UNC SCHOOL OF LAW

NORTH CAROLINA JOURNAL OF INTERNATIONAL LAW AND COMMERCIAL REGULATION

Volume 23 | Number 3 Article 5

Summer 1998

In re Jenoptik AG: The Fine Line between Judicial Assistance and Circumvention of Foreign Law in International Discovery

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Cover Page Footnote
International Law; Commercial Law; Law

NOTES

In re Jenoptik AG: The Fine Line Between Judicial Assistance and Circumvention of Foreign Law in International Discovery

I. Introduction

Litigation in the modern era frequently transcends national boundaries and requires cooperation between foreign states and parties of differing citizenship.[1] In the course of such litigation, the ideals of comity[2] and sovereignty[3] often conflict. It is then up to the courts of the interested nations to strike an appropriate balance between assisting a foreign court or litigant and impinging upon the forum state's ability to exercise control over its courts.[4] United States federal courts have had the power to assist foreign tribunals since 1855 when Congress granted them the ability to

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[1] *See, e.g., In re* Request for Assistance from Ministry of Legal Affairs of Trinidad and Tobago, 848 F.2d 1151, 1153 (11th Cir. 1988) [hereinafter *In re Trinidad and Tobago*].

[2] "Comity" is "a willingness to grant a privilege, not as a matter of right, but out of deference and good will." BLACK'S LAW DICTIONARY 267 (6th ed. 1990). Comity is also "the basis of international law, a rule of international law, a synonym for private international law, a rule of choice of law, courtesy, politeness, convenience or goodwill between sovereigns, a moral necessity, expediency, reciprocity, or 'considerations of high international politics concerned with maintaining amicable and workable relationships between nations.'" Joel R. Paul, *Comity in International Law*, 32 HARV. INT'L L.J. 1, 3-4 (1991).

[3] "Sovereignty" is "[t]he supreme, absolute, and uncontrollable power by which any independent state is governed; . . . the international independence of a state, combined with the right and power of regulating its internal affairs without foreign dictation." BLACK'S LAW DICTIONARY 1396.

[4] *See In re* Jenoptik AG, 109 F.3d 721, 726 (Fed. Cir. 1997) (Newman, J., dissenting).

compel the testimony of witnesses.[5] Since that time, Congress has broadened the power of courts to assist foreign tribunals and litigants in discovery,[6] while the courts have endeavored to interpret and refine the limitations and requirements of this power.[7] The Federal Circuit, in *In re Jenoptik AG*,[8] faced the issue of whether discoverability in a foreign state imposed such a limitation upon the court.[9] Specifically, the circuit had to determine if information sought in a United States court for use in a foreign action must be discoverable in the foreign forum before the court can assist a foreign litigant with such discovery.[10] The court did not have at its disposal precedent directly on point, although two distinct lines of cases have dealt with foreign discovery in other contexts.[11] In cases where litigants have requested assistance under 28 U.S.C. § 1782, courts have held "that a party to foreign litigation is not entitled to discover . . . information that is insulated from discovery in the foreign court in which the action is pending."[12] When foreign parties to an action

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[5] *See In re Trinidad and Tobago*, 848 F.2d at 1152 (discussing the history and development of the power to assist); *see also* 28 U.S.C. § 1782 (1994).

[6] *See In re Trinidad and Tobago*, 848 F.2d at 1152-54; *see also* 28 U.S.C. § 1782 (1994).

[7] *See infra* notes 68-98 and accompanying text.

[8] 109 F.3d 721 (Fed. Cir. 1997).

[9] *See id.* at 722.

[10] *See id.*

[11] *See infra* notes 68-107 and accompanying text.

[12] *In re* Jenoptik AG, 109 F.3d at 724 (Newman, J., dissenting) (citations omitted). 28 U.S.C. § 1782 (1994) "permits a district court to compel a person to give testimony or produce documents for use in a proceeding in a foreign tribunal." *Id.* at 723.

Section 1782 says, in pertinent part:

> The district court of the district in which a person resides or is found may order him to give his testimony or statement or to produce a document or other thing for use in a proceeding in a foreign or international tribunal. The order may be made pursuant to a letter rogatory issued, or request made, by a foreign or international tribunal or upon the application of any interested person and may direct that the testimony or statement be given, or the document or other thing be produced, before a person appointed by the court. By virtue of his appointment, the person appointed has power to administer any necessary oath and take the testimony or statement. The order may prescribe the practice and procedure, which may be in whole or part the practice and procedure of the foreign country or the international tribunal, for taking the testimony or

in the United States have failed to produce evidence in compliance with court orders, American courts have refused to penalize such parties when there was a good faith effort to comply and when production would violate the laws of the foreign state where discovery was sought.[13]

In *Jenoptik*, the Federal Circuit held that the district court properly granted a motion to modify a protective order, thereby releasing deposition passages on trade secrets previously discovered in a suit in the United States for use in a related suit between the same parties in Germany.[14] The court held that the discoverability of the deposition in the German court was not the appropriate inquiry because the request was not an action to conduct discovery under 28 U.S.C. § 1782.[15] Section 1782 allows parties to a foreign proceeding to request assistance in obtaining evidence located in the United States without filing suit in an American court.[16] The parallel German and American suits in *Jenoptik* made application to conduct discovery under § 1782 unnecessary, as the information sought was already in the hands of the party seeking to use it in Germany.[17] Thus the party requesting assistance was able to obtain evidence for use in the German action which it could not have discovered under German law.[18] In releasing the information, the court failed to consider the ideals of comity and sovereignty, or to balance these interests with the duty

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statement or producing the document or other thing. To the extent that the order does not prescribe otherwise, the testimony or statement shall be taken, and the document or other thing produced, in accordance with the Federal Rules of Civil Procedure.

A person may not be compelled to give his testimony or statement or to produce a document or other thing in violation of any legally applicable privilege.

28 U.S.C. § 1782(a) (1994).

[13] *See infra* notes 99-107 and accompanying text.

[14] *See In re* Jenoptik AG, 109 F.3d at 723.

[15] *See id.*

[16] *See id.* at 724 (Newman, J., dissenting).

[17] *See id.* at 723.

[18] *See id.* at 724 (Newman, J., dissenting). For a further discussion of the discoverability of trade secrets under German law, see *infra* notes 40-44 and accompanying text.

to aid foreign process and to avoid circumvention of foreign law.[19]

Part II of this Note will examine the facts and procedural history of the *Jenoptik* case and discuss the majority and dissenting opinions of the Federal Circuit.[20] Part III will analyze the background law prior to *Jenoptik*.[21] Part IV will assess the significance of *Jenoptik* in light of the preceding case law.[22] Finally, in Part V, the Note concludes that the Federal Circuit's decision emphasized form over substance in allowing the release of the deposition for use in Germany.[23] The conclusion explains that the potential for circumvention of foreign law through related lawsuits in the United States is too great, and that the resulting encroachment into foreign sovereignty violates the spirit of the law and the public policy of the United States.[24] In ruling on requests for assistance in discovery, federal courts should examine the discoverability of information in the foreign state in order to prevent circumvention of foreign law through American courts.[25] Discoverability takes on even greater importance when requests for assistance are made by litigants, rather than foreign courts, and when evidence is of a sensitive nature.[26]

II. Statement of the Case

A. The Facts and the District Court Ruling

Therma-Wave, Inc. sued Jenoptik AG in the United States District Court for the Northern District of California, seeking a declaratory judgment that Jenoptik's products infringed upon Therma-Wave's U.S. patents "related to a method and apparatus for detecting thermal waves."[27] Therma-Wave brought a similar

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[19] *See id.* at 725-26 (Newman, J., dissenting).

[20] *See infra* notes 27-60 and accompanying text.

[21] *See infra* notes 61-115 and accompanying text.

[22] *See infra* notes 116-137 and accompanying text.

[23] *See infra* notes 138-144 and accompanying text.

[24] *See infra* notes 133-144 and accompanying text.

[25] *See infra* notes 141-144 and accompanying text.

[26] *See In re* Jenoptik AG, 109 F.3d 721, 724 (Fed. Cir. 1997) (Newman, J., dissenting).

[27] *Id.* at 722.

action in Germany for Jenoptik's alleged infringement of a related German patent.[28] The California district court entered a stipulated protective order governing confidential information disclosed during discovery.[29] Some information was designated "Confidential," while other information was designated "Confidential-Trial Counsel Only" (Confidential-TCO).[30] Therma-Wave later requested that the district court modify the protective order so that portions of the deposition testimony designated Confidential-TCO could be presented to the German court.[31] The district court granted Therma-Wave's request, modifying the protective order to permit use of the deposition passages in the German court and requesting that the German court maintain the appropriate confidentiality.[32] Jenoptik then petitioned the Court of Appeals for the Federal Circuit for a writ of mandamus directing the district court to vacate its order.[33]

B. The Federal Circuit Decision

Judicial orders may be overturned for "a clear abuse of discretion or usurpation of judicial authority in the grant of the order."[34] The petitioner bears the burden of establishing its clear and indisputable right to issuance of the writ.[35] The Federal Circuit outlined three reasons given by Jenoptik in its request to vacate the order:

> (1) [T]he district court failed to adequately address and protect Jenoptik's interest in maintaining Confidential-TCO information, (2) the district court was required, but failed, to

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[28] *See id.*

[29] *See id.*

[30] *See id.*

[31] *See id.*

[32] *See id.*

[33] *See id.* Jenoptik filed its petition for a writ of mandamus on November 21, 1996. *See id.* Therma-Wave filed a response on November 26, 1996, and the court denied the petition on November 27, 1996. *See id.* The German trial began November 28, 1996. *See id.* The order denying the writ of mandamus stated that discussion and dissent would follow. *See id.* This opinion, filed March 7, 1997, explains the court's disposition of the matter. *See id.* at 721-22.

[34] *In re* Regents of the Univ. of Cal., 101 F.3d 1386, 1387 (Fed. Cir. 1996).

[35] *See id.* (citing Allied Chem. Corp. v. Daiflon, Inc., 449 U.S. 33, 35 (1980)).

> consider that the modification order would circumvent the discovery procedure of German courts, and (3) the district court modified the protective order without sufficient reasons because the deposition testimony at issue did not conflict with statements in Jenoptik's brief in the German court.[36]

The court quickly eliminated the first argument, finding that, "in view of Therma-Wave's offer in the district court to continue to comply with the provisions of the protective order," Therma-Wave was bound with regard to the TCO provisions; thus Jenoptik's right to issuance on those grounds was not clear and indisputable.[37] The court similarly rejected the third argument since any conflict with Jenoptik's brief in the German court could only be resolved by the German court.[38]

The court focused its attention on the argument regarding discoverability in Germany.[39] Jenoptik argued that "the modification order circumvented the discovery procedure of German courts and that the district court was required to consider the discoverability of the documents in a German court."[40] The question of discoverability becomes particularly important in light of the nature of the information.[41] Jenoptik claimed that "the material in the deposition contained trade secrets."[42] The only way that German courts can obtain the testimony of a witness is through live courtroom testimony, and a witness can refuse to testify about trade secrets.[43] Jenoptik argued that the court should have considered the discoverability of the trade secret information in Germany, and refused Therma-Wave's request to modify the protective order.[44]

The Federal Circuit disagreed, explaining that "discoverability

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[36] *In re* Jenoptik AG, 109 F.3d at 722.

[37] *Id.* at 723.

[38] *See id.* at 723-24.

[39] *See id.* at 723.

[40] *Id.*

[41] *See id.*

[42] *Id.*

[43] *See id.*

[44] *See id.*

of the excerpts was not the appropriate inquiry."[45] The court thus refused to apply the discoverability considerations found in § 1782 cases as this was not an action under that statute.[46] The court relied instead on a Ninth Circuit case, *Beckman Industries, Inc. v. International Insurance Co.*[47] The Ninth Circuit stated in *Beckman* that "precedent strongly favors disclosure to meet the needs of parties in pending litigation" and that confidentiality could be protected by placing the parties under the same restrictions as in the original protective order.[48] For these same reasons the Federal Circuit denied Jenoptik's petition for a writ of mandamus.[49]

C. Dissent to the Federal Circuit Decision

The dissent in *Jenoptik* emphasized the importance of discoverability of evidence in the foreign state, urging that "[i]t is not the role of this nation's courts to adjust the positions of the parties before the tribunal in Germany, by circumventing German law."[50] As the dissent observed, Therma-Wave stated that unless the deposition was released by the American court, it might never be used in the German litigation because it would be protected by German law.[51] The dissent further proclaimed that United States courts "have the obligation, in law, international comity, and sound practice, not only to aid foreign process when requested, but also to avoid aiding in deliberate circumvention of foreign laws and procedures."[52]

In support of this position, the dissent stressed that the request for assistance was not from the German court, but from a litigant, and that the litigant was not under a German court order to

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[45] *Id.* The court held that the only relevant issue was the confidentiality of the testimony and, since the testimony had already been discovered in the U.S. suit, the modification order did not circumvent German law. *See id.*

[46] *See id.*

[47] 966 F.2d 470 (9th Cir. 1992). For a further discussion of *Beckman*, see *infra* notes 65-67 and accompanying text.

[48] *Id.*

[49] *See In Re* Jenoptik AG, 109 F.3d at 723-24.

[50] *Id.* at 724 (Newman, J., dissenting).

[51] *See id.* (Newman, J., dissenting).

[52] *Id.* at 726 (Newman, J., dissenting).

produce the evidence.[53] Additionally, the dissent noted that the German court had jurisdiction over Jenoptik, which was a German company.[54] Therefore, if the disputed evidence was admissible under German law, the German court could have ordered its production without American help, especially when the confidential information originated in Germany and when the "witness at issue" was a Jenoptik employee who resided in Germany.[55]

The dissent also relied upon parallels between the *Jenoptik* case and an action to conduct discovery under § 1782, pointing out that several circuits have held that "a party to foreign litigation is not entitled to discover . . . information that is insulated from discovery in the foreign court in which the action is pending."[56] Jenoptik submitted the affidavit of an expert in German law, who stated that testimony would have to be heard in open court, and that a witness may "legally refuse to answer questions concerning business or industrial secrets."[57] The dissent pointed to a recent case where the Federal Circuit "recognized that foreign countries have different discovery rules and different laws governing trade secrets, and that these may not match United States practices."[58] Taking these factors in the aggregate, the dissent argued that placing trade secret information, not discoverable under German law, in evidence in Germany amounted to an improper use of United States discovery procedures.[59] The dissent, therefore, concluded that the district court order modifying the protective

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[53] *See id.* at 724 (Newman, J., dissenting). A direct petition from the German court would have made an inquiry into discoverability unnecessary, as the participation of the court would show such discoverability. *See id.* Judge Newman quoted *John Deere v. Sperry*, which held that a petition from a foreign tribunal would leave "little question as to the propriety of honoring the request for assistance." *Id.* (citing John Deere Ltd. v. Sperry Corp., 754 F.2d 132, 134 (3d Cir. 1985)).

[54] *See In re* Jenoptik AG, 109 F.3d at 725 (Newman, J., dissenting).

[55] *See id.* (Newman, J., dissenting).

[56] *Id.* at 724 (Newman, J., dissenting).

[57] *Id.* at 725 (Newman, J., dissenting).

[58] *Id.* (Newman, J., dissenting) (citing Cochran Consulting, Inc. v. Uwatec USA, Inc., 102 F.3d 1224, 1226-27 (Fed. Cir. 1996)). Judge Newman wrote the court's opinion in *Cochran*. *See infra* notes 103-107 and accompanying text.

[59] *See In re* Jenoptik AG, 109 F.3d at 725 (Newman, J., dissenting).

order to permit use of the evidence in Germany was inappropriate and should not have been sustained.[60]

III. Background Law

In addition to the *Beckman Industries* case relied upon by the majority, the Federal Circuit encountered precedent of two principal types: (1) cases interpreting and applying § 1782 requests for judicial assistance, and (2) cases in which United States courts refused to penalize parties for failure to disclose information that they could not legally obtain under the laws of a foreign country where such information was located.[61] In the § 1782 cases, the First, Third, and Eleventh Circuits and the District Courts for the Central District of California and Eastern District of Pennsylvania have held that foreign litigants were not entitled to discovery beyond that allowed in the forum state.[62] The Second Circuit has held that a court's inquiry into the discoverability of materials requested under § 1782 should consider only authoritative proof of discoverability and should attempt to accommodate the evidence-gathering practices of other nations.[63] The cases regarding the failure of a litigant in a United States court to comply with orders for production have held that the litigant should not be penalized where a good faith effort had been made to comply.[64]

A. Beckman Industries

In *Beckman Industries, Inc. v. International Insurance Co.*, the United States Court of Appeals for the Ninth Circuit affirmed an order of the District Court for the Central District of California modifying a protective order to allow access to six deposition transcripts for use in a similar action pending against the same defendant in California state court.[65] The court based its

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[60] *See id.* at 724 (Newman, J., dissenting).

[61] *See id.* (Newman, J., dissenting).

[62] *See infra* notes 68-92 and accompanying text.

[63] *See infra* notes 93-98 and accompanying text.

[64] *See infra* notes 99-107 and accompanying text.

[65] *See* Beckman Indus., Inc. v. International Ins. Co., 966 F.2d 470, 471 (9th Cir. 1992). The Federal Circuit considered the application of § 1782 to be inappropriate in

affirmance on the district court's findings of the importance of access to the documents, a lack of prejudice to the defendant, and the absence of extraordinary circumstances militating against modification.[66] The court observed that "Ninth Circuit precedent strongly favors disclosure to meet the needs of parties in pending litigation," but also recognized that reliance on a protective order was a factor to be considered and that the reliance would be greater where a trade secret was involved.[67]

B. Cases Applying and Interpreting 28 U.S.C. § 1782

In 1980 the District Court for the Eastern District of Pennsylvania encountered a case requiring interpretation of § 1782.[68] The court, in *In re Court of the Commissioner of Patents for the Republic of South Africa*, held that the fact that a requesting party is a litigant in the foreign action complicates the analysis of the court's appropriate exercise of discretion, though it does not affect the litigant's right to petition the court for assistance.[69] The court expressed concern that the requested evidence would not be discoverable under the law of the foreign state and held that, absent a showing by the petitioner that the information requested was discoverable, the court could not honor the request.[70] The court stated that it should not exercise its discretion under § 1782 to allow litigants to circumvent the restrictions imposed on discovery by foreign tribunals as "[f]ew actions could more significantly impede the development of international cooperation among courts than if the courts of the United States operated to give litigants in foreign cases processes of law to which they were

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Jenoptik. *In re* Jenoptik AG, 109 F.3d 721, 723 (Fed. Cir. 1997). According to the court, confidentiality, rather than discoverability, was the dispositive issue. *See generally id.* at 723-24. It therefore found *Beckman* "instructive" because the Ninth Circuit, whose law the Federal Circuit was applying in *Jenoptik*, determined the appropriateness of a district court ruling which modified "a protective order to permit confidential materials to be used in a different court proceeding." *Id.* at 723.

[66] *See id.* at 475.

[67] *Id.*

[68] *See In re* Court of the Commissioner of Patents for the Republic of South Africa, 88 F.R.D. 75 (E.D. Pa. 1980).

[69] *See id.* at 77.

[70] *See id.*

not entitled in the appropriate foreign tribunals."[71]

The Third Circuit in 1985 handed down its decision in *John Deere Ltd. v. Sperry Corp.*, one of the most important cases on the issue of discoverability.[72] In considering a request to compel discovery for use in a Canadian court, the Third Circuit held that admissibility is an issue for the foreign tribunal when the information sought would be discoverable if all the involved parties were within the tribunal's jurisdiction.[73] However, the court stated that a "grant of discovery that trenched upon the clearly established procedures of a foreign tribunal" would not be permitted under § 1782.[74] The court relied upon the "considerations of comity and sovereignty that pervade international law"[75] and emphasized that its decision did not "countenance the use of U.S. discovery procedures to evade the limitations placed on domestic pre-trial disclosure by foreign tribunals."[76] Additionally, the court warned that its "[c]oncern that foreign discovery not be circumvented by procedures authorized in American courts is particularly pronounced where a request for assistance issues not from letters rogatory, but from an individual litigant."[77]

The Eleventh Circuit decided two cases in this area in 1988.[78] In *Lo Ka Chun v. Lo To*, the court remanded an order of the District Court for the Southern District of Florida for a determination on the discoverability of the requested evidence.[79] It held that the district court was required to determine the

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[71] *Id.*

[72] 754 F.2d 132 (3d Cir. 1985).

[73] *See id.* at 136-37.

[74] *Id.* at 135.

[75] *Id.*

[76] *Id.* at 136.

[77] *Id.* at 136. A "letter rogatory" is "[t]he medium whereby one country, speaking through one of its courts, requests another country, acting through its own courts and by methods of court procedure peculiar thereto and entirely within the latter's control, to assist the administration of justice in the former country." BLACK'S LAW DICTIONARY 905 (6th ed. 1990).

[78] *See* Lo Ka Chun v. Lo To, 858 F.2d 1564 (11th Cir. 1988); *In re Trinidad and Tobago*, 848 F.2d 151 (11th Cir. 1988).

[79] *See Lo Ka Chun*, 858 F.2d at 1566.

discoverability of testimony of nonparty witnesses in a foreign forum before issuing subpoenas duces tecum.[80] The court, in reaching this holding, relied upon its decision in *In re Trinidad and Tobago*, handed down that same year.[81] In the prior case, the court concluded that "[w]hile a district court generally should not decide whether the requested evidence will be admissible in the foreign court . . . the district court must decide whether the evidence would be discoverable in the foreign country before granting assistance."[82] The court stressed that if a district court judge "doubts that a proceeding is forthcoming or suspects that the request is a 'fishing expedition' or a vehicle for harassment, the district court should deny the request."[83]

The First Circuit faced a similar petition for assistance in 1992. In overruling a grant of assistance in *In re Application of Asta Medica, S.A.*,[84] the court held that a litigant requesting help to obtain evidence for use in a foreign proceeding must show that the information sought would be discoverable in the foreign jurisdiction.[85] The court stated that Congress intended for the burden of proof to fall upon the applicant and expressed concern that § 1782 could be used to circumvent foreign law and procedures if such a showing was not required.[86] If such a use was allowed, the court noted that a litigant would gain an unfair advantage and, more importantly, foreign countries might be offended by the use of United States procedures to circumvent their own procedures and laws.[87] The court concluded that the concept of comity and the broader goal of stimulating cooperation

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[80] *See id.* A "subpoena duces tecum" is "[a] court process, initiated by [a] party in litigation, compelling production of certain specific documents and other items, material and relevant to facts in issue in a pending judicial proceeding, which documents and items are in [the] custody and control of [the] person or body served with process." BLACK'S LAW DICTIONARY 1426 (6th ed. 1990).

[81] *See Lo Ka Chun*, 858 F.2d at 1566.

[82] *In re Trinidad and Tobago*, 848 F.2d at 1156.

[83] *Id.*

[84] 981 F.2d 1 (1st Cir. 1992).

[85] *See id.* at 7.

[86] *See id.* at 6-7.

[87] *See id.* at 6.

in international and foreign litigations required that the district court make a discovery determination based upon the submissions of the parties.[88]

The District Court for the Central District of California has rendered a recent decision in a § 1782 case.[89] The court, in *In re Chancery Division, England*, held that English litigants requesting assistance from the court in obtaining the deposition of a U.S. citizen were not entitled to discovery beyond that available in the English court where the action was proceeding.[90] The court distinguished several Ninth Circuit cases where requests were from the foreign tribunal rather than the litigant, stressing that "[w]here the request is made by an adverse party in a foreign proceeding . . . the federal courts must exercise caution to prevent the circumvention of foreign discovery provisions and procedures."[91] The Court then stated that the purpose of § 1782, "was to foster jurisprudential comity and cooperation between the United States and foreign countries . . . to facilitate compliance by U.S. citizens with foreign court proceedings and to maintain respect for foreign countries' sovereign jurisdiction."[92]

The Second Circuit has addressed § 1782 in a line of cases to which neither the *Jenpotik* majority nor dissent cites. Most recently, in *In re Application of Euromepa, S.A.*,[93] the court held that a comprehensive inquiry into foreign law to determine the "existence and extent of discovery in the forum nation" would not be appropriate in § 1782 actions.[94] The court refused to require the exhaustion of discovery procedures in the forum state, holding that discoverability under the laws of the foreign state would be but a single factor that a district court may consider in applying its

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[88] *See id.* at 7.

[89] *See In re* Application for an Order for Judicial Assistance in a Foreign Proceeding in the High Court of Justice, Chancery Division, England, 147 F.R.D. 223, 226 (C.D. Cal. 1993) [hereinafter *In re Chancery Division, England*].

[90] *See id.* at 226.

[91] *Id.* (citing John Deere Ltd. v. Sperry Corp., 754 F.2d 132, 136 (3d Cir. 1985)).

[92] *Id.*

[93] 51 F.3d 1095 (2d Cir. 1995).

[94] *Id.* at 1099.

discretion.[95] However, the court stated that a district court's examination into discoverability should respect "authoritative proof that a foreign tribunal would reject" the requested evidence.[96] The court held that "[s]uch proof, as embodied in a forum country's judicial, executive, or legislative declarations that specifically address the use of evidence gathered under foreign procedure, would provide helpful and appropriate guidance to a district court in the exercise of its discretion."[97] Such a limited inquiry would fulfill the court's requirement of a reasonable attempt to accommodate the evidence-gathering procedures of other jurisdictions in order to avoid giving offense to foreign states.[98]

C. U.S. Cases Refusing to Penalize Foreign Litigants for Failure to Produce

In *Société Internationale pour Participations Industrielles et Commerciales, S.A. v. Rogers*,[99] the United States Supreme Court encountered the implications of comity and sovereignty in international discovery from an opposing perspective. The Court held that the failure of a litigant in a United States suit to comply with an order for production of documents did not justify the dismissal of the case when the party made a good faith effort to comply but was prevented by foreign law.[100] In this case, possible criminal sanctions in Switzerland limited the litigant's ability to comply with the production order.[101] Since compliance would have violated Swiss criminal laws, the Court refused to penalize the litigant by dismissing the case.[102]

The Court of Appeals for the Federal Circuit recently

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[95] *See id.* at 1098 (citing *In re* Application of Gianoli, 3 F.3d 54, 59 (2d Cir. 1993); *In re* Application of Malev Hungarian Airlines, 964 F.2d 97, 100 (2d Cir.), *cert. denied*, 506 U.S. 861, 113 S.Ct. 179 (1992)).

[96] *Id.* at 1100.

[97] *Id.*

[98] *See generally id.* at 1101.

[99] 357 U.S. 197 (1958).

[100] *See id.* at 212-12.

[101] *See id.* at 211.

[102] *See id.* at 211-12.

considered a similar issue in *Cochran Consulting, Inc. v. Uwatec USA, Inc.*[103] The Federal Circuit vacated the orders of the District Court for the Eastern District of Texas, which had imposed sanctions on Uwatec for failure to produce a copy of computer programming code for use in a patent infringement action in the United States.[104] Uwatec had filed the appropriate actions in Switzerland in an attempt to produce a printed copy, but the Swiss court ruled that Uwatec had no right to such a copy because the code belonged to the corporation that had developed it.[105] The court stated that *Société Internationale* required United States courts to "balance the interests and needs of the parties in light of the nature of the foreign law and the party's efforts to comply in good faith with the demanded production."[106] The court held that in light of Uwatec's good faith attempts, the potential for criminal sanctions in Switzerland, and the essential principles of international comity, it would be improper to impose any sanctions on Uwatec for failure to produce the requested documents.[107]

D. International Law

The case law that preceded *Jenoptik* emphasized the ideals of international comity and sovereignty.[108] These considerations are paramount to the international goals of cooperation and reciprocity.[109] Additional support for these ideals can be found in the agreements and negotiations between nations throughout the twentieth century on the issue of discovery.[110] In preparing the draft Convention on the Taking of Evidence Abroad during the Eleventh Session of the Hague Conference, the Committee stated that "the method of taking the evidence must be 'tolerable' to the

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[103] 102 F.3d 1224 (Fed. Cir. 1996).

[104] *See id.* at 1225, 1232.

[105] *See id.* at 1229.

[106] *Id.* at 1227.

[107] *See id.* at 1228-30.

[108] *See supra* notes 68-107 and accompanying text.

[109] *See In re Trinidad and Tobago*, 848 F.2d 1151, 1154 (11th Cir. 1988).

[110] *See Report of United States Delegation to Eleventh Session of Hague Conference on Private International Law*, 8 I.L.M. 785, 806 (1969) (reporting on the draft Convention on the Taking of Evidence Abroad in Civil or Commercial Matters).

authorities of the State where it is taken and at the same time 'utilizable' in the forum where the action will be tried."[111] The Committee stressed that "the doctrine of 'judicial sovereignty' had to be constantly borne in mind," as the taking of evidence in civil law nations differed significantly from the taking of evidence in common law nations.[112]

> The act of taking evidence in a common-law country from a willing witness, without compulsion and without a breach of the peace, in aid of a foreign proceeding, is a purely private matter . . . [while] the same act in a civil-law country may be a public matter, and may constitute the performance of a public judicial act by an unauthorized foreign person. It may violate the "judicial sovereignty" of the host country, unless its authorities participate or give their consent.[113]

The Committee thus explained the importance of sovereignty, the real risk of offending a foreign country by allowing its rules of discovery to be circumvented, and the necessity of discoverability in the forum state.[114] International concerns mirror the concerns expressed by the United States courts in the case law.[115]

IV. Significance of the Case

Jenoptik presented the issue of discoverability in a new context.[116] Courts had previously been confronted with the issue of discoverability in a foreign forum only in the context of petitions under § 1782,[117] or in suits filed in the United States but requiring discovery in another country.[118] The Federal Circuit in *Jenoptik*

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[111] *Id.* at 806.

[112] *Id.*

[113] *Id.*

[114] *See supra* notes 110-113 and accompanying text.

[115] *See supra* notes 68-107, 110-114 and accompanying text.

[116] *See supra* notes 27-33 and accompanying text.

[117] *See In re* Application of Euromepa, S.A., 51 F.3d 1095 (2d Cir. 1995); *In re* Application of Asta Medica, S.A., 981 F.2d 1 (1st Cir. 1992); Lo Ka Chun v. Lo To, 58 F.2d 1564 (11th Cir. 1988); *In re Trinidad and Tobago*, 848 F.2d 151 (11th Cir. 1988); John Deere Ltd. v. Sperry Corp., 754 F.2d 132 (3d Cir. 1985); *In re Chancery Division, England*, 147 F.R.D. 223 (C.D. Cal. 1993); *In re* Court of the Commissioner of Patents for the Republic of South Africa, 88 F.R.D. 75 (E.D. Pa. 1980).

[118] *See* Société Internationale pour Participations Industrielles et Commerciales,

did not have at hand any decisions or statutes directly on point, and was forced to extrapolate related information and concepts in arriving at its decision.[119] The court's conclusion that confidentiality, rather than discoverability, was the relevant issue avoided a difficult question, yet it may also have ignored the principles of comity and sovereignty which form the basis not only of § 1782 but of all international legal relations.[120]

The Federal Circuit concluded that discoverability was not the relevant issue because Therma-Wave was seeking only to modify the protective order.[121] The court stated that "it was solely the confidentiality of the deposition testimony that was relevant to the mandamus petition."[122] Therefore, the court reasoned, the release of the material for use in the German court did not circumvent German rules of discovery, as the material in question was already discovered, and only the protective order prevented its use in Germany.[123] This conclusion provides a bright line rule, but fails to consider the international ramifications.[124]

In deciding *Cochran Consulting*, the Federal Circuit relied heavily upon principles of international law.[125] The court, referring to the *Restatement (Second) on Foreign Relations Law of the United States*, stated that "when two nations have jurisdiction to prescribe and enforce national rules of law that are inconsistent, each nation is required by international law to consider, in good faith, moderating the exercise of its enforcement jurisdiction in light of the law of the other nation."[126] The Restatement outlines several factors to be considered, including the nature of the parties' interests, the nature of the discovery that is sought, and the

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S.A. v. Rogers, 357 U.S. 197, 78 S. Ct. 1087 (1958); Cochran Consulting, Inc. v. Uwatec USA, Inc. 102 F.3d 1224 (Fed. Cir. 1996).

[119] *See supra* notes 34-49 and accompanying text.

[120] *See In re Trinidad and Tobago*, 848 F.2d at 1154.

[121] *See In re* Jenoptik AG, 109 F.3d 721, 723 (Fed. Cir. 1997).

[122] *Id.*

[123] *See id.*

[124] *See supra* notes 108-115 and accompanying text.

[125] *See* Cochran Consulting, Inc. v. Uwatec USA, Inc., 102 F.3d 1224, 1226-27 (Fed. Cir. 1996).

[126] *Id.* at 1227 (citing RESTATEMENT (SECOND) OF THE FOREIGN RELATIONS LAW OF THE UNITED STATES § 40 (1965)).

territory in which the discovery would occur.[127] The *Jenoptik* court failed to consider any of these factors.[128]

Instead the Federal Circuit focused on the form of the petition.[129] In doing so, the court failed to reconcile its decision with the principles of international law or previous interpretations of § 1782.[130] Many of the past cases involving § 1782 expressed the courts' concern that the statute could be used to circumvent the foreign discovery laws of forum states.[131] These courts have attempted to prevent such abuse of the more liberal U.S. discovery procedures by requiring a showing of discoverability in the forum state.[132] In deciding that Therma-Wave is entitled to a modification order, the *Jenoptik* court allowed confidential deposition testimony, discovered in a United States action, to be used in a related German proceeding, despite the testimony that such information would not be discoverable under German law.[133] The circuit's ruling permits the circumvention of German law by Therma-Wave, not through the use of § 1782 as the courts feared, but through the complete avoidance of § 1782.[134] Under the *Jenoptik* holding, any litigant may obtain information that is not discoverable in a foreign country, as long as a related suit is filed in the United States.[135] The discovered information can then be used in the related foreign suit.[136] The creation of such a legal loophole does not reflect the international ideals of comity and

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[127] *See Cochran Consulting, Inc.* at 1227 (citing RESTATEMENT (SECOND) OF THE FOREIGN RELATIONS LAW OF THE UNITED STATES § 40 (1965)).

[128] *See supra* notes 36-49 and accompanying text.

[129] *See In re* Jenoptik AG, 109 F.3d 721, 723 (Fed. Cir. 1997).

[130] *See id.*

[131] *See supra* notes 68-98 and accompanying text.

[132] *See In re* Application of Asta Medica, S.A., 981 F.2d 1, 6 (1st Cir. 1992).

[133] *See supra* notes 39-44 and accompanying text. German law and professional ethics prohibit any contact between an attorney and witnesses or experts, such as in a pre-trial interrogation or deposition, prior to a hearing before a judge. 1 E. J. COHN, MANUAL OF GERMAN LAW 46 (2d ed. 1968).

[134] *See supra* notes 68-98 and accompanying text.

[135] *See supra* notes 36-49 and accompanying text.

[136] *See id.*

sovereignty.[137]

V. Conclusion

International litigation is an unavoidable result of international relations and transactions. Conducting discovery in a foreign jurisdiction is a necessary part of international litigation. The United States and other nations have attempted to abide by the ideals of international relations in permitting and conducting discovery in the context of such litigation.[138] The U.S. Congress addressed one aspect of discovery in § 1782, attempting to facilitate cooperation between the United States and other nations in international litigation.[139] However, international legal norms and concepts are equally applicable to questions which implicate international discovery issues and conflicts yet are not expressly answered by § 1782.[140]

The Federal Circuit's failure to consider these important international legal norms in *Jenoptik* emphasizes form over function and allows the circumvention of foreign discovery procedures through the use of the U.S. court system.[141] In reviewing § 1782 requests, the various Circuits have expressed concern that the trial courts would be overburdened if required to interpret foreign discovery law in every case.[142] Congress, as the First Circuit noted, solved this problem by placing the "primary" burden upon the § 1782 applicant.[143] The First Circuit explained that "[t]he only burden that would fall upon the district court is to make a discovery determination based upon the submission by the parties."[144] Such an approach is equally applicable in a case like *Jenoptik*. By allowing the release of evidence that would not be discoverable in the forum state, the Federal Circuit has set precedent allowing foreign litigants to circumvent the laws of

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[137] *See supra* notes 2-4, 110-114 and accompanying text.

[138] *See supra* notes 110-114 and accompanying text.

[139] *See supra* note 12 and accompanying text.

[140] *See supra* notes 50-60 and accompanying text.

[141] *See supra* notes 131-137 and accompanying text.

[142] *See, e.g., In re* Application of Asta Medica, S.A., 981 F.2d 1, 6 (1st Cir. 1992).

[143] *See id.* at 7.

[144] *Id.*

foreign states through the use of American courts. Such use could result in the violation of foreign sovereignty by the United States. In keeping with international legal norms, parties requesting judicial assistance in relation to a foreign action should be required to show that the information sought would be discoverable in the foreign state. The court could then make a determination based on the parties' submissions, bearing in mind the ideals of comity and sovereignty, and balancing the relative needs of the parties.

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