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

STEEL-FAB, INC.,

                Plaintiff,

    v.   ORDER

AUBIAN ENGINEERING, INC., and
DESIGN PROFESSIONALS INSURANCE   05-C-486-C
COMPANY,

                Defendants.

This civil lawsuit presents a contract dispute in which plaintiff Steel-Fab, Inc., complains that principal defendant Aubian Engineering, Inc. failed to provide adequate designs for floating bulkheads; Aubian responds that any problems were Steel-Fab's fault. Before the court is Aubian's motion for a Rule 26(c) protective order prohibiting Steel-Fab from retaining Owen Ayres & Associates, Inc., as an expert witness. Aubian contends that Ayres is its primary competitor and that disclosure of Aubian's confidential information to Ayres would be competitively devastating. Steel-Fab responds that Aubian's fears are overstated and that all Aubian needs is a proper protective order.

Having considered all submissions from both sides, I agree with Steel-Fab and I am denying Aubian's motion.

Both sides agree that providing bulkheads for dams and hydroelectric projects is a highly specialized industry in which few design firms participate. (Steel-Fab claims to be

aware of only one other company besides Ayres involved in floating bulkhead design; Aubian contends that other individuals are qualified and available to serve as experts). Before the instant contract between Steel-Fab and Aubian, Steel-Fab used Ayres as its designer. At some point Frederick Lux, III, an employee of Ayres, broke away and started Aubian. Steel-Fab then contracted with Aubian to design bulkheads for several of its projects. These contracts contain confidentiality clauses prohibiting Steel-Fab from disclosing Aubian's confidential and proprietary information. Following the disputes that lead to the instant lawsuit, Steel-Fab reestablished its business relationship with Ayres. Aubian fears that if Ayers is allowed to pore over its confidential design materials, it will misappropriate them.

In Steel-Fab's view, Aubian has not sufficiently shown the confidentiality of its designs such that the inferential burden on Steel-Fab of finding a different expert outweighs Aubian's concerns. Although some of its arguments are unpersuasive, Steel-Fab holds a trump card: all of Aubian's designs are in the public record because they were submitted to the Tennessee Valley Authority, which makes them accessible to anyone willing to file a FOIA request.

Aubian demurs, claiming that the level of access available under FOIA is limited: ordinarily, the TVA allows a requestor to view plans but not to copy them. As far as Aubian is concerned, this is a qualitative and quantitative difference from the unlimited access that Ayres will have to Aubian's designs as an expert in this lawsuit.

True, it will be easier for Ayres to review and digest Aubian's plans if Ayres has access to hard copies in its office. On the other hand, a diligent, motivated competitor could glean critical proprietary and "confidential" facts from the plans simply by reviewing and re-reviewing them pursuant to FOIA. Therefore, Aubian has no cognizable confidentiality concern that would trump Steel-Fab's right to hire Ayres. Aubian will have to employ other mechanisms to prevent Ayres from misusing proprietary information in the future, and this court is willing to sign an appropriate protective order to that effect.[1] Aubian, however, is not entitled to disqualification of Ayres from acting as an expert witness in this case.

ORDER

IT IS ORDERED that defendant Aubian Engineering, Inc.'s motion for a protective order is DENIED.

Entered this 21st day of November, 2005.

BY THE COURT:
/s/
STEPHEN L. CROCKER
Magistrate Judge

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[1] Serving as Steel-Fab's expert in this case is not without risk to Ayres: proving in the future that it did not misuse confidential Aubian information disclosed pursuant to this court's protective order could be difficult. *Cf. United States v. North*, 920 F.2d 940, 942-43 (D.C. Cir. 1990)(witness exposed to another witness's immunized testimony has burden of establishing lack of taint).