Five Custodians and Five Search Terms: A step toward the responsible and targeted use of e-discovery

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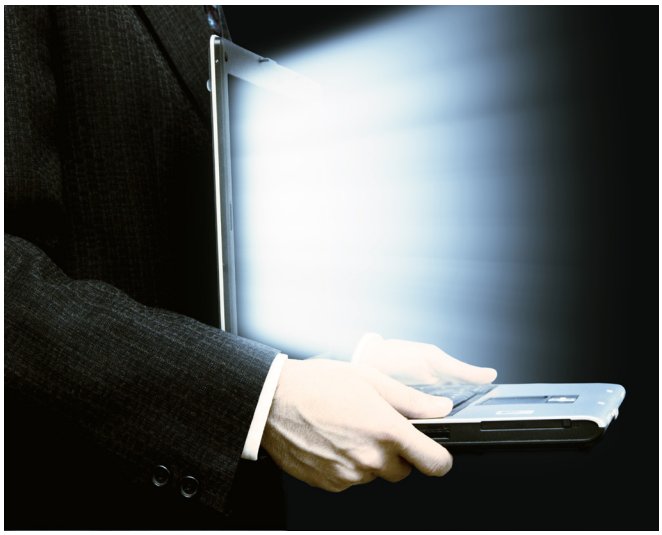

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Hundreds of search terms. Dozens of your employees considered key "custodians" who are required to produce thousands of e-mails on a multitude of topics. Requests for electronically stored information ("ESI") driving case strategy. E-discovery costs amounting to tens or hundreds of thousands of dollars and, in some cases, even exceeding the amount in dispute. Unfortunately, these factors are becoming all too common in modern litigation.

The costs of e-discovery are often magnified in patent disputes because the broad scope of discovery typically involves dozens of employees across an array of corporate departments. It is therefore not surprising that the Federal Circuit Court of Appeals, which has jurisdiction over virtually all patent appeals, recently produced a *Model Order Regarding E-Discovery In Patent Cases*, to encourage the efficient use of e-discovery[1]. The Federal Circuit's Chief Judge, Randall Rader, highlighted the *Model Order* during his comments to judges and attorneys in the Eastern District of Texas, one of the most popular patent litigation venues in the nation.[2]

Although directed specifically to patent litigation, the *Model Order's* reasoned approach provides valuable guidance to contain e-discovery costs in any complex litigation. The *Model Order's* provisions include:

Limitations on Discovery of Email

- Requests for email production are to be propounded only on specific issues, not as a means for general discovery relating to a product or business.

1 Advisory Council, United States Court of Appeals for the Federal Circuit, *Model Order Regarding E-Discovery in Patent Cases* (September 27, 2011).

2 Remarks of the Hon. Randall R. Rader, Chief Judge, United States Court of Appeals for the Federal Circuit, at the 15th Annual Eastern District (Texas) Bench Bar Conference, Sept. 27, 2011.

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- Requests for email production are to be appropriately phased with other forms of discovery and are to be propounded after other means have been employed to gain basic information relevant to the dispute. In patent cases, this means that requests for email may not be propounded until after the parties complete their exchange of initial disclosures and basic documentation about the patents, the prior art, the accused instrumentalities, and the relevant finances.[3] This approach can be adopted in other cases by, for example, requiring the parties to conduct written and documentary discovery on certain important topics prior to demanding voluminous productions of email.
- To obtain email (and other "electronic correspondence") parties must propound specific email production requests.
- Requests for email production are to be based on the cooperative identification of custodians, search terms, and the relevant time frame.
- Each requesting party is presumptively limited to a total of five custodians per producing party for email production requests. The Court may consider requests to permit up to five additional custodians upon a showing of distinct need, based on the size, complexity, and issues of the specific case.

Limitations on Search Terms

- Each requesting party is presumptively limited to a total of five search terms per custodian for email production. Just as with the number of custodians, the Court may consider requests to permit up to five additional search terms upon a showing of distinct need.
- Search terms are to be "narrowly tailored to particular issues." For example, listing the product name as a search word or term is considered inappropriate "unless combined with narrowing search criteria that sufficiently reduce the risk of overproduction." The *Model Order* encourages use of narrowing search criteria such as conjunctive Boolean search constructions and suggests that judges consider these factors when considering cost shifting.

Cost Shifting Provisions

- Costs will be shifted for disproportionate ESI production requests, and the Court will consider a party's nonresponsive or dilatory discovery tactics in assessing cost shifting.
- If a party serves email production requests for additional custodians or additional search terms, beyond the limits agreed to by the parties or granted by the Court, the requesting party will, presumptively, be required to pay all reasonable costs caused by such additional discovery.

Limitations on Waiver of Privilege

- "The mere production of ESI… as part of a mass production shall not itself constitute a waiver for any purpose," and receiving parties shall not use ESI that a producing party asserts is attorney-client

3 Such disclosures are typically required under local rules applicable to patent cases. See, e.g., Local Patent Rules for the Eastern District of Texas Rules 3-1 to 3-4; Local Patent Rules for the Northern District of California Rules 3-1 to 3-7.

privileged or work product protected to challenge the privilege or protection.

- The inadvertent production of a privileged or work product protected ESI will not constitute a waiver of the privilege or protection in the pending case or in any other federal or state proceeding, pursuant to Federal Rule of Evidence 502(d). [4]

Limitations on Production of Metadata

- Parties producing ESI, other than email as provided in the *Model Order* will not be required to include metadata absent a showing of good cause. However, certain metadata fields showing the date and time that a document was sent and received and the complete distribution list, should generally be included in the production.

The *Model Order* is already influencing the way district courts manage e-discovery. For example, in *DCG Systems, Inc. v. Checkpoint Technologies, LLC*, Magistrate Judge Grewal adopted the *Model Order's* two-stage electronic document production process, its quantitative limits on custodians and search terms, and, presumably, its cost shifting and waiver provisions. While leaving open the possibility that the Model Order's restrictions on electronic discovery could be modified, Judge Grewal noted that "only through experimentation of at least the modest sort urged by the Chief Judge [in the *Model Order*] will courts and parties come to better understand what steps might be taken to address what has to date been a largely unchecked problem." [5]

The *Model Order i*s intended to provide "a helpful starting point for district courts to use in requiring the responsible, targeted use of e-discovery in patent cases,"[6] and its stated goals are to "promote economic and judicial efficiency by streamlining e-discovery, particularly email production, and requiring litigants to focus on the proper purpose of discovery—the gathering of material information—rather than permitting unlimited fishing expeditions."[7] Although the *Model Order* was drafted specifically for patent cases, its goals and directives are applicable to a wide range of litigation and regulatory actions in which the costs of e-discovery are rising.

By articulating quantitative limits on the number of email custodians, the scope of search terms, the timing of burdensome requests for the production of email, and the production of metadata, the Federal Circuit has provided a valuable framework to reduce e-discovery costs in all complex matters. Litigators of all stripes and in-house counsel will do well to incorporate the *Model Order* in their tool boxes to address e-discovery challenges.

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4 "A Federal court may order that the privilege or protection is not waived by disclosure connected with the litigation pending before the court—in which event the disclosure is also not a waiver in any other Federal or State proceeding." FRE 502(d).

5 *DCG Systems, Inc. v. Checkpoint Technologies, LLC,* Case No C-11-03792 PSG (N.D.Cal. Nov. 2, 2011), Order Re Parties' Production of Electronic Documents.

6 *Model Order*, Introduction.

7 *Id.*

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