

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

Contractor Management Services LLC v. Para Incorporated, et al.

No. CV-25-01645-PHX-DWL (D. Ariz. Feb. 27, 2026) · No. CV-25-01645-PHX-DWL · Decided February 27, 2026

SUMMARY

The United States District Court for the District of Arizona addresses the parties’ joint motion for entry of a protective order. The court grants the motion in part and denies it in part, rejecting proposed provisions that would place the burden on the challenging party to disprove a confidentiality designation and would apply a “compelling reasons” standard to requests for access to confidential materials.

CASE DETAILS

COURT	United States District Court for the District of Arizona
JURISDICTION	United States District Court for the District of Arizona
DECIDED	February 27, 2026
DOCKET	CV-25-01645-PHX-DWL
DISPOSITION	other
PROCEDURAL POSTURE	The parties jointly moved for entry of a protective order. The court considered their proposed deviations from the court's model protective order and granted the motion in part and denied it in part.
PRECEDENTIAL VALUE	unpublished district court order; precedential status not indicated
PARTIES	Contractor Management Services LLC v. Para Incorporated, et al.

TOPICS

discovery dispute civil procedure commercial litigation

PRACTICE AREAS

civil procedure commercial litigation trade secrets

QUESTIONS PRESENTED

1. Whether the parties could stipulate in a protective order that the party challenging a confidentiality designation would bear the burden of demonstrating that the designation was improper.

2. Whether the parties could adopt a compelling-reasons standard for motions seeking permission to disclose confidential materials to individuals not otherwise authorized to view them.

HOLDINGS

1. The court declined to add a provision placing the burden on the party challenging a confidentiality designation because the designating party must justify each designation by demonstrating good cause under Federal Rule of Civil Procedure 26(c), notwithstanding contrary language in a stipulated protective order.
2. The court declined to add a provision requiring a party seeking permission to disclose confidential materials to show compelling reasons because the compelling-reasons standard is a term of art governing whether the standard for sealing has been met and does not map neatly onto disputes over disclosure of confidential information to a particular party.

KEY QUOTATIONS

““Compelling reasons” is a term of art in this context governing whether the substantive standard for sealing has been met.” (at 2)

FACTUAL BACKGROUND

The parties jointly sought entry of a protective order governing confidentiality designations and disclosure of confidential materials. They proposed adding language placing the burden on the party challenging a confidentiality designation. They also proposed requiring a party seeking access to confidential materials to show compelling reasons.

PROCEDURAL HISTORY

The case was pending in the United States District Court for the District of Arizona when the parties jointly submitted a proposed protective order. The court rejected two proposed provisions and directed that a modified protective order would issue separately.

DISPOSITION

other

CASES CITED

- Penn Eng'g & Mfg. Corp. v. Peninsula Components, Inc., 2021 WL 4192038, *2 (E.D. Pa. 2021)
- Biogen Int'l GmbH v. Mylan Pharmaceuticals, Inc., 2019 WL 13562242, *3 (N.D. W. Va. 2019)
- Kamakana v. City & County of Honolulu, 447 F.3d 1172, 1178 (9th Cir. 2006)

OPINION

1 WO 2 3 4 5 6 IN THE UNITED STATES DISTRICT COURT 7 FOR THE DISTRICT OF ARIZONA 8 9 Contractor Management Services LLC, No. CV-25-01645-PHX-DWL 10 Plaintiff,

ORDER 11 v. 12 Para Incorporated, et al., 13 Defendants. 14 15 The parties have jointly moved for the entry of a protective order. (Doc. 42.)

The 16 parties' proposed order differs, in a number of ways, from the Court's model protective 17 order. Although most of the parties' proposed revisions are acceptable, two are not. 18 First, in ¶ 10, which specifies the process for objecting to a confidentiality 19 designation, the parties seek to add the following language: "On such a challenge, the 20 objecting party shall bear the burden of showing that the challenged designation is 21 improper." (Doc.

42-1 at 8-9.) Although some courts appear to allow the parties to 22 stipulate as to who bears the burden proof in this scenario, see, e.g., *Penn Eng'g & Mfg. 23 Corp. v. Peninsula Components, Inc.*, 2021 WL 4192038, *2 (E.D. Pa. 2021) (citing cases), 24 other courts do not. *Biogen Int'l GmbH v. Mylan Pharmaceuticals, Inc.*, 2019 WL 25 13562242, *3 (N.D. W. Va. 2019) (declining to follow the provision in a "Stipulated 26 Protective Order [that] placed the burden on the party challenging a confidentiality 27 designation" because "[w]hen a party challenges the confidentiality designations of certain 28 documents, the designating party must justify each designation by demonstrating 'good 1 || cause' under Federal Rule of Civil Procedure 26(c), regardless of contrary provisions in a 2|| stipulated protective order") (citations omitted).

The Court finds the latter line of cases 3 || persuasive, so the proposed language will not be added. 4 Second, in 4 11, which specifies the process for determining whether a party may || "be permitted to disclose Materials designated as Confidential Information to individuals 6 || not permitted by this Order to view such Materials," the parties seek to add the following 7|| language: "On such a motion, the requesting party shall bear the burden of showing that 8 || compelling reasons justify the requested access." (Doc.

42-1 at 9.) The Court's concern 9|| here is not with the allocation of the burden of proof, but with the standard of proof that || the parties seek to adopt. "Compelling reasons" is a term of art in this context governing 11 || whether the substantive standard for sealing has been met. *Kamakana v. City & Cnty. of Honolulu*, 447 F.3d 1172, 1178 (9th Cir. 2006).

That standard does not map neatly onto a 13 || dispute over whether confidential information may be shown to a particular party, and the Court is wary of uncritically adopting a stipulated standard that will only result in confusion 15 || should a future dispute arise. 16 Accordingly, 17 IT IS ORDERED that the parties' joint motion for protective order (Doc.

42) is 18 || granted in part and denied in part. The protective order, as modified, will separately issue. 20 Dated this 27th day of February, 2026. 21 Dominic W, Lanza 24 United States District Judge 25 26 27 28 -2-

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