

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN**

**CHAMPION POWER EQUIPMENT INC.,
Plaintiff,**

v.

Case No. 24-cv-1281

**GENERAC POWER SYSTEMS INC.,
Defendant.**

OMNIBUS DECISION AND ORDER

On October 9, 2024, Champion Power Equipment, Inc., filed this suit against Generac Power Systems, Inc., alleging infringement on eleven patents relating to multi-fuel generators. ECF No. 1. On February 2, 2025, Generac filed its first answer and asserted counterclaims of non-infringement and invalidity as to Champion's eleven multi-fuel patents. ECF No. 21. On May 15, 2025, Generac filed an amended answer to add two counterclaims of infringement by Champion of two patents held by Generac relating to carbon monoxide detection. The parties have collectively filed seven motions, all sufficiently briefed, which this order addresses. ECF Nos. 32, 33, 36, 37, 40, 47, 54.

I. MOTIONS FOR PROTECTIVE ORDER

Champion and Generac jointly filed a Motion for Protective Order, ECF No. 32. Generac filed a separate competing Motion for Protective Order, ECF No. 33, which is identical save for the addition of a term imposing a "patent prosecution bar." Generac's proposed order would permit either party to designate certain discovery material as "ATTORNEYS' EYES ONLY – PROSECUTION BAR MATERIAL." ECF No. 33-1. Any receiving-party attorney who views this material would be restricted from prosecuting patents relating to "multi-fuel generators or engines" before the United States Patent and

Trademark Office or foreign equivalents for two years from the end of this action, including appeals. *Id.*

Rule 26(c) permits the court to enter a protective order governing discovery between the parties “for good cause.” Fed. R. Civ. P. 26(c)(1). Even when the parties stipulate to the terms, the court must independently find that good cause exists. *Jepson, Inc. v. Makita Elec. Works, Ltd.*, 30 F.3d 854, 858 (7th Cir. 1994). Given that this case concerns rival technologies and marketing strategies among two business competitors, there is good cause to set ground rules on discovery. I find that the stipulated terms of the proposed protective order are appropriate.

Now I turn to the non-agreed term. Prosecution bars may be warranted where there is an unacceptable risk of inadvertent disclosure by an attorney who views sensitive material in discovery and later prosecutes patents for that party’s business competitor. *See In re Deutsche Bank Trust Co. Americas*, 605 F.3d 1373, 1379 (Fed. Cir. 2010). Attorneys are expected to follow confidentiality orders as a matter of professional ethics, but there remains a risk of inadvertent disclosure because competitive information, once learned, might unintentionally influence the way an attorney advises his client in the future. *Id.* at 1378. If the court finds that a prosecution bar is warranted in general, a party may show on a “counsel-by-counsel” basis that an attorney should not be bound by the prosecution bar despite viewing protected material.¹ *Id.* at 1380.

A. Prosecution Bar in General

¹ An exemption is appropriate where: “(1) that counsel’s representation of the client in matters before the [Patent and Trademark Office] does not and is not likely to implicate competitive decisionmaking related to the subject matter of the litigation so as to give rise to a risk of inadvertent use of confidential information learned in litigation, and (2) that the potential injury to the moving party from restrictions imposed on its choice of litigation and prosecution counsel outweighs the potential injury to the opposing party caused by such inadvertent use.” *Deutsche Bank*, 605 F.3d at 1381.

I accept that a narrowly tailored prosecution bar is warranted given the parties' relationship as business competitors with comparable technologies under development, and that discovery is likely to reveal sensitive technology-related material. These factors give rise to an "unacceptable risk of inadvertent disclosure" by their patent counsel under the circumstances. *Deutsche Bank*, 605 F.3d at 1379. And Generac's proposed language limiting the designation of prosecution-bar-triggering material to documents containing:

(i) extremely sensitive confidential information relating to the structure, operation, function, design, or development of any uncommercialized product; (ii) technical information relating to research for, production of, and potential modification, updates, or improvements to current products; (iii) technical research information regarding future products; and (iv) technical trade secret information, disclosure of which the Designating Party in good faith believes would create a substantial risk of inadvertent disclosure if disclosed to a competitive decisionmaker of the Receiving Party or any other competitor to the Designating Party. (ECF No. 33-1 at 6).

is narrow enough to include "information related to new inventions and technology under development" but not, "[f]or example, financial data and other sensitive business information" which is less relevant to an attorney in constructing the metes and bounds of a patent claim.² *Deutsche Bank*, 605 F.3d at 1381. I also find that Generac's proposed limitations on attorneys who are subject to the prosecution bar is sufficiently narrow to include activities with the highest risk of inadvertent disclosure, but not activities with lesser risk. In part, it prohibits barred attorneys from participating in:

the decision regarding whether to file a patent application for an invention; strategies regarding, preparation of and/or the making of amendments to original, continuation, divisional, continuation in part, request for continued

² Generac argues that it is inconsistent with *Deutsche Bank* to consider the parties' competitive decisionmakers on a "counsel-by-counsel" basis at this step. ECF No. 45 at 5 n.2. But to determine whether there is a risk of inadvertent disclosure, I must first find that there are competitive-decisionmaking attorneys involved in this case and that their professional activities pose a risk of inadvertent disclosure. See *Deutsche Bank*, 605 F.3d at 1381 (citing *MedImmune*, 271 F.Supp.2d 762, 775 n.14 (D. Md. 2003)). Here, I take from the parties' briefs and exhibits that the ZPSG attorneys' dual roles as prosecution and litigation counsel raises a risk of inadvertent disclosure. There is a similar, though less clearly established, risk as to other members of each party's litigation team.

examination, reissue, substitute, renewal or convention patent applications; and claim drafting, drafting of claim amendments, participation in any decision as to whether a claim amendment will be made, and the drafting of any such documents to be filed with the USPTO or any foreign patent office. (*Id.* at 6–7).

The proposed order does not extend to activities which are closer in nature to litigation, including “reissues, *ex parte* reexaminations, *inter partes* reviews, post-grant review, and covered business method reviews” and which do not affect the scope of invention claims. *Id.* at 7. At this step, Champion argues that Generac’s proposed language is too vague as to the material that may be designated as prosecution bar material, ECF No. 41 at 20–23. Champion also argues that Generac’s proposed definition of “prosecution” is overbroad, *Id.* at 23–26, and that the two-year length of the bar beginning from the end of the case, including appeals, is unreasonably long. *Id.* at 26–27.

First, I find that Generac’s proposed language is sufficiently limited to the technical aspects of the parties’ unreleased products and underlying research. Champion asserts that Generac may misclassify its materials to conceal non-sensitive documents from its lead litigation counsel. But to some extent, we must trust Generac’s counsel to honestly identify and label only the material that fit these criteria, as we would in every case that involves discovery. Moreover, the issue here is not a party refusing to produce material altogether; if a party improperly designates material, any attorney who has accepted the prosecution bar or who is not a competitive decisionmaker would be able to review the material and challenge that designation. Given that the material is being turned over in some form regardless, I trust that each party can police the other’s compliance.

Second, the prosecution bar would not be enforced to prohibit ministerial tasks such as paying patent maintenance fees as Champion suggests. By its terms, the

protective order would prohibit “activities directed to drafting, revising, or amending *the content* of patent applications and the direction and scope of protection sought in those applications.” ECF No. 33-1 at 6 (emphasis added). The order goes on to give specific examples of inclusions and exclusions, but the essence of the prosecution bar is that single line. While some tasks might inevitably fall under the category of drafting, revising, or amending patent applications without affecting the direction and scope of the claims within, I recognize that the protective order must be workable and enforceable in practice. The proposed language may go slightly beyond the scope of claims, but *Deutsche Bank* permits language that covers any opportunity for competitive decisionmaking. It is not inconceivable that a skilled patent attorney might make strategic choices in the specifications of a patent application or in other aspects outside of the claims. Therefore, the proposed language strikes an appropriate balance.³

Third, I take Champion’s point that having the prosecution bar run for “two years after final termination of this action, including all appeals” is long and creates uncertainty for any attorney accepting the bar. ECF No. 33-1 at 7–8. One or more appeals could extend the prosecution bar period by several years—well after the close of discovery when the disclosure of sensitive technologies would presumably end. This uncertainty is unfair to the parties and their attorneys. It is also difficult to justify under *Deutsche Bank* because the length of time an appeal sits on the docket bears no relation to “the risk of inadvertent use or disclosure of proprietary competitive information acquired during litigation.” *Deutsche Bank*, 605 F.3d at 1381. As for the number of years, I see that courts

³ Champion’s suggestion that Generac protect its trade secrets by filing patent applications on everything it intends to turn over is not a fair suggestion. As plaintiff is well aware, a U.S. patent typically lasts 20 years from the earliest effective filing date of the application. Presumably then, there is some strategy in deciding when to file so as to maximize the patent’s useful or marketable lifespan.

have approved prosecution bars typically for one or two years following the conclusion of the case. See, e.g., *U.S. Water Serv's Inc. v. Novozymes A/S*, No. 13-cv-864, ECF No. 81 (W.D. Wis. July 24, 2014) (one-year bar excluding appeals); *Prolitec Inc. v. Scentair Technologies, Inc.*, 945 F.Supp.2d 1007 (E.D. Wis. 2013) (two-year bar). It seems intuitively true that a shorter period is needed when the underlying technology is rapidly advancing, such as with software or biotechnology where the disclosed information might become stale more quickly. A longer duration might be appropriate in more mature industries. Given that, I find that two years from the final disposition of this case *but not including appeals*⁴ is sufficient to protect the disclosing party while permitting each attorney to make an informed choice to view protected material.

B. Exemptions

After finding that a prosecution bar is warranted in general, the court may consider granting exemptions on a counsel-by-counsel basis. *Id.* at 1381. For each attorney, I must consider whether their patent prosecution activities are “likely to implicate competitive decisionmaking related to the subject matter of the litigation” by inadvertent use, and whether “the potential injury to the moving party from restrictions imposed on its choice of litigation and prosecution counsel outweighs the potential injury to the opposing party caused by such inadvertent use.”⁵ *Id.* Relevant factors include “the extent and duration of

⁴ Whether the two-year window should reset if proceedings in this case resume following an appeal can be addressed at that time if the circumstances warrant.

⁵ This summary in *Deutsche Bank*, 605 F.3d at 1381, which could be read as a two-element test (using the word “and”) is difficult to reconcile with the opinion’s earlier statement that “[a] determination of the risk of inadvertent disclosure or competitive use does not end the inquiry. Even if a district court is satisfied that such a risk exists, the district court must balance this risk against the potential harm to the opposing party from restrictions imposed on that party’s right to have the benefit of counsel of its choice.” *Id.* at 1380. The very next paragraph describes an inquiry into an individual attorney’s circumstances. *Id.* at 1381. This suggests that the district court should balance the risk of harm to the parties both in general (in deciding whether to impose a prosecution bar) and again as to any specific attorney (in deciding whether to grant exemptions).

counsel's past history in representing the client before the PTO, the degree of the client's reliance and dependence on that past history, and the potential difficulty the client might face if forced to rely on other counsel for the pending litigation or engage other counsel to represent it before the PTO." *Id.*

Champion is represented in this case by two law firms, Ziolkowski Patent Solutions Group ("ZPSG") and Husch Blackwell. ZPSG is a small patent law firm that prosecutes patents on behalf of Champion while also participating in related litigation. ECF No. 41-1. In this case, ZPSG "inspected the competitors' products, assessed those products, prepared claim charts and contentions, and drafted the complaints" in this action. *Id.* Husch Blackwell is a larger firm that does not prosecute patents for Champion and was retained only for litigation. ECF No. 41-2, ¶ 6–7. Champion seeks exemptions from the prosecution bar for ZPSG attorneys Jacob Fritz and Timothy Ziolkowski.

As Champion admits, Attorneys Fritz and Ziolkowski were recently found to be competitive decisionmakers for Champion in another district court case. *See Champion Power Equipment Inc. v. Firman Power Equipment Inc.*, No. 23-2371, 2024 WL 4524187, *4 (D. Ariz. Oct. 18, 2024). While this decision is nonbinding and some circumstances have changed, the relevant factors remain unchanged. Their longstanding roles as Champion's apparent lead (if not sole) patent attorneys suggest that they provide competitive decisionmaking advice. And to be clear, it is *advice* that makes an attorney a

Some district courts have resolved this incongruity by reading *Deutsche Bank's* exemption language as a two-step or two-factor test. *See, e.g., Finjan, Inc. v. ESET, LLC*, No 17-cv-183, 2017 WL 6557760 at *2 (S.D. Cal. Dec. 21, 2017). That is, the burden on both questions rests with the exemption-seeking party but neither question is itself dispositive. *See Front Row Technologies, LLC v. NBA Media Ventures, LLC*, 125 F.Supp.3d 1260, 1287 (D.N.M. 2015). Under this interpretation, a court might conclude that a particular attorney is a competitive decisionmaker but grant them an exception after balancing the harms to each party. *See, e.g., Champion Power Equipment Inc. v. Firman Power Equipment Inc.*, No. CV-23-2371, 2024 WL 4524187 (D. Ariz. Oct. 18, 2024); *Front Row Technologies*, 125 F.Supp.3d at 1295.

competitive decisionmaker, not whether his client has delegated ultimate decisionmaking authority. *Deutsche Bank*, 605 F.3d at 1378 (competitive decisionmaking is “[s]hortand for a counsel’s activities, association, and relationship with a client that are such as to involve *counsel’s advice and participation* in any or all of the client’s decisions . . .” (emphasis added)). Champion’s arguments to the contrary are misguided.

As Mr. Ziolkowski states in his declaration, ZPSG “advises clients regarding intellectual property protection and enforcement and makes recommendations and suggestions based on the facts presented . . .” ECF No. 41-1, ¶ 6 (Ziolkowski Decl.). Their services pertain strictly to “intellectual property protection and enforcement,” and not “business-related decisions, such as pricing, marketing decisions, marketing channels, etc.” *Id.*, ¶ 10. Mr. Ziolkowski does not personally draft patent applications, but delegates those tasks to Mr. Fritz and other attorneys under his supervision. *Id.*, ¶¶ 11–12. Both Mr. Ziolkowski and Mr. Fritz are involved in litigation matters for Champion. *Id.*, ¶¶ 14–16.

Plainly, both Mr. Ziolkowski and Mr. Fritz are competitive decisionmakers as that term is used in *Deutsche Bank*. As long-term patent counsel, they have the knowledge and opportunity to shape “the content of patent applications and the direction and scope of patent protection that might be available or worth pursuing for such inventions.” *Deutsche Bank*, 605 F.3d at 1380. Although Mr. Ziolkowski might delegate much of the work assigned by Champion to subordinate attorneys, his role in managing the client relationship and supervising the attorneys at his firm gives him “the opportunity to influence the direction of prosecution,” raising the risk of inadvertent disclosure. *Id.* As such, Mr. Fritz and Mr. Ziolkowski “would not likely be properly exempted from a patent prosecution bar.” *Id.*

Even so, this risk must be balanced “against the potential harm to [Champion] from restrictions imposed on that party’s right to have the benefit of counsel of its choice.”⁶ *Id.* This factor carries substantial weight, as Champion no doubt values its representation by Mr. Ziolkowski and Mr. Fritz. While the temporary loss of Mr. Ziolkowski and/or Mr. Fritz in either of Champion’s litigation or prosecution matters would be unfortunate, it cannot be simultaneously true that a prosecution bar is warranted in the first place because Mr. Ziolkowski and Mr. Fritz are quintessential competitive decisionmakers, but that both deserve exemptions because Champion relies so heavily on their strategic advice. Champion’s choice to rely so heavily on two attorneys for both litigation and patent drafting cannot, by itself, outweigh Generac’s legitimate concern for inadvertent disclosure. And should Ziolkowski and Fritz choose to avoid viewing prosecution bar material, Champion will not be left without competent representation. Their Husch Blackwell counsel have been involved in this case from the outset, so the extent of Champion’s prejudice is minimal. See *U.S. Steel Corp v. U.S.*, 730 F.2d 1465, 1468 (Fed. Cir. 1984) (finding greater prejudice where counsel must be substituted at an “advanced stage” in litigation). Therefore, I find that counsel-by-counsel exemptions for attorneys Ziolkowski and Fritz are not warranted.

II. MOTION TO SEVER COUNTERCLAIMS OR FOR LEAVE TO AMEND ANSWER

Champion filed a Motion to Sever Counterclaims, or in the alternative, for Leave to File an Amended Answer. ECF No. 37. On February 5, 2025, Generac responded to Champion’s complaint with its answer and counterclaims based on its own multi-fuel

⁶ I consider “the extent and duration of counsel’s past history in representing the client before the PTO, the degree of the client’s reliance and dependence on that past history, and the potential difficulty the client might face if forced to rely on other counsel for the pending litigation or engage other counsel to represent it before the PTO.” *Deutsche Bank*, 605 F.3d at 1381.

patents. ECF No. 21. On May 15, 2025, Generac filed an amended answer asserting additional counterclaims based on patents relating to carbon monoxide detection. ECF No. 30 at 71. Champion states that it intends to assert its own carbon monoxide detection patents in response, and argues that the multi-fuel and carbon monoxide issues should be severed into two separate cases.

The court may sever claims pursuant to Federal Rule of Civil Procedure 21 so long as the claims are “discrete and separate.” *Rice v. Sunrise Express, Inc.*, 209 F.3d 1008, 1016 (7th Cir. 2000); 7 *Wright & Miller’s Federal Practice and Procedure* § 1689 (3d ed. 2025). “When considering a motion to sever under Rule 21, ‘courts have looked to Rule 20 for guidance.’” *In re EMC Corp.*, 677 F.3d 1351, 1356 (Fed. Cir. 2012); see Fed. R. Civ. P. 20 (joinder of parties and claims). I consider whether the claims and counterclaims at issue share “an aggregate of operative facts.” *Id.* at 1358. To grant severance, the claims in one case “must be capable of resolution despite the outcome of the other claim[s].” *Gaffney v. Riverboat Servs. of Indiana, Inc.*, 451 F.3d 424, 442 (7th Cir. 2006).

While Generac’s addition of patents involving a different technology adds some complexity to this case, the issues are not discrete and separate enough at this point to warrant severance. Champion argues that CO detection may require different fact and expert witnesses, different areas of discovery, and that a combined trial will involve “possibly four experts offering competing testimony about the meaning of 97 claims of the asserted patents applied to thirty seven (37) different products unevenly distributed between the parties and patents.” ECF No. 38 at 13. This may be true, but many of these concerns hinge on questions of “convenience and fairness,” rather than “separability in law and logic,” which may be better addressed under Rule 42 when the issues have

crystalized closer to trial.⁷ *Spencer, White and Prentis Inc. of Conn. v. Pfizer Inc.*, 498 F.2d 358 (2d Cir. 1974).

At this point, it is premature to say that the claims asserted are too complex (by patent standards) for a single jury to handle. This is similarly true for issues relating to discovery until some conflict arises that demonstrates a real (non-speculative) issue of prejudice or judicial economy. Given the general preference of courts in favor of joinder whenever possible, consistent with fairness to the parties, see Fed. R. Civ. P. 20, the prospect of *any* product in question using both multi-fuel and carbon monoxide detection technologies (and the associated possibility of double damages) tilts in favor of joinder. See *United Mine Workers of America v. Gibbs*, 383 U.S. 715, 724 (1966) (“Under the Rules, the impulse is toward entertaining the broadest possible scope of action consistent with fairness to the parties; joinder of claims, parties and remedies is strongly encouraged.”). Therefore, I will deny Champion’s motion to sever these cases. This denial is without prejudice to reconsidering the issue if circumstances change in the future.

Consequently, I will grant Champion’s motion for leave to amend its pleadings to assert carbon monoxide detection claims and defenses. The early stage of this case, and (as Generac concedes) the prejudice to Champion if it could not assert its own carbon monoxide patent claims against Generac’s similar claims, shows good cause.

III. MOTION TO AMEND SCHEDULING ORDER

On August 4, 2025, Generac moved to amend the current scheduling order to accommodate the addition of its (and presumably Champion’s) carbon monoxide patent

⁷ Champion alludes to the possibility that this case might be stayed as to some or all patents at issue so that some related challenge might be raised at the Patent and Trademark Office. That would be a highly relevant factor to consider, given the complexity that divergent discovery schedules might add, but it is speculative at this point.

claims to the case. ECF No. 47 at 2–3. Generac also moves to extend the deadline to serve its invalidity and unenforceability contentions for the original patents from August 22, 2025, to September 26, 2025, needed in light of a discovery dispute between it and Champion stemming from the protective order dispute. *Id.* at 3. On August 11, 2025, Champion filed a brief indicating it opposes this extension. ECF No. 49.

I will grant Generac its extension given the new issues raised and the length of time the protective order was under advisement. With that motion now resolved, Generac’s proposed deadline is less than two weeks away and should be sufficient to get discovery moving again.

IV. MISCELLANEOUS MOTIONS

On June 26, 2025, the parties filed a joint motion for entry of an order regarding discovery of electronically stored information (“ESI”). ECF No. 36. The proposed order is reasonable, and I will grant the motion.

On July 17, 2025, Champion filed a motion to restrict access to its unredacted Response to Generac’s Motion to Add Prosecution Bar to the Protective Order (ECF No. 41) and Exhibit 3 containing an email which Champion asserts was designated as confidential in related litigation. ECF No. 40. Reviewing the unredacted documents, I find that good cause exists to restrict access to the unredacted versions. A separate order will issue reminding the parties of their burden to show good cause in seeking to restrict access to documents going forward.

On August 14, 2025, Champion filed a motion for leave to file a one-page surreply brief (ECF No. 54) in response to Generac’s one-page reply brief (ECF No. 52). Champion is correct that the court ordinarily does not permit replies to Civil L.R. 7(h) expedited

motions. Therefore, in fairness, I will grant Champion's request for leave to file a one-page surreply brief.

V. CONCLUSION

In summary, **IT IS ORDERED:**

- (1) Motion for Protective Order (ECF No. 32) is **GRANTED IN PART** and Generac's Motion to Add Prosecution Bar to the Protective Order (ECF No. 33) is **GRANTED IN PART**. A separate protective order and confidentiality addendum will follow.
- (2) Motion for ESI Discovery Order (ECF No. 36) is **GRANTED**. A separate order will follow.
- (3) Motion to Sever Counterclaims *or* Grant Leave to File Amended Pleadings (ECF No. 37) is **GRANTED IN PART**. Champion may amend its pleadings to assert carbon monoxide patent claims and defenses.
- (4) Motion to Restrict Document (ECF No. 40) is **GRANTED**.
- (5) Motion to Amend Scheduling Order (ECF No. 47) is **GRANTED**. A separate order will follow.
- (6) Motion for Leave to File Surreply Brief (ECF No. 54) is **GRANTED**.

Dated at Milwaukee, Wisconsin, this 17th day of September, 2025.

/s/ Lynn Adelman
LYNN ADELMAN
United States District Judge