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October 19, 2001

BY HAND

Donald S. Clark, Secretary
Federal Trade Commission
Room H-159
600 Pennsylvania Ave., N.W.
Washington, D.C. 20006

Re: FTC v. Polygram Holding, Inc., et. al.

Dear Mr. Clark,

On behalf of our client, Warner Communications, Inc., we submit the following documents:

1. Warner Communications Inc.'s Motion to Modify the Protective Order Governing Discovery Material and to Stay Disclosure Pending Resolution of this Motion,
2. Order,
3. Declaration of George S. Cary,
4. Certificate of Service, and
5. Draft Protective Order Governing Discovery Material.

Donald S. Clark, Secretary, p. 2

Please acknowledge receipt of this letter and its enclosures by date-stamping the enclosed copy of this letter and returning it to our waiting messenger.

Should you have any questions, please do not hesitate to contact me at (202) 974-1920.

Very truly yours,

George S. Cary

Enclosures

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

In the Matter of)
POLYGRAM HOLDING, INC.,)
a corporation,)
DECCA MUSIC GROUP LIMITED,)
a corporation,)
UMG RECORDINGS, INC.,)
a corporation,)
and)
UNIVERSAL MUSIC & VIDEO)
DISTRIBUTION CORP.,)
a corporation.)

Docket No. 9298

executives' business judgments, analyses of pricing levels for albums and the associated effect on demand, advertising strategies, and factors Warner executives take into account when making investment decisions. As happens inevitably in a production to the government of this type, many documents contain not only information on the subject matter at issue in this litigation, but also commercially sensitive information about multiple facets of Warner's business unrelated to this litigation. These include documents relating to pricing and marketing decisions, budget

1. Definition of “Protected Discovery Material”

Under paragraph 15 in the Definitions section of the Protective Order, designated “Confidential Discovery Material,” disclosure of non-public commercial information that would cause “substantial commercial harm” or “personal embarrassment” to Warner is prohibited except to the parties enumerated in paragraphs 4 and 6 of the Protective Order. Warner does not take issue with this definition. Warner does, however, have grave concerns regarding the next paragraph in the Definitions section, paragraph 16, which creates a subcategory of Confidential Discovery Material known as “Protected Discovery Material.” This provision allows Respondents, upon showing no “substantial commercial harm” to Warner, complete discretion to disclose those Warner confidential documents to any employee of “Respondents or any direct or indirect subsidiary of the ultimate parent of any Respondent” (collectively “Universal”). This provision is fundamentally flawed for two reasons: (i) it allows for disclosure of Confidential Discovery Material that would cause “personal embarrassment” to Warner or to its officers or employees; and (ii) it allows for widespread disclosure of Warner’s commercially sensitive documents to all Universal employees without any showing by Respondent that such disclosure is needed for its defense of this matter.

There is no reasonable justification or useful purpose to be served in allowing Universal to publish Warner confidential information secured through compulsory process or in lieu of compulsory process to its employees in this way merely because such disclosure may not cause “substantial commercial harm”. The FTC has recognized this possibility in its Rule of Practice § 3.31(d), 16 C.F.R. § 3.31(d) by providing the Administrative Law Judge (“ALJ”) with the power to “deny discovery ... to protect a party or other person from annoyance, embarrassment, [or] oppression ...”. This Court has acknowledged also the potential danger to a non-party

competitor in granting a protective order denying respondent's employees access to a competitor's confidential information: "[d]isclosure to [R]espondent's employees of confidential documents obtained from respondents competitors would undoubtedly cause needless competitive harm ..." In re BASF Wyandotte Corp., 1979 FTC LEXIS 599, at *2 (order granting protective order). See also Vikase Corp., v. W.R. Grace & Co., 2993 Dist. LEXIS 619, at *14 (N.D. Ill. Jan. 23, 1992)("The Court ... cannot underestimate the resourcefulness of plaintiff's employees when handed sensitive information of a competitor ... '[W]here confidential material is disclosed to an employee of a competitor, the risk of the competitor's obtaining an unfair business advantage may be substantially increased.'" (quoting Akzo N.V. v. U.S. International

16. “Protected Discovery Material” means Confidential Discovery Material the disclosure of which to Respondents and its affiliates would not cause substantial commercial harm or personal embarrassment to the disclosing party.

(ii) paragraph 5(b) to be modified to add the following two sentences:

“Disclosure of Protected Discovery Material made under subparagraph 5(b) above shall only be made to persons on a demonstrated need to know basis and shall be used by such persons only for the purpose of this proceeding and not for any business, competitive or other purpose whatsoever; in addition, the Parties shall follow the procedure set forth in paragraph 8(b) & (d) below for Disclosure to New Persons except notice by disclosing Party to Producing Party need only consist of the name and title/position of the person at Universal to whom such material is to be disclosed and a brief statement of the reasons why this person has a need to know Protected Discovery Material.”¹

(iii) paragraph 8(b) to be modified to replace “5” with “5(a)” in the first sentence.

2. The Use Of Warner’s Confidential Discovery Material In Other Proceedings

Warner respectfully objects to the Respondents’ ability under paragraph 1 of the Protective Order to “use or disclose any Discovery Material, or information derived therefrom, for any other proceeding” without Warner’s permission. It is completely inconsistent with the assurances of confidentiality given to Warner in consideration for producing these documents to allow Respondent (with or without the permission of the ALJ) to use these documents for any purpose other than in defending this suit. Had Warner had any inkling that its documents could be used by anyone other than the government for any purpose unrelated to the specific investigation in which they were requested, Warner would have litigated the question before producing the documents. Certainly Warner understood that its documents could be used in this proceeding. But to change the rules of the game to allow for their use by Respondents in unrelated actions at this point is a serious infringement of Warner’s rights and the assurances of

¹ See, e.g., In re Intel Corp., Docket No. 9288, F.T.C., (July 20, 1998)(protective order governing discovery material), available at <http://www.ftc.gov/os/adjpro/d9288/index.htm>(protective order provides for authorized disclosure of confidential information to any person only on a “need to know” basis and provides for procedural protections).

should be disclosed before a third party's confidential information is made available to them.

The provision, however, ignores that these same principles apply in the case of experts other than those identified. For example, experts other than those that "regularly" consult to the music or home video industry may have an opportunity to misuse confidential information received in the course of their work on this case. Just one example might be economic experts who do not "regularly" consult to the music industry, but who may consult for a particular plaintiff, or have consulted against Warner, in another case. Similarly, this provision does not take into account experts who were "previously" employed in the industry.

Limiting notice only to some specific groups of experts deprives Warner of important protections. Providing the identity of an expert "is necessary to assure no commercial harm" to the Producing Party; it does not prevent the disclosing party "from consulting with an expert" nor does it "inhibit" the disclosing party from "choosing his experts."

Respectfully submitted,

George S. Cary,
Cleary, Gottlieb, Steen & Hamilton

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George S. Cary

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

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In the Matter of)	
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POLYGRAM HOLDING, INC.,)	
a corporation,)	
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DECCA MUSIC GROUP LIMITED,)	
a corporation,)	
)	Docket No. 9298
UMG RECORDINGS, INC.,)	
a corporation,)	
)	
and)	
)	
UNIVERSAL MUSIC & VIDEO)	
DISTRIBUTION CORP.,)	
a corporation.)	
_____)	

ORDER

Upon the motion of Warner Communications Inc., and for good cause shown, **IT IS HEREBY ORDERED** that the Protective Order entered in this matter on October 16, 2001 is modified as follows:

1. paragraph 16 of the Definitions shall be modified to add the phrase “or personal embarrassment” after the phrase “would not cause substantial commercial harm”;
2. paragraph 5(b) of the Protective Order shall be modified to add the following two sentences:

“Disclosure of Protected Discovery Material made under subparagraph 5(b) above shall only be made to persons on a demonstrated need to know basis and shall be used by such persons only for the purpose of this proceeding and not for any business, competitive or other purpose whatsoever; in addition, the Parties shall follow the procedure set forth in paragraph 8(b) & (d) below for Disclosure to New Persons except notice by disclosing Party to Producing Party need only

consist of the name and title/position of the person at Universal to whom such

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UNIVERSAL MUSIC & VIDEO)	
DISTRIBUTION CORP.,)	
a corporation.)	
)	

DECLARATION OF GEORGE S. CARY

GEORGE S. CARY, hereby declares as follows:

1. I am a partner at Cleary, Gottlieb, Steen & Hamilton located at 2000 Pennsylvania Ave., NW, Washington, DC, 20006. I represent Warner Communications Inc. (“Warner”).
2. I submit this declaration to demonstrate that I have conferred with Respondents’ counsel and FTC Counsel in an effort to resolve by agreement the issues raised by this motion and have been unable to reach such an agreement.
3. Prior to receiving official notification from the Federal Trade Commission (“FTC”) of its intent to disclose confidential Warner documents produced to the FTC during the precomplaint stage of this matter, I participated in numerous phone calls with Geoffrey Green, trial attorney with the Bureau of Competition at the FTC, to express Warner’s concerns regarding certain provisions of the Respondents draft protective order. Warner made its views know to Mr. Green, including its views on the matters discussed in Warner’s Motion To Modify The Protective Order. Mr. Green indicated that the FTC had no objection to accommodating Warner’s requests. I also expressed similar concerns with Glenn Pomerantz, counsel to Respondents, during the course of the Parties negotiations over the protective order.

4. Immediately upon notification from the FTC on Friday, October 12, 2001 of its intent to disclose confidential Warner documents, I left a voicemail for Mr. Pomerantz, to discuss the outstanding issues. On Tuesday, October 16, 2001, I left similar voicemails for Mr. Pomerantz. The following evening, Wednesday October 17, 2001, I received a call from Mr. Pomerantz and we discussed each of the issues raised by this motion. Mr. Pomerantz indicated that he could not resolve the issues with consultation with his client.

5. On Thursday, at approximately 6 p.m., I called Mr. Pomerantz again, not having heard from him. He indicated that Respondents, having reached agreement with the FTC staff, was not prepared to agree with Warner either to modify the protective order or to enter into a separate agreement with Warner providing it with greater protection.

6. After a good faith effort to resolve by agreement the issues raised by this motion, no agreement was reached.

7. I declare under penalty of perjury that the foregoing is true and correct.

Exe

appellate or other review proceedings related thereto.

2. "Commission" or "FTC" means the Federal Trade Commission, or any of its employees, agents, attorneys, and all other persons acting on its behalf, excluding persons retained as consultants or experts for purposes of this Matter.

3. "PolyGram Holding" means PolyGram Holding, Inc., a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at New York, New York.

4. "Decca Music" means Decca Music Group Limited, a corporation organized, existing, and doing business under and by virtue of the laws of the United Kingdom, with its office and principal place of business located at London, England.

5.

such law firm to perform legal or clerical duties, or to provide logistical litigation support with regard to this Matter; provided that any attorney associated with Outside Counsel shall not be a director, officer or employee of Respondents. The term Outside Counsel does not include persons retained as consultants or experts for the purposes of this Matter.

10.

handwritten note, working paper, chart, index, tabulation, graph, drawing, chart, photograph, tape, phono record, compact disc, video tape, data sheet, data processing card, printout, microfilm, index, computer readable media or other electronically stored data, appointment book, diary, diary entry, calendar, organizer, desk pad, telephone message slip, note of interview or communication, or any other data compilation from which information can be obtained.

14. "Discovery Material" includes without limitation deposition testimony, deposition exhibits, interrogatory responses, admissions, affidavits, declarations, documents produced pursuant to compulsory process or voluntarily in lieu thereof, and any other documents or information produced or given to one Party by another Party or by a Third Party in connection with discovery in this Matter.

15. "Confidential Discovery Material" means all Discovery Material that is designated by a Producing Party as confidential and that is covered by Section 6(f) of the Federal Trade Commission Act, 15 U.S.C. § 46(f), and Commission Rule of Practice § 4.10(a)(2), 16 C.F.R. § 4.10(a)(2); or Section 26(c)(7) of the Federal Rules of Civil Procedure and precedents thereunder. Confidential Discovery Material shall include non-public commercial information, the disclosure of which to Respondents or Third Parties would cause substantial commercial harm or personal embarrassment to the disclosing party. The following is a non-exhaustive list of examples of information that likely will qualify for treatment as Confidential Discovery Material: strategic plans (involving pricing, marketing, research and development, product roadmaps, corporate alliances, or mergers and acquisitions) that have not been fully implemented or revealed to the public; trade secrets; customer-specific evaluations or data (e.g., prices, volumes, or

revenues); personnel files and evaluations; information subject to confidentiality or non-disclosure agreements; proprietary technical or engineering information; proprietary financial data or projections; and proprietary consumer, customer or market research or analyses applicable to current or future market conditions, the disclosure of which could reveal Confidential Discovery Material.

16. "Protected Discovery Material" means Confidential Discovery Material the disclosure of which to Respondents and its affiliates would not cause substantial commercial harm or personal embarrassment to the disclosing party.

TERMS AND CONDITIONS OF PROTECTIVE ORDER

1. Discovery Material, or information derived therefrom, shall be used solely by the Parties for purposes of this Matter, and shall not be used for any other purpose, including without limitation any business or commercial purpose. The Commission may only use or disclose Discovery Material as provided by (1) its Rules of Practice, Sections 6(f) and 21 of the Federal Trade Commission Act and any cases so construing them; and (2) any other legal obligation imposed upon the Commission. The Parties, in conducting discovery from Third Parties, shall attach to such discovery requests a copy of this Protective Order and a cover letter that will apprise such Third Parties of their rights hereunder.

2. Discovery Material may be designated as Confidential Discovery Material by Producing Parties by placing on or affixing, in such manner as will not interfere with the legibility thereof, the notation "CONFIDENTIAL - FTC Docket No. 9298" (or other similar notation containing a reference to this Matter) to the first page of a document containing such Confidential

Discovery Material, or by Parties or Producing Parties instructing the court reporter to denote each page of a transcript containing such Confidential Discovery Material as "Confidential." Such designations shall be made within fourteen (14) days from the initial production or deposition and constitute a good-faith representation by counsel for the Party or Third Party making the designations that the document constitutes or contains "Confidential Discovery Material."

Discovery Material may be designated as Protected Discovery Material by Producing Parties by placing on or affixing, in such manner as will not interfere with the legibility thereof, the notation "PROTECTED - FTC Docket No. 9298" (or other similar notation containing a reference to this Matter) to the first page of a document containing such Protected Discovery Material, or by Parties or Producing Parties instructing the court reporter to denote each page of a transcript containing such Protected Discovery Material as "Protected." Such designations shall be made within fourteen (14) days from the initial production or deposition and constitute a good-faith representation by counsel for the Party or Third Party making the designations that the document constitutes or contains "Protected Discovery Material."

3. All documents heretofore obtained by compulsory process or voluntarily from any Party or Third Party, regardless of whether designated confidential by the Party or Third Party, and transcripts of any investigational hearings, interviews and depositions, that were obtained during the precomplaint stage of this Matter shall be treated as Confidential Discovery Material. Material previously produced by Respondents or a Third Party, and designated as "Confidential," regardless of whether such materials have been marked in accordance with paragraph 2 above, shall be treated as Confidential Discovery Material.

4. Confidential Discovery Material (with the exception of Protected Discovery Material) shall not, directly or indirectly, be disclosed or otherwise provided to anyone except to:

(a) complaint counsel and the Commission, as permitted by the Commission's Rules of Practice;

(b) Outside Counsel;

(c)

made to persons on a demonstrated need to know basis and shall be used by such persons only for the purpose of this proceeding and not for any business, competitive or other purpose whatsoever; in addition, the Parties shall follow the procedure set forth in paragraph 8(b) & (d) below for Disclosure to New Persons except notice by disclosing Party to Producing Party need only consist of the name and title/position of the person at Universal to whom such material is to be disclosed and a brief statement of the reasons why this person has a need to know Protected Discovery Material.

6. In addition to the above-designated persons, one in-house counsel for Respondents who is not involved in competitive decision making may be provided with access to Confidential Discovery Material on the condition that this in-house counsel signs a declaration in the form attached hereto as Exhibit "A," which is incorporated herein by reference. The designated in-house counsel for Respondents is Harvey Geller.

7. Confidential Discovery Material shall not, directly or indirectly, be disclosed or otherwise provided to an Expert/Consultant unless such Expert/Consultant agrees in writing:

(a) to maintain such Confidential Discovery Material in separate locked rooms or locked cabinet(s) when such Confidential Discovery Material is not being reviewed;

(b) to return such Confidential Discovery Material to complaint counsel or Respondent's Outside Counsel, as appropriate, upon the conclusion of the Expert/Consultant's assignment or retention or the conclusion of this Matter;

(c) not to disclose such Confidential Discovery Material to anyone, except as permitted by the Protective Order; and

(d) to use such Confidential Discovery Material and the information contained

therein solely for the purpose of rendering consulting services to a Party to this Matter, including providing testimony in judicial or administrative proceedings arising out of this Matter.

parties have not resolved their differences or if counsel determine in good faith that negotiations have failed, the disclosing Party may make written application to the Administrative Law Judge as provided by paragraph 8(c) of this Protective Order. If the Producing Party does not object to the disclosure of Confidential Discovery Material to the identified expert within five (5) business days, the disclosing Party may disclose the Confidential Discovery Material to the identified expert.

(b) Disclosure to New Persons

If any Party desires to disclose a Producing Party's Confidential Discovery Material to any person other than those referred to in paragraphs 4, 5(a) and 6 of this Protective Order ("New Person"), the disclosing Party shall inform the Producing Party of its desire to disclose such material. Such notice shall identify those materials sought to be disclosed with specificity (i.e., by document control numbers, deposition transcript page and line reference, or other means sufficient to locate easily such materials), and the specific New Person (by name and business affiliation) to whom such material is to be disclosed. The Producing Party may object to the disclosure of the Confidential Discovery Material within five (5) business days of receiving notice of an intent to disclose the Confidential Discovery Material to the New Person by providing the disclosing Party with a written statement of the reasons for the objection. If the Producing Party timely objects, the disclosing Party shall not disclose the Confidential Discovery Material to the New Person, absent a written agreement with the Producing Party or order of the Administrative Law Judge. The Producing Party lodging an objection and the disclosing Party shall meet and confer in good faith in an attempt to determine the terms of disclosure to the identified New Person. If at the end of five (5) business days of negotiating the parties have not resolved their differences or if counsel determine in good

faith that negotiations have failed, the disclosing Party may make written application to the Administrative Law Judge as provided by paragraph 8(d) of this Protective Order. If the Producing Party does not object to the disclosure of the Confidential Discovery Material to the New Person within five (5) business days, the disclosing Party may disclose the Confidential Discovery Material to the identified New Person.

(c) Challenges to Confidentiality Designations

If any Party seeks to challenge a Producing Party's designation of material as Confidential Discovery Material or any other restriction contained within this Protective Order, the challenging Party shall notify the Producing Party and all Parties of the challenge to such designation. Such notice shall identify with specificity (i.e., by document control numbers, deposition transcript page and line reference, or other means sufficient to locate easily such materials) the designation being challenged. The Producing Party may preserve its designation within five (5) business days of receiving notice of the confidentiality challenge by providing the challenging Party and all Parties to this action with a written statement of the reasons for the designation. If the Producing Party timely preserves its rights, the Parties shall continue to treat the challenged material as Confidential Discovery Material, absent a written agreement with the Producing Party or order of the Administrative Law Judge. The Producing Party preserving its rights and the challenging Party shall meet and confer in good faith in an attempt to negotiate changes to any challenged designation. If at the end of five (5) business days of negotiating the parties have not resolved their differences or if counsel determine in good faith that negotiations have failed, the challenging Party may make written application to the Administrative Law Judge as provided by paragraph 8(d) of this Protective Order.

If the Producing Party does not preserve its rights within five (5) business days, the challenging Party may alter the designation as contained in the notice. The challenging Party shall notify the Producing Party and the other Parties to this action of any changes in confidentiality designations.

Regardless of confidential designation, copies of published magazine or newspaper articles, and excerpts from published books and public documents filed with the Securities and Exchange Commission may be used by any Party without reference to the procedures of this subparagraph.

(d) Resolution of Disclosure or Confidentiality Disputes

If negotiations under subparagraphs 8(ammissiond designations.rc 0 T ofmTj T*TD -0ND -0 Tw () Tj

subparagraphs 4(b) and 4(c), paragraph 5, and paragraph 6 of this Protective Order until such person has executed and transmitted to Respondent's counsel or complaint counsel, as the case may be, a declaration or declarations, as applicable, in the form attached hereto as Exhibit "A," which is incorporated herein by reference. Respondents' counsel and complaint counsel shall maintain a file of all such declarations for the duration of the litigation. Confidential Discovery Material shall not be copied or reproduced for use in this Matter except to the extent such copying or reproduction is reasonably necessary to the conduct of this Matter, and all such copies or reproductions shall be subject to the terms of this Protective Order. If the duplication process by which copies or reproductions of Confidential Discovery Material are made does not preserve the confidentiality designations that appear on the original documents, all such copies or reproductions shall be stamped "CONFIDENTIAL - FTC Docket No. 9298."

10. The Parties shall not be obligated to challenge the propriety of any designation or treatment of information as Confidential and the failure to do so promptly shall not preclude any subsequent objection to such designation or treatment, or any motion seeking permission to disclose such material to persons not referred to in paragraphs 4, 5 and 6 above. If Confidential Discovery Material is produced without the legend attached, such document shall be treated as Confidential from the time the Producing Party advises complaint counsel and Respondents' counsel in writing that such material should be so designated and provides all the Parties with an appropriately labeled replacement. The Parties shall return promptly or destroy the unmarked documents.

11. If the FTC: (a) receives a discovery request that may require the disclosure by it of a Third Party's Confidential Discovery Material; or (b) intends to or is required to disclose, voluntarily

or involuntarily, a Third Party's Confidential Discovery Material (whether or not such disclosure is in response to a discovery request), the FTC promptly shall notify the Third Party of either receipt of such request or its intention to disclose such material. Such notification shall be in writing and sent for receipt by the Third Party at least five (5) business days before production, and shall include a copy of this Protective Order and a cover letter that will apprise the Third Party of its rights hereunder.

12. If any Party receives a discovery request in another proceeding that may require the disclosure of a Producing Party's Confidential Discovery Material, the subpoena recipient promptly shall notify the Producing Party of receipt of such request. Such notification shall be in writing and sent for receipt by the Producing Party at least five (5) business days before production, and shall include a copy of this Protective Order and a cover letter that will apprise the Producing Party of its rights hereunder. The Producing Party shall be solely responsible for asserting any objection to the requested production. Nothing herein shall be construed as requiring the subpoena recipient or anyone else covered by this Order to challenge or appeal any such order requiring production of Confidential Discovery Material, or to subject itself to any penalties for noncompliance with any such order, or to seek any relief from the Administrative Law Judge or the Commission.

13. This Order governs the disclosure of information during the course of discovery and does not constitute an *in camera* order as provided in Section 3.45 of the Commission's Rules of Practice ("Rule"), 16 C.F.R. § 3.45.

14. Nothing in this Protective Order shall be construed to conflict with the provisions of Sections 6, 10, and 21 of the Federal Trade Commission Act, 15 U.S.C. §§ 46, 50, 57b-2, or with

18. The production or disclosure of any Discovery Material made after entry of this Protective Order which a Producing Party claims was inadvertent and should not have been produced or disclosed because of a privilege will not be deemed a waiver of any privilege to which the Producing Party would have been entitled had the privileged Discovery Material not inadvertently been produced or disclosed. In the event of such claimed inadvertent production or disclosure, the following procedures shall be followed:

(a) The Producing Party may request the return of any such Discovery Material within twenty (20) days of discovering that it was inadvertently produced or disclosed (or inadvertently produced or disclosed without redacting the privileged content). A request for the return of any Discovery Material shall identify the specific Discovery Material and the basis for asserting that the specific Discovery Material (or portions thereof) is subject to the attorney-client privilege or the work product doctrine and the date of discovery that there had been an inadvertent production or disclosure.

(b) If a Producing Party requests the return, pursuant to this paragraph, of any such Discovery Material from another Party, the Party to whom the request is made shall return immediately to the Producing Party all copies of the Discovery Material within its possession, custody, or control — including all copies in the possession of experts, consultants, or others to whom the Discovery Material was provided — unless the Party asked to return the Discovery Material in good faith reasonably believes that the Discovery Material is not privileged. Such good faith belief shall be based on either (i) a facial review of the discovery material or (ii) the inadequacy of any explanations provided by the Producing Party, and shall not be based on an argument that

production or disclosure of the Discovery Material waived any privilege. In the event that only portions of the Discovery Material contain privileged subject matter, the Producing Party shall substitute a redacted version of the Discovery Material at the time of making the request for the return of the requested Discovery Material;

(c) Should the Party contesting the request to return the Discovery Material pursuant to this paragraph decline to return the Discovery Material, the Producing Party seeing the return of the Discovery Material may thereafter move for an order compelling the return of the Discovery Material. In any such motion, the Producing Party shall have the burden of showing that the Discovery Material is privileged and that the production was inadvertent.

19. Nothing in this Protective Order shall be construed to limit, restrict, or otherwise affect the ability of the parties to seek to modify this Protective Order by application to the Administrative Law Judge for good cause shown.

20. Entry of the foregoing Protective Order is without prejudice to the right of the Parties or Third Parties to apply for further protective orders or for modification of any provision of this Protective Order.

ORDERED:

James P. Timony
Administrative Law Judge

Dated: _____

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

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DISTRIBUTION CORP.,)	
a corporation.)	
)	

DECLARATION CONCERNING PROTECTIVE ORDER
GOVERNING DISCOVERY MATERIAL

I, [NAME], hereby declare and certify the following to be true:

1. [Statement of employment]

- a. that I will use such Confidential Discovery Material only for the purpose of preparing for this proceeding, and hearing(s) and any appeal of this proceeding and for no other purpose;
- b. that I will not disclose such Confidential Discovery Material to anyone, except as permitted by the Protective Order; and
- c. that upon the termination of my participation in this proceeding I will promptly return all Confidential Discovery Material, and all notes, memoranda, or other papers containing Confidential Discovery Material, to complaint counsel or respondent's counsel, as appropriate.

4. I understand that if I am receiving Confidential Discovery Material as an Expert/Consultant, as that term is defined in this Protective Order, the restrictions on my use of Confidential Discovery Material also include the duty and obligation:

- a. to maintain such Confidential Discovery Material in separate locked room(s) or locked cabinet(s) when such Confidential Discovery Material is not being reviewed;
- b. to return such Confidential Discovery Material to complaint counsel or Respondent's Outside Counsel, as appropriate, upon the conclusion of my assignment or retention; and
- c. to use such Confidential Discovery Material and the information contained therein solely for the purpose of rendering consulting services to a Party to this Matter, including providing testimony in judicial or administrative proceedings arising out of this Matter.

5. I am fully aware that, pursuant to Section 3.42(h) of the Commission's Rules of Practice, 16 C.F.R. § 3.42(h), my failure to comply with the terms of the Protective Order may constitute contempt of the Commission and may subject me to sanctions imposed by the Commission.

Full Name [Typed or Printed]

Date: _____

Signature

