is able to produce, those leases.

**4. Deposition Testimony of BSA**

[11] BSA's Response to the First Request for Production is attached as Exhibit "D."

In addition to the above-discussed written discovery, Plaintiffs did inquire about the locations of the identified stores and their respective leases in the depositions of BSA's principals, Hillel Chowaiki and David Chowaiki. The Chowaikis' testified that BSA may or may not have kept copies of the leases.[12] They were unsure about the dates of operation in the retail locations,[13] and suggested that such information should be obtained from the shopping malls themselves. Hillel Chowaiki's testimony regarding the Sunland Mall, one of the shopping malls owned or operated by Simon, was as follows:

A. We always sold out of our warehouse, but the stores I'm referring to are stores that were in the Sunland Park Mall in El Paso, Texas.

**Q. What was the name of the store?**
A. I think it was called the Great Outdoors.

**Q. Who was the party that was responsible for paying the lease?**
A. Basic Sports Apparel.

**Q. Is there a written copy of the lease?**
A. I assume. I think it exists somewhere.

**Q. Do you still have it in your possession, a copy of the lease?**
A. I haven't seen it, but I'm sure that if we look, maybe we could find it or maybe we could even contact the mall to get it. It's there.[14]

BSA's testimony also reflected that in some instances it operated out of retail stores that were operated by the Chowaikis' mother, Nadia Chowaiki, and that the entity that "owned the lease" was Topographic Sports.[15] It is also undisputed that in recent years, the only retail locations that BSA operated out of, and presently only operates out of, are branded "Spira", not

[12] *See, e.g.*, H. Chowaiki February 24, 2016 Deposition ("H. Chowaiki Deposition"), 22:22-23 (Q. "Do you still have a copy of that lease? A" I don't know."). Cited excerpts from the H. Chowaiki Deposition are attached as Composite Exhibit "E."
[13] *Id*. 22:14-16.
[14] I*d.*, 52-53: 19-8.
[15] *Id.*, 119:16-19.

Spiral. Determining the dates on which BSA stopped using Spiral for the names of its stores and started using Spira is extremely important to proving Plaintiffs' claims.

**B. The Non-Party Subpoenas Were Not Unduly Burdensome**

Following the depositions of BSA, Plaintiffs sought non-party discovery to obtain documents that would demonstrate when BSA actually conducted retail business from the locations BSA identified in response to written discovery. Plaintiffs have received responses from most of the other non-parties under subpoena. No non-party recipient of a subpoena other than Simon has so aggressively objected to the subpoena, failed to work out any issues with Plaintiffs' counsel, filed a motion to quash, or construed the subpoenas as Simon apparently did.

Simon's alleged burden is purportedly the fact that it owns or manages six of following the shopping malls identified by BSA:

1. Colorado Mills, Lakewood, CO;
2. Sunland Park Mall, El Paso, TX;
3. Grapevine Mills Mall, Grapevine, TX;
4. Woodfield Mall, Schaumburg, ILL;
5. Cielo Vista Mall, El Paso, TX;
6. Galleria Mall, Houston, TX.

As set forth herein, Plaintiffs sought to narrowly tailor the requests with respect to each mall identified by BSA for the time periods provided by BSA in response to discovery, with the caveat that BSA itself was unable to provide either concrete dates or the actual leases.

**1. The core of the request of the subpoenas was reasonable**

The subpoenas to the non-party Simon seek information that would confirm whether BSA engaged in retail sales during the dates identified by BSA in its response to the interrogatory and request for production. This would require the non-party to produce BSA-

related leases, if it still had them, all correspondence with specific BSA-related persons and entities (if any), and a list of other tenants for those specified years in which BSA claimed to be engaged in retail sales at the identified shopping mall. Prior to filing the Motion, Simon did not raise any of the concerns about overbreadth or burden, set forth in Melissa Whybrew's June 21, 2016 Affidavit, or issues about confidentiality.

**2. The identified parties to leases and communications were narrowly tailored**

The subpoenas only sought leases between the shopping mall and BSA. Based on the deposition testimony that BSA operated out of locations run by Nadia Chowaiki, owned by Topographic Sports, Inc. ("Topographic"), and under the brand name SPIRA, the subpoenas also sought documents and leases that may have been signed in the name of BSA's principals, Hillel or David Chowaiki, their mother Nadia Chowaiki, her company Topographic Sports, and Spira Sportswear, LLC. (hereafter referred to as the "BSA Affiliated Parties") (Subpoena Request Nos. 1, 3). The subpoenas also sought communications between the BSA Affiliated Parties and the shopping malls. (Request No. 2).

**3. The requests seeking identification of tenants was due to anticipated document retention protocols of the non-party.**

Nowhere in the subpoena does it request any leases or other information regarding any other tenants other than the identification of tenants by name. The reason why Plaintiffs sought tenant identification was because Plaintiffs anticipated, confirmed to be correct in some instances, that the shopping malls may not have retained signed leases involving the BSA Affiliated Parties for more than a few years. Had Simon conferred with Plaintiffs' counsel on this point *prior* to filing the Motion, Plaintiffs would have been able to confirm that no other tenant leases were sought, only leases with the BSA Affiliated Parties. In several other third party responses to similar subpoenas, the shopping mall was able to satisfy the gist of request,

i.e. were BSA Affiliated Parties tenants or not during a particular year and for how long, by producing a tenant directory for those particular years.

Plaintiffs' subpoenas only sought documents *identifying* all tenants of particular shopping malls during given time frames. (Request, Nos. 4, et. seq.) Such documents would include a tenant list, a tenant directory, or even a shopping mall map.

**4. The time period for the Subpoena was reasonable**

Simon relies on a general definition of "time frame" to support an argument that the subpoenas seek documents over a 21 year time period. However, a review of the information actually requested shows a more narrowly requested time frame based on information provided by BSA.[16]

The pertinent shopping malls, and the time frame for documents sought for each shopping mall, are as follows:

1. Colorado Mills, Lakewood, CO: 2005-2014.[17]
2. Sunland Park Mall, El Paso, TX: 2002-2006.[18]
3. Grapevine Mills Mall, Grapevine, TX: 2002-2006.[19]
4. Woodfield Mall, Schaumburg, ILL: 1997-2002.[20]
5. Cielo Vista Mall, El Paso, TX: 1997-2001.[21]
6. Galleria Mall, Houston, TX: 2002-2006.[22]

[16] The general instructions to the subpoenas provided that the "Time Frame" was "*Unless otherwise indicated*, these requests for production cover the time period from January 1, 1995 up to and including the date of your response thereto." (emphasis added). As set forth herein, the requests at issue "otherwise provided" specific dates for tenant identification that were narrowly tailored to the response dates provided by BSA with a short cushion to accommodate the fact that BSA was uncertain about precise dates. If there were signed leases or correspondence with BSA Affiliated Parties outside of the dates otherwise provided, then the general instruction would apply.
[17] As set forth above, BSA stated in response to Interrogatory 2 that it engaged in retail sales from this location from 2005 through 2013.
[18] Sunland Mall was subpoenaed based upon documents produced by Basic Sports Apparel in response to Plaintiff's First Request for Production.
[19] BSA stated in response to Interrogatory No. 2 that it engaged in retail sales from this location from 2002-2003.
[20] BSA stated in response to Interrogatory No. 2 that it engaged in retail sales from this location from 1997-1998.
[21] BSA stated in response to Interrogatory No. 2 that it engaged in retail sales from this location from 2000-2001.

Given the fact that BSA was unable to produce any written leases and the uncertainty conveyed by the deposition testimony of its principals, Plaintiffs were reasonable in moderately enlarging the time period for the request for documents identifying tenants of a particular shopping mall beyond the time period set forth in BSA's response to the interrogatory.

**5. Confidentiality Concerns Are Addressed by the Confidentiality Agreement between the Parties**

Plaintiffs' subpoenas did not seek the leases of any parties not related to the BSA Affiliated Parties. With respect to the BSA Affiliated Parties, the named parties to this suit entered into a Stipulated Confidentiality Agreement on July 17, 2015. To the extent that Simon claims that information concerning a BSA Affiliated Party implicates confidentiality, the Stipulated Confidentiality Agreement would govern. Alternatively, the Stipulated Confidentiality Agreement could have been used as a jumping off point for a confidentiality agreement between Simon and Plaintiffs. As previously noted, there was no prior conferral about confidentiality concerns or the need for a confidentiality agreement.

## IV. PLAINTIFFS AND SIMON HAVE AGREED TO MODIFY THE SCOPE OF THE SUBPOENA

After the Motion was filed, counsel for Simon and counsel for Plaintiffs were able to reach agreement on the manner in which Simon could respond to the subpoenas to enable Plaintiffs to obtain the information they seek,[23] as follows:

1. Production of unsigned short term and permanent tenant leases of BSA Affiliated Parties that are readily available on databases kept by Simon without the necessity of Simon undertaking a "box by box" search;

2. Tenant directories or listings for the adjusted production times set forth below provided such information is readily accessible from the existing database kept by Simon without the necessity of a undertaking a "box by box" search:

[22] BSA stated in response to Interrogatory No. 2 that it engaged in retail sales from this location from 2002-2004.
[23] See attached email exchange between Plaintiffs' counsel and Simon counsel dated July 27, 2016, a true and correct copy of which is attached as Exhibit "F."

a. Cielo Vista Mall: 1997-1998.

b. Woodfield Mall: 2000-2001.

c. Galleria: 2002-2004.

d. Grapevine: 2002-2003.

e. Sunland Park---2001—2002.

f. Colorado Mills: 2005-2007, 2009-2013.

Plaintiffs understand and accept Simon's representation that the documents from the "adjusted production time" set forth above may not be contained on the databases and that documents from malls acquired by Simon after the adjusted production time are not readily available and cannot be produced absent a lengthy physical search that Plaintiffs will not insist upon. To resolve the issues identified in the Motion and subsequent conferral, Plaintiffs have agreed not to seek the production of documents that would require a "box by box" or physical search. Plaintiffs understand that a likely consequence of this concession is that they will not receive responsive documents from Simon for several or most of the malls at issue.[24]

## V. SIMON IS NOT ENTITLED TO RECOVER ITS ATTORNEY'S FEES

Simon has not shown that Plaintiffs failed to "take reasonable steps to avoid imposing undue burden or expense" on it under Rule 45(d)(1). Accordingly, Simon's request for compensation and attorney's fees and costs should be denied. *DHA Corp. v. Hardy*, 2015 WL 3707378, *3 (S.D. Fl. June 15, 2015).

It bears noting that Plaintiffs have themselves incurred substantial attorney's fees in responding to a Motion which would not have been filed had there been an actual, substantive

[24] Given the time and expense that Plaintiffs have incurred since Simon filed the Motion, Plaintiffs offered to withdraw the subpoenas entirely if Simon would withdraw the Motion and the demand for entitlement and payment for attorney's fees. Simon rejected this offer. This offer by Plaintiffs should not be viewed by the Court as a concession as to Plaintiffs' good faith in seeking discoverable information, but rather a good faith effort to resolve a protracted dispute that was not brought to Plaintiffs' attention until the June 21, 2016 filing of the Motion.

conferral prior to it being filed. Plaintiffs do not seek fees from Simon for having to prepare this response. However, it would be a "double whammy" for Plaintiffs to incur both the fees for having to respond to a Motion that should not have been filed and then also have to pay the attorney's fees Simon incurred in preparing and filing its unnecessary Motion. The Court should deny the Motion to as moot with respect to scope because the parties have agreed on acceptable production, and deny Simon's demand for attorney's fees.

**A. Duty to Confer pursuant to Local Rule 3.01(g) Is Necessary to Recover Fees**

Local Rule 3.01(g) requires "the moving party [to] confer with counsel for the opposing party in a good faith effort to resolve the issues raised by the motion" before filing a motion to quash. *See St. Johns Ins. Co. v. Nautilus Ins. Co.*, No. 8:07-CV-2312-T-30MAP, 2008 WL 1897572, at *1 (M.D. Fla. April 28, 2008) (applying Local Rule 3.01(g), the duty to confer obligation, to a motion to quash in a subpoena-based discovery dispute). Here, it is clear that no meaningful conferral regarding the scope of the subpoenas itself took place before the Motion to Quash was filed.

The Middle District of Florida duty to confer obligation requires a "good faith effort to resolve the issues" and courts have found that this requires parties to confer in person or by phone. *See Lippy v. Metro. Cas. Ins. Co.*, No. 3:10-CV-727-J-34MCR, 2010 WL 4007035, at *2 (M.D. Fla. Oct. 13, 2010) ("The purpose of Local Rule 3.01(g) is to require the parties to communicate and resolve certain types of disputes without court intervention." (citations omitted)). This is because "[t]he spirit of Local Rule 3.01(g) requires the parties actually speak to each other in an attempt to resolve the disputed issues." *Greenwood v. Point Meadows Place Condo. Ass'n, Inc.*, No. 3:10-CV-1183-J34TEM, 2011 WL 5358682, at *1 (M.D. Fla. Nov. 7, 2011) (citations omitted). The Middle District Discovery Handbook provides:

> The term "confer" in Rule 3.01(g) ***means a substantive discussion.*** . . . Many potential discovery disputes are resolved (or the differences narrowed or clarified) when counsel confer in good faith. Rule 3.01(g) is strictly enforced. A motion that does not comply with the rule may be summarily denied.

Middle District Discovery (2015) at 3. (emphasis added).

"Requests for an award of attorney's fees are routinely denied in cases where the moving party fails to properly comply with Local Rule 3.01(g)." *Scottsdale Ins. Co. v. Physicians Group, LLC*, No. 8:15-CV-1129-T-23AAS, 2016 WL 3425675, at *1 (M.D. Fla. June 22, 2016) (citing *Chambers v. Sygma Network, Inc.*, No. 6:12-CV-1802-ORL-37, 2013 WL 1775046, at *5 (M.D. Fla. 2013) (movant's fee claim under Rule 37(a)(5)(i) was denied due to failure to comply with Local Rule 3.01(g), despite motion to compel being granted); *Kaplan v. Kaplan*, No. 2:10-CV-237-FTM-36, 2011 WL 4061250, at *2 (M.D. Fla. 2011) (holding that failure to comply with Local Rule 3.01(g) is fatal to a motion and the request for fees is due to be denied); *Esrick v. Mitchell*, No. 5:08-CV-50-OC-10GRJ, 2008 WL 5111246, at *1 (M.D. Fla. 2008) (holding that "[f]ailure to comply with the good faith certification requirement of Rule 37(a)(1) and Local Rule 3.01(g) constitutes sufficient grounds to deny the relief sought by the noncompliant moving party); *DeShiro v. Branch*, 183 F.R.D. 281, 284 (M.D. Fla. 1998) (explaining that the court previously denied a motion for order awarding attorneys' fees for failure to comply with Local Rule 3.01(g)). *Chambers v. Sygma Network, Inc.*, No. 6:12-cv-1802-ORL-37TBS, 2013 WL 1775046, at *5 (M.D. Fla. April 25, 2013) (denying a defendant's request for attorney's fees and costs incurred for the preparation and prosecution for a motion to compel for based upon the defendant's failure to comply with Local Rule 3.01(g)); *See also Avera v. United Airlines, Inc.*, 2012 WL 794160, at **2, 465 Fed. Appx. 855, 859 (11th Cir. 2012 ) (unpublished) (finding the magistrate judge did not abuse his discretion in denying, without prejudice, plaintiff's motion to

compel discovery where plaintiff had not sought to resolve his discovery dispute with defendant before filing the motion).

**B. A Good Faith Effort to Confer Would Have Resolved The Issues**

The instant case is not one in which Plaintiffs refused to confer with Simon or acted in bad faith. *See c.f. Narcoossee Acquisitions, LLC v. Kohl's Dept. Stores, Inc.*, No. 6:14-CV-203-ORL-41TB, 2014 WL 4279073 (M.D. Fla. Aug. 28, 2014). As demonstrated by the substantive conferral that occurred *after* Simon filed its Motion, Plaintiffs and Simon were able to agree on a mutually acceptable nature and manner of production. In other words, had Simon engaged in a meaningful conferral *prior* to filing its Motion, then all of Simon's objections to the subpoenas would have been resolved. As such, Simon is not entitled to recovery of its attorney's fees. *Selectica, Inc. v. Novatus, Inc.*, No. 6:13-CV-1708-ORL-36, 2014 WL 1930426, at *5 (M.D. Fla. May 14, 2014) (where both parties to a discovery dispute are at fault by virtue of failure to confer, neither side should be reimbursed for its attorney's fees).

Here, there was no meaningful substantive conferral. Counsel for Simon and counsel for Plaintiffs spoke for *three minutes* on the morning of May 26, 2016. Plaintiffs' counsel's recollection is that the substance of the conversation concerned the general reason for the subpoenas and Simon requesting additional time to respond, which was granted. Simon's written confirmation of the May 26 conversation only discussed the granted enlargement of time to respond, did not mention the scope of the Simon subpoenas or request a modification to limit their scope, and certainly did not mention the Motion. The Affidavit of Melissa Whybrew, an in-house paralegal for Simon, in support of the Motion, was executed on June 21, 2016, which was the day that the Motion was filed. At a minimum, it should be undisputed that the issues raised in Ms. Whybrew's eight page, 26 paragraph affidavit were not discussed during the three minute phone conversation that took place nearly a month earlier.

The best proof that there was no meaningful conferral prior to the filing of the Motion to Quash is the result of the meaningful and extensive conferral that occurred *after* the Motion was filed. The Parties were able to reach an agreement, and **the agreement reached is actually much narrower in scope than what Simon claimed it offered in the May 26 call.** Simon states in its Motion, at paragraph 9, that "Simon's counsel asked [during the May 26 call] if it was possible to narrow the scope by providing the leases related to Defendant showing when it was operating." Plaintiffs dispute this. However, it became clear during the post motion conferral that Simon is actually unable to provide the actual leases related to BSA. On June 29, Simon's counsel explained that short term leases prior to 1999 could not be produced and what could be produced would be only unsigned, short term leases from 1999 forward and permanent tenant leases from 2003 forward, without having to conduct a box-by-box offsite search. On July 19, Simon revised its position again and advised that it could not even provide unsigned leases if such leases expired prior to Simon's acquisition of a mall and/or uploading of the unsigned leases onto a database. Obviously, Simon only became aware of these limitations after the May 26, 2016 conferral. Given these developments, it is clear that the May 26 call, the only pre-filing conferral, was not a substantive conferral.

Had such a substantive discussion occurred prior to the filing of the Motion to Quash, then the Motion would not have been filed.

**C. Plaintiffs Took Reasonable Steps to Minimize the Burden Imposed by the Subpoenas.**

In this case, Plaintiffs first sought discovery from BSA. In response to written discovery seeking information concerning the sale of BSA Goods, BSA identified retail locations at shopping malls but did not and cannot produce leases. At the deposition of BSA's principal, BSA testified that he did not know if BSA still had copies of the leases, but "we could even

contact the mall to get it." That is precisely what Plaintiffs did here. The leases sought are for those BSA Affiliated Parties identified by BSA in discovery and for the general time frame set forth by BSA in response to written discovery and deposition testimony.

Plaintiffs have served similar subpoenas on six other malls in addition to the six owned by Simon. None of the other malls filed a motion to quash or failed to confer and work with Plaintiffs' counsel to enable Plaintiffs to obtain documents designed to lead to evidence to bolster its claims that BSA abandoned its BSA Mark.

The subpoenas were served as adjunct to discovery taken of Defendant in the underlying action, to obtain information key to Plaintiffs' case but unavailable from Defendant. They were drafted and served in good faith.

Rule 45(d) does not require a court to impose sanctions in every instance where it finds that a subpoena is overbroad. *Legal Voice v. Stormans Inc.*, 738 F.3d 1178, 1185 (9th Cir. 2013), ("[W]hile failure narrowly to tailor a subpoena may be a ground for sanctions, the district court need not impose sanctions every time it finds a subpoena overbroad. ...", finding sanctions under Rule 45(d)(1) were inappropriate where a motion to compel was only partially successful because (1) subpoena was not so facially overbroad, and (2) plaintiffs did not act in bad faith or with an improper motive.)[25]

For the foregoing reasons, the Court should deny the Motion to Quash as moot with respect to the scope and deny Simon's request for attorney's fees.

*/s/David E. Cannella*
CARLTON FIELDS

[25] Notwithstanding the language of Rule 45(d), a court may decline to impose a sanction beyond the reasonable compensation for compliance where "the surviving request comprises the subpoena's substantive core." *U.S. Willis v. SouthernCare, Inc.*, CV410-124, 2015 WL 5604367, at *10, n.25 (S.D. Ga. Sept. 23, 2015). Here, notwithstanding the agreement to modify the scope of the subpoenas, the gist of the original subpoenas, the "core" survives. Accordingly, the Court should decline to award fees.

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on July 29, 2016, a true and correct copy of the foregoing was electronically filed with the Clerk of Court using CM/ECF, which will send notification to the registered attorney(s) of record that the documents have been filed and are available for viewing and downloading.

/s/ *David E. Cannella*
David E. Cannella
Carlton Fields Jorden Burt