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Finnegan, Henderson, Farabow, Garrett & Dunner, LLP

# **Overview of E-Discovery and Depositions in U.S. IP Litigation**

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- E-Discovery in U.S. IP Litigation
- Depositions in U.S. IP Litigation

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# E-Discovery in U.S. IP Litigation

# What Is E-Discovery?

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- Identification
- Location
- Preservation
- Retrieval
- Review
- Production

- Where to look:
  - Desktop & laptop computers
  - Company email and file servers
  - Removable media (CDs, DVDs, floppies)
  - Portable and remote drives (USB memory sticks, Snap server)
  - Archive & backup systems
  - Web servers & offsite storage

- What to look for:
  - Email and instant messaging
  - Word processor files and drafts
  - Databases
  - Internet websites
  - PIM files: calendars; contact lists; notes
  - Voicemail files and mobile phone data
  - Spreadsheets and other data compilations

# Federal Rules of Civil Procedure

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- E-Discovery Amendments to the Federal Rules of Civil Procedure - 2006
- Rules Amendments Summary
  - “Electronic documents” are now “ESI”
    - “electronically stored information” vs. “documents”
  - Different rules apply to ESI
    - “Not Reasonably Accessible” exception – 26(b)(2)(B)
    - Option to specify “form” of ESI productions – 34(b)(1)(C)
    - Consequences for not specifying ESI form – 34(b)(2)(E)(ii)
    - Only one form of ESI need be produced – 34(b)(2)(E)(iii)

# Rules Amendments Summary

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- Ignorance is not an option – Rules require:
  - Discuss ESI discovery at initial discovery conference – 26(f)(3)
  - Discuss preservation at 1st meeting – 26(f)
- Creating an ESI team is essential:
  - Early “litigation hold” to preserve ESI
  - Identification of ESI sources



## The Rules require early consideration of ESI:

- Without awaiting discovery requests, parties must provide a copy of – or description by category and location of – ESI. *Rule 26(a)(1)(A)(ii)*
- At the initial attorney meeting, parties must discuss issues including ESI form of production. *Rule 26(f)(3)*
- Form an ESI discovery management team:
  - Attorneys
  - Client liaison/case manager
  - Client’s computer department supervisor (IT/MIS)
  - Technical advisor, such as outside vendor

# Management of ESI

<b>Team Members</b>	<b>Responsibilities</b>
Client IT Staff	Locate ESI, assist in preservation, collection, file restoration, and production
Client Management	Identify relevant staff and projects, locate ESI, provide guidance and decisions, manage risks, institute litigation hold and instructions to employees
Inside counsel	Liaison between management and litigation team; locate ESI, identify key managers and witnesses; assist in discovery assessment and decisions
Litigation counsel	Identify issues and subject matter for ESI; plan and recommend discovery strategies; supervise and document subject matter and locations searched, collection, and review of ESI.
Technical support/vendor	Advise and assist in planning and implementing discovery; identify technical issues; assist in preparing and responding to discovery requests; operate discovery review and production systems

- ESI amendments do NOT change duty to preserve documents. However, the parties *must* now “discuss any issues about preserving discoverable information” at their first meeting 21 days before the scheduling conference - Rule 26(f)
- *When* is preservation required?
  - When party “reasonably should know that the evidence may be relevant to anticipated litigation” – *Silvestri v. Gen. Motors Corp.*, 271 F.3d 583 (4th Cir. 2001)
  - No later than notice of the litigation

- Committee Notes to Rule 26(f) regarding automated ESI destruction:
  - “The ordinary operation of computers involves both the automatic creation and the automatic deletion or overwriting of certain information. Failure to address preservation issues early in the litigation increases uncertainty and raises risk of disputes.”
  - “The parties’ discussion should pay particular attention to the balance between the competing needs to preserve relevant evidence and to continue routine operations critical to ongoing activity. Complete or broad cessation of a party’s routine computer operations could paralyze the party’s activities.”

- Duty requires investigating ESI resources
  - Data storage systems
  - Data archives and procedures
  - Email systems
  - Off-site systems (e.g. web site vendors)
  - Applications in use
  - Databases
- Duty to preserve ESI discovery
  - Establish “Litigation Hold”
  - Review and intervene in automatic computer archiving/destruction systems
  - Review document retention policies
  - Inventory documents & ESI
  - Affirmative duty to preserve ESI

# Scope of ESI Discovery

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- Fed. R. Civ. P. 26(b)(2)(B):

A producing party need *not* provide discovery of ESI from sources that the party identifies as not reasonably accessible because of undue burden or cost. It is the producing party's burden show that the information is "not reasonably accessible because of undue burden or cost." The court may nonetheless order discovery "if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C)."

# Scope of ESI Discovery

- “not reasonably accessible”
  - Examples: backup, deleted, outmoded data
  - just because ESI is on a backup tape does not guarantee that it is “not reasonably accessible”
  - Party challenging claim has a right to discovery
    - Sampling data
    - Inspection
    - Depositions
- Duty to identify ESI *not* produced:
  - “The responding party must also identify, by category or type, the sources containing potentially responsive information that it is neither searching nor producing. The identification should, to the extent possible, provide enough detail to enable the requesting party to evaluate the burdens and costs of providing the discovery and the likelihood of finding responsive information on the identified sources.” Committee Note to 26(b)(2)

# Scope of ESI Discovery

- Burdens on Responding Party
  - Identify ESI sources not searched
  - Prove undue burden or cost
  - Preserve ESI even if not produced
- Burdens on Requesting Party
  - Evaluate accessible sources first
  - Show good cause that need outweighs burden
- Even if ESI not reasonably accessible
  - Court may still order discovery for good cause
- Court may impose conditions:
  - Limit amount, type, sources of ESI searched
  - Limit to specific people and search terms
  - Require sampling with specific criteria – 34(a)
  - Payment of part or all costs by requesting party



- Proper identification, preservation, retrieval, production, and use of ESI is critical to a successful litigation
- Early formation of an ESI team is essential
- Request the form of ESI production or waive it
- Initiate a litigation hold
- “Not reasonably accessible” includes a duty to identify the ESI that was not searched
- The “claw-back” procedures may not protect against waiver of privilege & work product; ESI must still be carefully reviewed for relevance and privilege

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# Depositions in U.S. IP Litigation

- Sworn testimony recorded by a court reporter (stenographically, video)
- Formal procedure but no Judge present
- Questions and answers
- Objections
  - Vague
  - Compound
  - Misleading
  - Calls for speculation/Speculative
  - Assumes fact not in evidence
  - Calls for a legal conclusion
  - Misstating witness' prior testimony
  - Privilege

# Depositions

1. Interrogating Attorney
2. Witness
3. Defending Attorney
4. Court Reporter
5. Videographer
6. Interpreters (official and check)



# Types of Depositions

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- Fact – Party and Third-Party Witnesses
  - Inventors
  - R&D people
  - Business Managers
  - Senior Management
  - Financial People
- Fact – Corporate (Rule 30b6)
- Expert

# Role of Depositions in Litigation

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- Gather information
- Obtain concessions or helpful admissions
- Learn what witness will say (or not say) at trial
  - Use to impeach a witness at trial
- Establish evidence to be used at trial or for summary judgment
  - Authenticate documents, etc.

- If a picture is worth a thousand words, a deposition is worth a thousand interrogatories
  - Careful preparation is essential for a successful deposition

# Do's and Don'ts as Deposition Witness

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- *Do's*
  - Be truthful in all your answers
  - Follow any instructions given you by your attorney
  - Be brief in your answers wherever possible
  - Keep your answers in the realm of fact
  - Keep your answers within the scope of your own knowledge
- *Don'ts*
  - Don't answer any question until you're sure you understand it
  - Don't be ashamed to admit that you don't know the answer to a question
  - Don't volunteer information
  - Don't try to guess
  - Don't argue with the opposing attorney
  - Don't joke
  - Don't try to win the case



Thank you

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