Patent Litigation at the ITC: Views from the Government, In-House Attorneys and Outside Counsel

In-House Panel

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Seton Hall University School of Law and
NEW JERSEY INTELLECTUAL PROPERTY LAW ASSOCIATION
In-House Panel

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Questions for In-House Panel following brief discussion of ITCTLA proposals before the Commission on improving E-Discovery
E-Discovery in Section 337 Cases

You have a pretty good case, Mr. Pitkin. How much justice can you afford?

Presented by: Tony V. Pezzano
Improving E-Discovery at the ITC: Proposed Solutions by the ITC Trial Lawyers Association
Limitations On Scope Of Discovery Of Electronically Stored Information (ESI) Are Needed

• ESI is pervasive.
  It has been estimated that today over 90% of information is first created in an electronic format.


• ESI limitations are good for Complainants.
  Litigation costs should not interfere unduly with the availability of the ITC to those who seek to enforce their IP rights.

• ESI limitations are good for Respondents.
  Disproportionate expense should not force a party to capitulate to non-meritorious claims.
Proposal for Limiting Scope of ESI Discovery: CFR Amendments

• Codify Federal Rule of Civil Procedure 26(b)(2)(B) into a new 19 C.F.R. § 210.27(c).

Specific Limitations on Electronically Stored Information. A party need not provide discovery of electronically stored information from sources that the party identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the party from whom discovery is sought must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the ALJ may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of 19 C.F.R. § 210.27(d). The court may specify conditions for the discovery.
Proposal for Limiting Scope of ESI Discovery: CFR Amendments (cont’d)

- Codify Federal Rule of Civil Procedure 26(b)(2)(C) into a new 19 C.F.R. § 210.27(d).

*General limitations on discovery.* On motion or on its own, the ALJ must limit the frequency or extent of discovery otherwise allowed by these rules if it is determined that:

1. the discovery sought is unreasonably cumulative or duplicative, or can be obtained from some other source that is more convenient, less burdensome, or less expensive;

2. the party seeking discovery has had ample opportunity to obtain the information by discovery in the investigation; or

3. the burden or expense of the proposed discovery outweighs its likely benefit, considering the needs of the case, the importance of the issues at stake in the investigation, the importance of the discovery in resolving the issues.
ESI Cost Shifting Proposal

• The presumption is that each party bears its own costs of production during discovery.

• Limited ESI cost shifting, however, is desirable:
  – It discourages tactical application of burdensome discovery requests, such as those designed to boost the settlement value of an investigation or to overload a party during a critical time in the case.
  – It encourages an efficient balance between the value of the discovery and its costs.
ESI Cost Shifting Proposal (cont’d)

• Adopt criteria for good cause in advisory committee notes to the 2006 amendment to Rule 26(b)(2), which considers:
  – The specificity of the discovery request;
  – The quantity of information available from other and more easily accessed sources;
  – The failure to produce relevant information that seems likely to have existed but is no longer available on more easily accessed sources;
  – The likelihood of finding relevant, responsive information that cannot be obtained from other, more easily accessed sources;
ESI Cost Shifting Proposal (cont’d)

— Predictions as to the importance and usefulness of the further information;
— The importance of the issues at stake in the litigation; and
— The parties' resources.
ESI Cost Shifting Proposal (cont’d)

- New 19 C.F.R. §210.27(e). *Cost Shifting*
  
  (1) Upon motion of a party or *sua sponte*, the administrative law judge may shift the costs of collecting and producing discovery of electronically stored information from the producing party to the requesting party, where:

  (a) The administrative law judge determines that, even though the electronically stored information is not reasonably accessible, there is still good cause to produce it, notwithstanding the provisions set forth in [proposed] Commission Rules 210.27(c) and 210.24(d); or

  (b) The responding party is willing to stipulate on issues for which the discovery is sought.
ESI Cost Shifting Proposal (cont’d)

(2) In determining the equities of shifting costs under the circumstances set forth in 19 C.F.R. §210.27(e)(1), the administrative law judge shall weigh the following factors:

(a) the specificity of the discovery request;

(b) the quantity of information available from other and more easily accessed sources;

(c) the failure to produce relevant information that seems likely to have existed but is no longer available on more easily accessed sources;

(d) the likelihood of finding relevant, responsive information that cannot be obtained from other, more easily accessed sources;

(e) the importance and usefulness of the further information;

(f) the importance of the issues at stake in the litigation; and

(g) the parties' resources.
Add Heightened Standard for Producing Metadata to Ground Rules

• Define system metadata, substantive metadata and embedded metadata

• Proposed Ground Rule:

(2) Metadata need not be routinely produced, except upon agreement of the requesting and producing parties, or upon a showing of good cause in a motion filed by requesting party. Such motion should consider the applicable cost benefit factors of proposed Rule 19 C.F.R. §210.27(c) or cost shifting factors of proposed Rule 19 C.F.R. §210.27(e).
Proposal Regarding Meet and Confer on ITC E-Discovery

Proposed Template

D. New Jersey Local Rule 26.1(d) provides:

- Duty to Investigate and Disclose. Prior to a Fed. R. Civ. P. 26(f) conference, . . counsel shall further review with the client the client's information files, including currently maintained computer files as well as historical, archival, back-up, and legacy computer files, whether in current or historic media or formats, such as digital evidence which may be used to support claims or defenses. Counsel shall also identify a person or persons with knowledge about the client's information management systems, including computer-based and other digital systems. . . .
Duty to Notify. A party seeking discovery of computer-based or other digital information shall notify the opposing party as soon as possible, but no later than the Fed. R. Civ. P. 26(f) conference, and identify as clearly as possible the categories of information which may be sought.
Proposal Regarding Meet and Confer on ITC E-Discovery (cont’d)

- Duty to Meet and Confer. During the Fed. R. Civ. P. 26(f) conference, the parties shall confer and attempt to agree on computer-based and other digital discovery matters, including the following:
  
  (a) Preservation and production of digital information; procedures to deal with an inadvertent production of privileged information; whether restoration of deleted digital information may be necessary; whether back up or historic legacy data is within the scope of discovery; and the media, format, and procedures for producing digital information;

  (b) Who will bear the costs of preservation, production, and restoration (if necessary) of any digital discovery.
Proposal Regarding Meet and Confer on ITC E-Discovery (cont’d)

• The parties' meet-and-confer regarding electronic discovery is required to be reported in the Joint Discovery Plan pursuant to D. New Jersey Local Rule 26.1(b)(2).

• The foregoing requirements facilitate the parties' agreement regarding the scope and form of electronic production at the beginning of a case:
  – Scope: *e.g.*, individual e-mails, individual hard drives; and individual network space;
  – Form: *e.g.*, single page TIFF images and corresponding Opticon/Concordance load files produced on CD, DVD or Hard-drive;
  – Limitations on the number of custodians and/or search terms, and the timeframe for such searches.
Proposal Regarding Meet and Confer on ITC E-Discovery (cont’d)

Proposed Incorporation into ITC Procedures

- Requiring the parties to confer on electronic discovery matters commencing with the first Discovery Committee conference
- The results of the parties' meet-and-confer on ITC E-Discovery would be reported in Discovery Committee Reports
- These changes would facilitate the parties' agreement regarding the scope and form of electronic production at the beginning of an ITC investigation
Proposal Regarding Source Code

Proposed Incorporation into ITC Procedures

- If applicable, the E-Discovery meet-and-confer should also consider a date for production of source code ("Product Date"), scope of source code production and suitable protection for produced source code
- To the extent the parties cannot agree on the scope of source code production, a proposed date prior to Production Date for raising this dispute with ALJ
Proposal Regarding Source Code (cont’d)

• Protections to safeguard source code production, such as limitations regarding:
  – Site for delivery of source code (e.g., offices of outside counsel or escrow agent)
  – Number of secured, password protected and non-network computer terminals receiving source code
  – Persons receiving access (e.g., outside experts)
  – Length of time of access (e.g., business hours through Termination of Investigation)
  – Copies of source code
  – Access to code at depositions and Hearing
  – Cost sharing (e.g., escrow costs)
Current Commission Administrative Protective Order (APO) Practice

• Currently, initial APO issued by ALJ sua sponte shortly after case assignment

• This initial APO does not usually contain any modifications for special production procedures

• APO does not provide for clawback for inadvertently disclosed privileged documents
Current Procedures to Amend APO

- ALJs often require proposals to amend the APO to be in Discovery Statements
- Parties can singly or jointly move to amend the APO
- APOs are often amended to provide specific provisions for production and treatment of source code
- APOs not often amended to allow for clawback
Proposed Amendments to APO

- Amend APO to Add New Paragraphs 18-19 Regarding Production of Source Code
  - provides basic terms for source code production, including production at outside counsel's offices (or other place agreed upon by parties) throughout the term of the investigation
  - limits the number of experts allowed access to source code
  - Source code will be available on a limited number of non-network computer terminals during regular business hours (or longer period agreed upon by the parties)
  - Limits copies of source code to paper copies that are reproduced on Bates numbered paper
  - Governs the use of source code in depositions, hearings, filings and service
Proposed Amendments to APO (cont’d)

• Amend APO to Add New Paragraph 20 Regarding Clawback of Inadvertently Disclosed Information
  – Risk of inadvertently disclosed documents magnified in e-discovery
  – Clawback provision will encourage cooperation of parties in producing e-discovery
  – Clawback provision may be enforced by ALJ
Thank You

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