

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

ROBERT E. GILSON, M.D.,
WISCONSIN ALUMNI RESEARCH FOUNDATION,
GILSON, INC. and GILSON S.A.S.,

Plaintiffs,

v.

MEMORANDUM AND ORDER
04-C-852-S

RAININ INSTRUMENT, LLC,
RAININ GROUP, INC. and
METTLER-TOLEDO, INC.,

Defendants.

This action for breach of contract and violation of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A) & (B), was tried to a jury which returned a verdict in plaintiffs' favor finding that defendants materially breached the parties' exclusive distributorship contract. Plaintiffs opted to terminate the contract, and the jury awarded damages to plaintiffs Robert E. Gilson and the Wisconsin Alumni Research Foundation for lost royalties in the amount of \$70,000 and to plaintiff Gilson S.A.S. for lost profits in the amount of \$500,000. Judgment was entered accordingly. On June 21, 2005 plaintiffs filed this "motion for additional relief" wherein they seek the following four additional forms of injunctive and declaratory relief: (1) an order canceling defendants existing orders for plaintiffs' pipettes; (2) an order requiring defendants

to provide plaintiffs its pipette customer list; (3) an order precluding defendants from using Gilson trademarks; (4) an order enjoining defendants from selling of pipettes likely to cause confusion with Gilson pipettes.

Defendants contend that the motion must be considered one to alter or amend judgment pursuant to Rule 59(e). Plaintiffs characterize the motion as one for clarification, not modification, of the judgment and therefore argue that it is not sufficiently substantive to fall under Rule 59. Under well established precedent, any substantive motion filed within ten days of a challenged judgment is deemed a Rule 59(e) motion regardless of how it is characterized by the movant. United States v. Deutsch, 981 F.2d 299, 301 (7th Cir. 1992). A motion is substantive if its granting would "result in a substantive alteration in the judgment rather than just a correction of a clerical error or in a purely procedural order such as one granting an extension of time in which to file something." Id. at n.2 (quoting United States v. Gargano, 826 F.2d 610, 611 (7th Cir. 1987)).

The present motion seeks a substantive alteration in the judgment. The judgment requires no clarification. It provides for monetary relief and termination of the exclusive distributorship contracts. It does not provide any injunctive relief concerning defendants' future conduct. Relief enjoining defendants' conduct after termination based on the possibility that

such conduct might give rise to independent causes of action for trademark or trade dress infringement is surely additional substantive relief not previously sought rather than any sort of clarification of the prior judgment. The same is true of the request for additional injunctive relief requiring the production of customer lists or the cancellation of pre-existing sales contracts. Accordingly, plaintiffs' motion must satisfy the standards of Rule 59(e) to succeed.

A motion to amend the judgment may be granted if the movant presents newly discovered evidence that was not available at the time of trial or clearly establishes a manifest error of law or fact. In re Prince, 85 F.3d 314, 324 (7th Cir. 1996). Consideration of each of the four requests reveal that none satisfy this standard, nor are they necessary, as plaintiffs suggest, to avoid a manifest injustice.

Cancellation of Existing Orders

There is no dispute that the parties entered into a contract for the sale and purchase of Gilson pipettes. The existence of the contract was known prior to the entry of judgment and no relief was sought by plaintiffs either concerning existing inventory in defendants' possession or the shipment of additional pipettes under existing contracts. There is nothing about the cancellation of the exclusive dealership contracts that prevents the parties from performing under the contract or that prevents them from entering

such a contract. The existence of the contract is not new evidence nor will its performance create any manifest injustice.

To the extent the motion might be characterized as a request for clarification as suggested by plaintiffs, the termination of the exclusive dealership agreements did not independently effect a cancellation of individual sales contracts. Defendants' material breach ended any obligation plaintiffs had to enter into additional contracts to sell pipettes to defendants, but there is nothing in the agreement to suggest that existing contracts for sale were cancelled upon termination. Plaintiffs chose to continue to enforce and perform under the distributorship agreement while the action was pending. Such performance included entering sales contracts for additional pipettes. To the extent that plaintiffs have a viable defense to performance under the contract they admittedly entered, the defense may be raised in any action for breach which may result from its non-performance.

Plaintiffs were well aware of the existence of sales contracts at the time this action was prosecuted. Having failed to seek any relief concerning those contracts prior to the entry of judgment, there is no basis to amend the judgment under Rule 59(e). Furthermore, there is no automatic cancellation of such agreements inherent in the declaration that the exclusive distributorship agreement is terminated.

Production of Customer List

Plaintiffs pursue two avenues in their effort to obtain defendants' customer list. First, they argue that the list has become public and should be denied the continuing protection of the confidentiality agreement under which it was produced. Second, they argue that it should be disclosed as an additional breach of contract remedy.

The Court has previously considered and rejected the first argument. Defendants' customer list falls within the category of "commercial information" that was properly made the subject of a protective order pursuant to Rule 26(c)(7). Regardless of whether the list has the legal status of a trade secret, plaintiffs remain bound by the terms of the confidentiality agreement and protective order which it drafted and signed.

Were plaintiffs to assert the right to access of a third-party member of the public, there would be no basis to find that the list became public. While rejecting extensive secrecy in the context of public litigation the Seventh Circuit has recognized that discovery may properly be expedited by confidential disclosure. Union Oil Co. of California v. Leavell, 220 F.3d 562, 568 (7th Cir. 2000). Limitations on the enforceability of such agreements in the face of public requests for access arise when the materials "form the basis of judicial action" thereby triggering the public interest in open litigation. Id. Defendants' customer

list did not form the basis for any judicial action. It was not introduced into evidence at trial. It did not become part of the record which was a basis for decision either on summary judgment or at trial. Accordingly, there is no basis to release the list to the public.

Plaintiffs' second argument, that the list should be provided as a contract remedy is no more persuasive. First, plaintiffs did not pursue such a remedy prior to the entry of judgment and do not suggest any new evidentiary basis for their delayed request. Second, such injunctive relief would put plaintiffs in a better position than if the breach had not occurred, a result prohibited by contract damages law. Mayberry v. Volkswagen of America, Inc., 2005 WI 13 at ¶ 55, 278 Wis. 2d 39, 692 N.W.2d 226. (Wilcox, J., concurring). Had defendants fully performed their contract, plaintiffs would not have been entitled to defendants' customer list. Rather, they could have expected only to receive profits, which they have recovered as damages under the existing judgment.

Enjoin use of Gilson Trademarks and Infringing Trade Dress

Plaintiffs' final requests for additional relief seek an injunction against actions by defendants that they allege constitute trade-dress and trademark infringement. Like the other requests for relief, no such relief was pursued by plaintiffs'

prior to the entry of judgment. Defendants concede that the termination of the contract has dissolved any contractual right to the use of plaintiffs' marks but deny the conduct and deny that they intend any such infringing activities in the future.

Plaintiffs' requested additional relief in this regard amounts to a request for a meaningless injunction requiring defendants to behave lawfully in the future. No trademark or trade dress infringement claims could have existed prior to the entry of judgment since defendants were entitled to use the marks while the exclusive distributorship was in place. Its termination created a new circumstance in which defendants are deprived of these contractual rights and bound by the ordinary restrictions of trademark and unfair competition law. Whether they subsequently engaged or will engage in infringing conduct is certainly beyond the scope of the present matter. Should such conduct occur, it could give rise to a separate action. However such relief is beyond the scope of this breach of contract action.

ORDER

IT IS ORDERED that plaintiffs' motion for additional relief is DENIED.

Entered this 9th day of August, 2005.

BY THE COURT:

s/

JOHN C. SHABAZ
District Judge

