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ARTICLES

Protecting Work Product in Rule 30(b)(6) Depositions

By Gillian G. W. Egan

A deposition notice of a corporate designee under Federal Rule of Civil Procedure 30(b)(6) can be a common source for objections based on the attorney work-product doctrine. The very nature of a 30(b)(6) deposition makes it almost certain that the deponent has had to review documents or other discovery with the corporation's attorney during deposition preparation. There is a particular attorney work-product objection to keep in mind if you have received, or are working to prepare, a 30(b)(6) deposition notice. It is called the "selection and compilation" theory of discovery documents, and it has been widely cited nationwide in cases involving discovery disputes, even cases in which opposing counsel invoked Rule 612 of the Federal Rules of Evidence in an attempt to compel production of collected documents.

In many jurisdictions, if a Rule 30(b)(6) deposition notice asks the corporate designee to produce or provide a list of documents that the corporate attorney has culled from a larger body of documents, the attorney may object *even if the documents are otherwise discoverable*. The corporate attorney's strategy, focus, and case theory may all potentially be learned by reviewing what portions of the case file he or she finds noteworthy enough to provide to the corporate designee for review before the deposition. This is especially true if the overall discovery process has yielded voluminous documents. It takes time and legal skill to review hundreds of thousands of documents and select a few hundred that are most relevant, and many courts will protect the application of such legal analysis by denying requests for lists or collections of documents pulled by an attorney out of the general discovery pile, even in the face of rules providing that documents used to prepare for testimony must ordinarily be disclosed at the time of the testimony.

Attorney Work Product and Rule 612

The attorney work-product doctrine "can protect an attorney's selection and arrangement of documents in certain narrow circumstances, despite the fact that the documents themselves are not privileged." *SEC v. Morelli*, 143 F.R.D. 42, 47 (S.D.N.Y. 1992); *see also Gould, Inc. v. Mitsui Mining & Smelting Co.*, 825 F.2d 676, 680 (2d Cir. 1987); *Schwarzkopf Technologies Corp. v. Ingersoll Cutting Tool Co.*, 142 F.R.D. 420, 422-23 (D. Del. 1992). The Eighth and Third Circuits issued two major opinions regarding the selection and compilation theory. *Shelton v. Am. Motors Corp.*, 805 F.2d 1323, 1329 (8th Cir. 1986); *Sporck v. Peil*, 759 F.2d 312, 316 (3d Cir. 1985). In *Shelton*, the Eighth Circuit ruled that a car company's attorney could refuse to answer questions in her deposition about documents related to a car model that was involved in a crash. 805 F.2d at 1328. Her acknowledgment of the existence or nonexistence of such documents would have revealed "her judgment as an attorney in identifying, examining, and selecting from AMC's voluminous files" the documents most relevant to her client's defense. *Id.*

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In *Sporck*, the court similarly protected a collection of documents pulled in preparation for a deposition. 759 F.2d at 318. (*Sporck* is discussed in detail below.) A review of decisions nationwide shows fairly broad support for the selection-and-compilation theory of the attorney work-product doctrine, especially when it involves the discovery of what documents were culled from hundreds of thousands of total discovery documents.

Lawyers who hope to present this theory to protect their selection, however, must reconcile the theory with the Federal Rules of Evidence. FRE 612, in particular, demands the production of items used to refresh a witness's testimony, reading (in part):

if a witness uses a writing to refresh memory for the purpose of testifying, either—

- (1) while testifying, or
- (2) before testifying, if the court in its discretion determines it is necessary in the interests of justice,

an adverse party is entitled to have the writing produced at the hearing, to inspect it, to cross-examine the witness thereon, and to introduce in evidence those portions which relate to the testimony of the witness.

Federal Rules of Evidence 612.

Applying the Selection and Compilation Theory

The Delaware District Court laid out the conflict between the two in *James Julian, Inc., v. Raytheon Co.*, 93 F.R.D. 138 (D. Del. 1982). In *James Julian*, the court applied FRE 612 and compelled production of a document collection despite acknowledging that the selection and compilation theory also applied. The plaintiff's counsel had provided a binder with a small number of documents for select principals and corporate officers to review prior to their depositions. The defendants sought a copy of the binder's contents, most of which had already been produced in the usual discovery process. In its opinion, the Delaware District Court first noted its support of the selection-and-compilation theory, but then applied Rule 612 of the Federal Rules of Evidence, holding that the binder had been used to refresh a witness's recollection, and that the plaintiff had thus waived its attorney work-product protection by using it for such a purpose. The court's concern was with how the binder may have "shaded" the witness's testimony, and it demanded that the plaintiffs produce the binder.

However, the Third Circuit later distinguished *James Julian* in *Sporck v. Peil*, 759 F.2d at 316. In *Sporck*, the court declined to apply FRE 612, holding that the attorney who proposed its application had failed to lay the proper foundation. The facts were these: The corporate attorney in a securities-fraud case prepared defendant *Sporck* for his deposition by culling certain documents and reviewing them with him. During the deposition, counsel for *Peil* asked *Sporck*

which documents he had reviewed, and he refused to answer. On a writ of mandamus, the Third Circuit upheld the refusal, saying “[i]n selecting and ordering a few documents out of thousands counsel could not help but reveal important aspects of his understanding of the case. Indeed, in a case such as this, involving extensive document discovery, the process of selection and distillation is often more critical than pure legal research.” *Id.* at 316 (quoting *James Julian, Inc. v. Raytheon Co.*, 93 F.R.D. 138, 144 (D.Del. 1982)).

The court went on to examine whether or not FRE 612 would apply, as it had in *James Julian*. The court laid out the three requirements of the rule: “1) The witness must use the writing to refresh his memory; 2) the witness must use the writing for the purpose of testifying; and 3) the court must determine that production is necessary in the interests of justice.” *Id.* at 317. Holding that Peil had failed to prove the first two requirements of FRE 612, the court ruled that Peil had not laid the proper foundation and that FRE 612 did not apply. In other words, to have prevailed using FRE 612, Peil would have to have shown that Sporck relied on the documents for his testimony and that they influenced his testimony. Although the court in *Sporck* did not reach the issue of the third element—whether production would be in the interests of justice—other courts have discussed this element in the context of a selection and compilation case. In one case, a court applied a balancing test, weighing the interests of justice that supported production under FRE 612 against the interests that supported the attorney work-product protection. *Nutramax Labs., Inc. v. Twin Labs. Inc.*, 183 F.R.D. 458, 472 (D. Md. 1998). On balance, the court held that the interests of justice compelled production of the collected documents at issue and that the attorney work-product doctrine had been waived.

The attorneys seeking to compel production of documents must satisfy the three-part test of FRE 612; however, the party seeking to protect the documents also carries a burden of persuasion. Some district courts have narrowed the *Sporck* and *Shelton* holdings, requiring a party that has asserted the selection-and-compilation privilege to “come forward with some evidence that disclosure of the requested documents creates a real, non-speculative danger of revealing counsel’s thoughts.” *Id.* (citing, *inter alia*, *Hunter’s Ridge Golf, Co., Inc. v. Georgia Pac. Corp.*, 233 F.R.D. 678, 681 (M.D. Fla. Mar. 3, 2006); *Jackson v. Geometrica, Inc.* (M.D. Fla. Mar 2, 2006); *see also Calderon v. Reederei Claus-Peter Offen GmbH & Co.* (S.D. Fla. June 19, 2009). However, these cases involved parties attempting to use the selection-and-compilation theory of the work-product doctrine to prevent any discovery of certain documents at all. In both *Calderon* and *Hunter’s Ridge*, one party was trying to protect its own documents from being handed over to the other party, not trying to prevent the other party from learning which already-produced documents the opposing attorneys found relevant and important. *Calderon; Hunter’s Ridge*, 233 F.R.D. at 681. In *Jackson*, the court disallowed certain discovery requests that sought materials to be produced at trial, holding that such documents would reveal mental impressions of counsel. The court compelled the defendant to produce other documents pursuant to a discovery request that asked for documents that relate to the claims. Therefore, although the court declined to apply the selection-and-compilation theory to certain discovery requests, it did apply it to others.



An attorney will more likely have success in using the selection-and-compilation theory to object if the opposing party seeks a list of which of *its own documents* the corporate attorney finds relevant. The Florida appellate court in *Smith v. Fla. Power & Light Co.*, 632 So.2d 696, 697–98 (Fla. App. 3 Dist. 1994), applying federal case law because the state and federal rules are almost exactly the same, found that in such circumstances, discovery will almost always be denied. In *Smith*, the plaintiffs had possession of certain sets of documents that had been generated by the defendant. (They had not been produced to the plaintiffs in discovery by the defendants, but had been procured from a third party.) 632 So.2d at 697. The court protected the documents, holding them immune from discovery under the selection-and-compilation theory of the work-product doctrine, because the defendant could not show undue hardship in obtaining the documents. The court in *Smith* noted “all the documents sought are in FPL’s possession. ‘[W]here a request is made for documents already in the possession of the requesting party, with the precise goal of learning what the opposing attorney’s thinking or strategy may be, even third-party documents may be protected.’” *Id.* (quoting *In re: Grand Jury Subpoenas*, 959 F.2d 1158, 1166 (2d Cir. 1992)).

Conclusion

The Rule 30(b)(6) deposition is a discovery tool rife with attorney work-product concerns. As a general rule, subject to local jurisdictional variation, a Rule 30(b)(6) deposition is particularly susceptible to attorney work-product protection under the selection-and-compilation theory. If your case involves a very large number of documents, be familiar with the three elements of FRE 612 and the selection-and-compilation theory, to protect your client’s interests in these complicated pretrial proceedings. The issue can come up in the deposition notice or even in the deposition itself, so it is important to know ahead of time how FRE 612 (or a parallel state rule) and the selection-and-compilation theory apply in your jurisdiction.

Keywords: litigation, pretrial practice and discovery, work product doctrine, Rule 30(b)(6), FRE 612

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Litigation Holds, Social Media, and Employees' Online Data

By Patricia Eastwood, John D. Rue, and Peter Wilhelm

Just as the legal community has begun to adjust to the “new” e-discovery rules governing the discovery of electronically stored information (ESI) incorporated into the Federal Rules of Civil Procedure at the end of 2006, social media websites have led to yet another revolution in how people communicate and how businesses market their products and services. In much the same way that the 1990s saw the speed and convenience of email reduce the commonplace use of written letters and memoranda to formal circumstances, the rise of social media in the early 21st century (along with text messages and instant messaging) has forced much email communication to the sidelines. Everyday electronic communication today is increasingly expressed via social media providers because they permit users to instantly and informally communicate to thousands or even millions of people. As the means for such instant and far-reaching communication are now readily available and being adopted at exponential rates, lawyers and courts will be increasingly faced with the challenge of addressing whether, and to what extent, social media “documents” must be incorporated into the discovery process in individual cases. While production decisions relating to social-media documents may not be significantly different from the analysis of other ESI, the sheer volume of information generated by social media raises new questions about the scope of the preservation obligation.

Even in light of the volume, however, it is not the number of social-media documents that should give the legal community pause; lawyers have already learned to collect, cull, process, review and produce quantities of electronic documents that previously would have seemed preposterously large. But social media poses new preservation concerns precisely because of its “social” nature. That is, rather than a series of discrete communications (as with email), social media documents are often collaborative (created by a number of “authors”) and communal (the “ownership” of such documents is sometimes far from clear). The very allure of social-media websites is that the “creator” or “owner” of the content can open it up to a large number of “friends” or “followers,” dramatically broadening the distribution and the number of potential “authors” of a document. While a social-media document such as a Facebook page (analogous to a personal webpage, but one that can be altered in some ways by the account holders’ “friends”) has a nominal “creator” or “owner,” that person does not necessarily have complete control over the content of the document. Moreover, another social-media outlet, Twitter (which permits the sending of “tweets” to one’s “followers,” who sometimes number in the millions), prohibits by its terms of service the automated export of tweets. *See [Twitter Terms of Service](#)* (last visited June 2, 2011). These circumstances could pose a problem for litigants under an obligation to preserve relevant documents in their “possession, custody or control” because, in the social-media context, “control” (the least exacting of these three standards and thus the one most frequently examined by courts) is increasingly a relative term.

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Rule 34 “Control”

Federal Rule of Civil Procedure 34 facially imposes obligations beyond those related to documents in the litigants’ actual possession and extends to those documents merely in a litigant’s “control.” Even outside the realm of e-discovery, the definition of “control” in the context of Rule 34 is somewhat unsettled. Some circuits limit the definition of control to those documents a party has a “legal right to obtain.” See, e.g., *Mercy Catholic Med. Ctr. v. Thompson*, 380 F.3d 142, 160-61 (3d Cir. 2004); *In re Citric Acid Litig.*, 191 F.3d 1090, 1107 (9th Cir. 1999); *In re Bankers Trust Co.*, 61 F.3d 465, 469 (6th Cir. 1995); *Searock v. Stripling*, 736 F.2d 650 (11th Cir. 1984). Other circuits interpret “control” more expansively to also include those documents a litigant has a “practical ability to obtain.” See e.g., *In re Flag Telecom Holds, Ltd. Sec. Litig.*, 236 F.R.D. 177, 181 (S.D.N.Y. 2006); *In re NTL, Inc. Sec. Litig.*, 244 F.R.D. 179, 195 (S.D.N.Y. 2007); cf. *Shcherbakovskiy v. Da Capo Al Fine, Ltd.*, 490 F.3d 130, 138 (2d Cir. 2007). When the rule was first enacted, issues of “control” were much clearer—but the electronic age put the definition to test in a variety of ways. For example, documents stored in the personal email account of a corporate employee are likely to be deemed to be in the control of the corporation, at least requiring the corporation to seek the employee’s cooperation in acquiring those documents. But despite the recent proliferation of communication via social media, courts have not yet had much occasion to directly address the issue of “control” as it relates to social media.

Despite the apparent lack of judicial guidance regarding social media’s discovery implications, case law addressing a litigant’s obligation to produce documents possessed or created by a third party can be instructive when considering scenarios involving social media. Courts have required litigants to produce bank records, *Babaev v. Grossman* (E.D.N.Y. Sept. 8, 2008) and cell-phone records, *Tetra Tech. v. Hamilton* (W.D. Okla. Aug. 7, 2008) created by third-party service providers. A court has also required a litigant to produce text messages even though the litigant had to retrieve copies of the text messages from the third-party service provider. *Flagg v. City of Detroit*, 252 F.R.D. 346 (E.D. Mich. 2008). Similarly, a court found that a litigant could not delegate its obligation to preserve relevant documents to a third-party service provider retained expressly for that function. *Tomlinson v. El Paso Corp.* (D. Colo. Aug. 31, 2007). Further, a litigant who is aware that a third party possesses relevant documents that it intends to destroy is under an obligation to disclose the possible destruction to the opposing party. *Silvestri v. GM Corp.*, 271 F.3d 583, 591 (4th Cir. 2001). On the other hand, in at least one case, a litigant was not required to produce soil-chemical-test results actually possessed by a third-party testing company that the litigant had hired to perform the tests. *Chaveriat v. Williams Pipe Line Co.*, 11 F.3d 1420 (7th Cir. 1993).

Notably, in addition to “control,” to be discoverable under the federal rules, the documents in question must be likely to be relevant to the litigation, Rule 26(b)(1), which likelihood must be proportional to the burden on the producing party related to preservation and/or production. See Rule 26(b)(2)(C). (Obviously, real-life situations will not be as clear as the hypothetical below,

which is intended to isolate the issue of control.) In many, if not most, cases, producing parties objecting to requests for social-media documents would probably argue that such documents are unlikely to be sufficiently relevant to the dispute to warrant the associated burden of incorporating them into the discovery process. *See generally Offenback v. L.M. Bowman, Inc.*, 2011 U.S. Dist. LEXIS 66432 (M.D. Pa. June 22, 2011); *DFSB Kollektive Co. v. Jenpoo*, 2011 U.S. Dist. LEXIS 62163 (N.D. Cal. June 10, 2011).

Hypothetical

To examine the issue of Rule 34 control to the discovery of social media, we present the following hypothetical factual scenario, which assumes that (i) the documents at issue are likely relevant to the litigation, and (ii) the likelihood of their relevance is proportional to the burden of preserving and/or producing them:

A dispute between XYZ Corp. and an employee (Johnson) is settled by means of an agreement containing a bilateral non-disclosure agreement. Johnson shortly thereafter posts to his Twitter account, “Looks like I’ve won the lottery! So long XYZ!!!” Johnson has linked his Twitter account and FriendMe (a new social-media website) pages such that all his “tweets” also appear in his FriendMe status updates. Many other XYZ employees see Johnson’s tweet or FriendMe messages, including Williams, his former manager, and a corporate officer, who quickly informs XYZ’s general counsel and the CEO.

Martinez, one of Johnson’s former colleagues, posts a “comment” to Johnson’s status update (which therefore appears on and alters ex-employee Johnson’s FriendMe page), which also appears on and alters Martinez’s page, stating, “I’m glad XYZ finally decided to do right by you!” Martinez also separately posts a tweet that says “Seems like XYZ is paying out—maybe I should get in line?” Neither Johnson, Williams, nor any other XYZ officers are aware of Martinez’s tweet.

Chang, another of Johnson’s former colleagues, posts a message to a LinkedIn discussion group informally organized by employees of XYZ (and with membership limited to current employees) stating, “Johnson’s tweet was old news. Everyone around here knew he was being paid to go away.” XYZ manager Williams sees Chang’s message to the LinkedIn group and duly informs the general counsel and the CEO. The CEO, who belongs to another LinkedIn group of executives in the widget industry (most from other companies), posts a request for advice to the group about the situation, and receives a number of responses.

XYZ refuses to honor the settlement on the basis that Johnson violated the nondisclosure agreement. Johnson sues XYZ for payment.

Johnson’s Twitter and FriendMe Content

After the lawsuit is filed, Johnson asks his attorney whether he has to preserve his FriendMe

page (which is an ever-changing document) and any tweets (his own or those that he saw written by others, including any “re-tweets” of his tweets and “@” messages) related to his employment.

Rule 34 obligates Johnson to preserve his relevant posts to FriendMe and Twitter (again, assuming for the purposes of this hypothetical that all the content is potentially relevant and that such preservation is not unduly burdensome in the context of the likelihood of relevance). Moreover, he also probably must preserve the content that other people add to his FriendMe page and all potentially relevant tweets. Messages posted by others, either on Johnson’s FriendMe page (even if unsolicited) or in some way directed to Johnson (even indirectly) as a Twitter “follower,” could be analogized to emails or letters received in the mail. Such messages would therefore probably be deemed to be documents in Johnson’s “possession, custody, or control.” *Cf. Qualcomm Inc. v. Broadcom Corp.* (S.D. Cal. Jan. 7, 2008).

Johnson’s obligation to preserve his Twitter and FriendMe content, however, may place a greater burden on him than would an obligation to preserve letters received in the mail or even emails, because social-media providers are not generally obliged to archive user content in the way that Johnson’s email account may simply collect old emails. Thus, Johnson may be obligated routinely to save a copy of his FriendMe page. This can be done by taking a screen shot, printing the page in hard copy, or downloading the electronic file using the FriendMe archive tool. Currently, he is probably permitted by Twitter’s terms of service to do the same with his Twitter account, using one of the many services available to perform a manual download. But the terms of service of such social-media services change regularly and should be considered at the time that the preservation obligation attaches.

Martinez’s FriendMe Page

XYZ asks its counsel whether it has any obligation to preserve documents relating to social-media interactions between or among its employees regarding the litigation.

Generally, for the purposes of Rule 34, a corporation is said to control documents created by the corporation’s employees in the course of the employee’s corporate duties. While Martinez’s FriendMe posts in response to Johnson’s message that he “won the lottery” were probably not part of her duties as an employee of XYZ, if Martinez posted the message from a computer owned by XYZ, then XYZ could be in possession of a copy of that post (e.g., in a cache file) and, if so, XYZ could (under an aggressive theory put forward by a requesting party) be under an affirmative obligation to preserve cache files. *Cf. Columbia v. Bunnell*, 2007 U.S. Dist. LEXIS 46364 (C.D. Cal. June 19, 2007).

Even if no XYZ officer knows of Martinez’s social-media activities (i.e., posting on Johnson’s FriendMe page, and separately tweeting on the subject), the company must nonetheless take reasonable steps (considering both the likelihood of relevance and the attendant burden) to preserve potentially relevant documents, which may include documents reflecting the social-media activity of its employees, even if those activities are unknown to XYZ. Issuance of a

sufficient litigation-hold notice to XYZ's employees, properly instructing them that potentially relevant documents, including those documents related to communications sent via the Internet, whether by email or posting to a website, might be enough to satisfy XYZ's obligation. In light of the astonishing rate of increase in the use of social media, prudence suggests that corporate litigants such as XYZ should consider whether litigation-hold notices should specifically mention (and perhaps highlight) documents created or sent using social media.

Chang's Message to the LinkedIn Group for Corporation Employees

Chang posted a message to a LinkedIn group that was not created by XYZ, so it is not immediately apparent that XYZ has control of the group's content. Nonetheless, the group is limited to employees of XYZ, so it is likely that issues regarding the workplace will at times be discussed in the group. More important, at least one officer of XYZ monitors its content, and that officer's personal control of documents related to the group's messages would likely be imputed to XYZ. *See, e.g., ANZ Advanced Techs., LLC v. Bush Hog, LLC*, 2011 U.S. Dist. LEXIS 22159 (S.D. Ala. Jan. 26, 2011) (citing cases). So XYZ would probably be obliged to preserve the related documents. Thus, XYZ should take reasonable steps to ensure that the documents related to this LinkedIn group are captured and preserved. As with FriendMe and Twitter content, this can likely be accomplished by regularly capturing the group's content through screenshots or other archival form. Other automated solutions should also be considered.

The CEO's Message to a LinkedIn Group and the Responses Received

The CEO used the LinkedIn group as a means of communication, and the circumstances of the communication are not appreciably different from an email chain. In fact, the CEO may well receive either email digests of the messages posted to the group, or individual emails for every message posted to the group. Thus, communications via a social-media website such as LinkedIn are just as discoverable (presuming relevance and proportionality, assumed here) as emails or paper documents reflecting potentially relevant communications, i.e., hard-copy correspondence. While the real-time nature of services such as LinkedIn may give related documents the feel of a live conversation, their permanence subjects them to federal discovery like any other document.

Conclusion

The exponential increase in communication via social media has greatly multiplied the factual scenarios of which lawyers must be aware when considering how to advise their clients with regard to Rule 34 compliance. These changes, however, will not necessarily be accompanied by statutory changes, as with the *Zubulake*-inspired revisions to the federal rules in 2006, but will more likely involve straightforward application of already settled legal principles to new factual scenarios. Counsel have an obligation to keep abreast of this rapidly evolving communication technology to anticipate the discovery pitfalls.

Keywords: litigation, pretrial practice and discovery, social media, Facebook, Twitter, Rule 34

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***Twombly-Iqbal* and Affirmative Defenses in the Third Circuit**

By Jeffrey Soos

There is a split of authority on whether the heightened pleading standards articulated in *Twombly* and *Iqbal* apply to affirmative defenses. In two recent decisions, district courts in New Jersey and Pennsylvania have declined to extend the reach of *Twombly* and *Iqbal* to affirmative defenses pled pursuant to Federal Rule of Civil Procedure 8(c).

In *Federal Trade Commission v. Hope Now Modifications, LLC, et al.*, Civ. No. 09-1204 (D.N.J. Mar. 10, 2011) the Federal Trade Commission (FTC) brought suit against various defendants who were affiliated with a mortgage-modification corporation. The FTC subsequently moved to strike various affirmative defenses that were pled by one group of defendants. The pleading at issue merely listed the affirmative defenses that were being asserted, without alleging any facts upon which the defenses were based. The FTC argued, among other things, that each of the listed affirmative defenses should be struck because the defenses did not meet the pleading requirements set forth in *Twombly* and *Iqbal*.

In denying the FTC's motion, Judge Jerome B. Simandle (D.N.J.) noted that the issue was one of first impression in the District of New Jersey and that no Federal Circuit Court had yet considered whether to extend the pleading requirements of *Twombly* and *Iqbal* to affirmative defenses. However, two other district courts in the Third Circuit had previously addressed the issue and concluded that the pleading standards articulated in *Twombly* and *Iqbal* do not extend to affirmative defenses. *See, e.g., Charleswell v. Chase Manhattan Bank, N.A.*, Civ. No. 01-119(D.V.I. Dec. 8, 2009) and *Romantine v. CH2M Hill Engineers, Inc.*, Civ. No. 09-973 (W.D. Pa. Oct. 23, 2009).

Agreeing with both the *Charleswell* and *Romantine* courts, Judge Simandle found "persuasive the textual analysis demonstrating that the Federal Rules of Civil Procedure distinguish the level of pleading required between a plaintiff asserting a claim for relief under Rule 8(a) and a defendant asserting an affirmative defense under Rule 8(c)." *Twombly* and *Iqbal* concerned the pleading standard applicable to a party seeking relief under Rule 8(a). The court found this to be distinguishable from a defendant that merely states an affirmative defense under Rule 8(c). Thus, "by stating an affirmative defense under Rule 8(c), a defendant is not making a 'claim for relief' to which Rule 8(a) [or the heightened pleading standard articulated in *Twombly* and *Iqbal*] would apply."

Approximately four weeks later, Judge Eduardo C. Robreno (E.D. Pa.) reached a similar conclusion in *Tyco Fire Products LP v. Victaulic Co.* Civ. No. 10-4545 (E.D. Pa. Apr. 13, 2011). There, the plaintiff brought suit against the defendant, alleging infringement of two

patents. The defendant's answer pled affirmative defenses and a counterclaim that, among other things, contained averments that the patents are "invalid and/or unenforceable" without pleading any supporting facts, i.e., the defendant's second counterclaim "contains a mere legal conclusion, no supporting facts, and cites four broad provisions of Title 35 of the United States Code in support 'without limitation.'"

In addressing the plaintiff's motion to strike the affirmative defenses, Judge Robreno recognized that whether the *Twombly-Iqbal* pleading standard applied to affirmative defenses "is far from settled." However, Judge Robreno concluded that "[i]n light of the differences between Rules 8(a) and 8(c) in text and purpose, . . . *Twombly* and *Iqbal* do not apply to affirmative defenses." Rather, "[a]n affirmative defense need not be plausible to survive; it must merely provide fair notice of the issue involved." Because the affirmative defenses pled by the defendant in *Tyco Fire* provided fair notice of the issue—invalidity and/or unenforceability—they satisfied this standard.

The defendant's second counterclaim, however, failed to satisfy the *Twombly-Iqbal* "plausibility" standard. While "some courts have forgiven similarly sparse counterclaims based on the low bar to which the plaintiff's averments of patent infringement were subjected and their district's adoption of specialized local patent rules[.]" Judge Robreno declined to do so in *Tyco Fire* because (i) the Eastern District of Pennsylvania has not adopted local patent rules and, even if it had, local patent rules cannot "modify a defendant's pleading standard for counterclaims under the national rules[.]" and (ii) "[t]wo wrongs do not make a right"; i.e., the fact that plaintiff may not have pled a plausible claim for relief does not entitle a defendant to plead counterclaims in a correspondingly insufficient manner. As a result, the plaintiff's motion to dismiss the defendant's second counterclaim was granted.

Keywords: litigation, pretrial practice and discovery, FTC, Hope Now Modifications, Charleswell, Romantine, Tyco Fire Products, Victaulic

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Avoiding Minefields Associated with Discoverability of Social Media

By Damon Thayer and Nayiri Keosseian

According to conventional wisdom, the law typically lags about five years behind new technology. In today's rapidly changing world, that rule of thumb might be too generous. Five years ago, courts were still struggling with the extent to which emails and other electronically stored information (ESI) were discoverable. Although they showed up late to the party, courts have slowly but surely crafted a workable framework that provides parties with the tools they need to determine their preservation and production obligations related to traditional ESI. When it comes to today's technology, however, courts have barely skimmed the surface. Whether people are using Facebook, Twitter, LinkedIn, Google+, YouTube, Flickr, blogs, or one of the thousands of other available platforms, social media have now surpassed email as the primary mode of communication. This trend does not apply just to individuals. A substantial chunk of business is now conducted via social media, and this phenomenon grows every day. Unfortunately, to use Facebook parlance, not everyone is clicking the "like" button. For parties embroiled in litigation, social media can present a headache.

Not surprisingly, litigants seeking practical guidance regarding how e-discovery law applies to social media have largely come up empty-handed. Notwithstanding this fact, parties must take steps now to prepare themselves for the possibility of future preservation and production obligations, lest they risk becoming another statistic in the recent wave of record-breaking sanctions for e-discovery violations. A patchwork of decisions from across the United States (and some from Canada) make up the "law"—if it can be called that yet—on the discoverability of social media. Although there are numerous gaps left for courts to fill, several decisions are instructive concerning a host of discovery issues that parties commonly face when dealing with social media.

General Discovery Principles Applicable to Social Media

Before delving into the recent cases that have begun to lay the groundwork for social-media discovery law, we need a quick refresher on the general rules of e-discovery to place the issues in context. The Federal Rules of Civil Procedure, as well as most state rules, allow parties to obtain discovery regarding any non-privileged matter that is relevant to any party's claim or defense. Fed. R. Civ. P. 26(b)(1); *Oppenheimer Fund, Inc. v. Sanders*, 437 U.S. 340, 350 (1978). Parties must take affirmative steps to preserve relevant information as soon as litigation is anticipated. Businesses typically meet this obligation by issuing a litigation-hold notice to relevant individuals, entities, and third parties, which instructs them to stop the routine destruction of information and documents and otherwise to preserve all relevant information for use in discovery. *Zubulake v. UBS Warburg*, 220 F.R.D. 212, 216–18 (S.D.N.Y. 2003).

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Preservation obligations extend to information in a party's "possession, custody, or control." Fed. R. Civ. P. 34(a)(1); *Tomlinson v. El Paso Corp.*, 245 F.R.D. 474, 476 (D. Colo. 2007). Documents are deemed to be within the possession, custody, or control of a party if that party has "actual possession, custody or control or has the legal right to obtain the documents on demand." *In re Bankers Trust Co.*, 61 F.3d 465, 469 (6th Cir. 1995) (emphasis in original).

The concept of "control" is interpreted broadly—and is particularly important when it comes to social media. *In re NTL, Inc. Sec. Litig.*, 244 F.R.D. 179, 195 (S.D.N.Y. 2007). Control exists where a party has "the right, authority, or the practical ability to obtain the documents from a nonparty to the action." *Bank of N.Y. v. Meridien BIAO Bank Tanzania Ltd.*, 171 F.R.D. 135, 146 (S.D.N.Y. 1997). As astutely stated by one court, "a party may not sidestep its discovery obligations by deliberately rearranging its affairs to disable itself from being able to produce documents after litigation has commenced." *Sunrider Corp. v. Bountiful Biotech Corp.*, No. 08-1339 (C.D. Cal. Oct. 8, 2010).

Parties that fail to preserve or produce necessary information are subject to sanctions. *See* Fed. R. Civ. P. 37. Sanctions awards can include attorney fees, monetary penalties, adverse jury instructions, dismissal of claims or defenses, and sometimes a court will even order a company's president to show cause why he or she should not be thrown in jail. *See, e.g., Victor Stanley, Inc. v. Creative Pipe, Inc.*, 269 F.R.D. 497, 541 (D. Md. Sept. 9, 2010). Courts traditionally do not impose sanctions in the absence of willfulness unless significant prejudice has resulted to the innocent party. *See* Shira A. Scheindlin and Kanchana Wangkeo, *Electronic Discovery Sanctions in the Twenty-First Century*, 11 Mich. Telecomm. Tech L. Rev. 71, 89, 94 (2004). Notably, recent years have witnessed a dramatic increase in the quantity and severity of sanctions, with the number-one offense being failure to preserve ESI. *See* Dan H. Willoughby, Jr. et al., *Sanctions for E-Discovery Violations: By the Numbers*, 60 Duke L.J. 789, 793–95 (2010).

Overview of the Case Law on Discoverability of Social Media

While social media has proved to be advantageous for a variety of reasons for individuals and companies alike, several unlucky parties have also experienced the headache this new technology can cause when litigation arises. Using mostly the general e-discovery principles summarized above, courts deciding discovery disputes relating to social media have thus far done their best to cram a square peg into a round hole. The decisions of these courts have begun to lay the foundation for this new and unique area of e-discovery law.

An issue implicated in practically every social-media case is whether a party requesting discovery of social media can do so from the responding party's social-media provider. This is an issue of "control" under Rule 34. The complexity arises from the fact that social-media data is generally under the "control" of a third party or the third party controls the data on a co-equal basis with the user. At first blush, the answer as to whether a party can subpoena a social-media company for a user's data is simple: no. The Stored Communications Act, 18 U.S.C. § 2701 et

seq. prohibits an Internet company from disclosing a user's private information unless the user provides consent. *Flagg v. City of Detroit*, 252 F.R.D. 346, 349–50 (E.D. Mich. 2008). Every court that has confronted this issue to date has held that a party cannot obtain an opposing party's social-media information by simply subpoenaing the user's social-media provider. This applies even if the user consented to the social-media site's terms of service permitting distribution of the content uploaded by the user. *Viacom Int'l Inc. v. YouTube Inc.*, 253 F.R.D. 256, 264–65 (S.D.N.Y. 2008).

Although parties cannot subpoena social-media providers, they can achieve their desired result—production of an opponent's social-media data—by working within the confines of the Stored Communications Act. The first step is to simply ask the opposing party to produce the needed information and to let the requesting party know if some information is not accessible by the user. At worst, the opposing party refuses. Upon a flat-out refusal or after learning that some data is inaccessible, the requesting party should ask the opposing party to provide consent to the opposing party's social-media provider so that the provider can disclose the requested information. Barring consent, the requesting party is left with no choice but to move to compel the opposing party's consent.

Whether a court will compel a social-media user's consent turns on whether the requested information is discoverable. While relevant “public” information on a user's social-media site is plainly discoverable, at least one court has required an evidentiary hearing to determine how privacy options functioned on Facebook and MySpace, which would in turn determine whether the user's “wall” and “comments” sections were protected from disclosure under the Stored Communications Act. *See, e.g., Crispin v. Christian Audigier, Inc.*, 717 F. Supp. 2d 965, 990–91 (C.D. Cal. 2010). It is still an open question whether all “private” portions of a social-media site are protected under the Stored Communications Act. If requested information is deemed discoverable, courts thus far have compelled users to provide consent to their social-media sites based on the premise that, because a user “controls” the ability of his or her provider to disclose the requested information, that control must be exercised to comply with Rule 34. *E.g., Thayer v. Chiczewski*, No. 07-1290 (N.D. Ill. Sept. 11, 2009); *Mackelprang v. Fid. Nat'l Title Agency of Nev., Inc.*, No. 06-788 (D. Nev. Jan. 9, 2007).

On a different topic, courts have so far agreed that all potentially relevant social-media data should be preserved once litigation is anticipated. Courts have explained that it is “beyond controversy” that a person's social-media profile may contain relevant information in any given case. *Leduc v. Roman* (2009), 308 D.L.R. 4th 353, para. 23 (Can. Ont. Sup. Ct. J.). “Where there is an indication that a person's social network sites contain information relevant to the prosecution or defense of a lawsuit . . . access to those sites should be freely granted.” *McMillen v. Hummingbird Speedway, Inc.*, No. 113-2010 (Pa. Com. Pl. Sept. 9, 2010).

This “preserve everything” guideline finds support in the advisory committee notes to the 2006 amendment of Rule 34, which states that the definition of ESI is intended to be read expansively

to include all current and future electronic-storage mediums. Accordingly, parties should preserve social-media data to the same extent they would preserve traditional ESI. As one court has opined, albeit in the context of preservation of paper documents, “[u]ntil a more precise definition is created by rule, a party is well-advised to retain all relevant documents in existence at the time the duty to preserve arises.” *Orbit One Commc’ns., Inc. v. Numerex Corp.*, 271 F.R.D. 429, 436 (S.D.N.Y. 2010). At minimum, this preservation responsibility includes private messages, “wall” postings, status updates, blog entries, blurbs, causes joined, groups joined, activity streams, pictures, videos, links, personal information, relationship statuses, religious views, political views, friend lists, applications, time stamps, and all updates and modifications to all of these categories. See *EEOC v. Simply Storage Mgmt., LLC*, 270 F.R.D. 430, 432, 436 (S.D. Ind. 2010) (holding that sexual-harassment plaintiffs must produce the defendant’s requested social-media information as it was relevant to the plaintiffs’ claimed emotional and mental injury).

As far as what to turn over to opposing counsel from the social-media information that has been preserved, courts have indicated that this is simply a matter of applying the old rules to the new technology. In some instances, parties will need to produce everything contained on their social-media accounts. In *Bass v. Miss Porter’s School*, No. 08-1807 (D. Conn. Oct. 27, 2009), a Connecticut court ordered the plaintiff, a student who had been expelled from a private high school, to produce all available data from Facebook, which included over 750 pages of material. An Indiana court took essentially the same approach to a sexual-harassment case in *EEOC v. Simply Storage Mgmt., LLC*, 270 F.R.D. at 432, 436. In a personal-injury action, a Colorado court required the plaintiff to produce all information contained on her Facebook, MySpace, and Meetup.com accounts. *Ledbetter v. Wal-Mart Stores Inc.*, No. 06-1958 (D. Colo. Apr. 21, 2009). In another personal-injury action, a Pennsylvania court required the plaintiff to produce the content on his social-media sites, as it would “help prove either the truth or falsity” of the plaintiff’s alleged injuries. *McMillen*. In an action alleging loss of enjoyment of life, a New York court required production of the plaintiff’s Facebook and MySpace accounts because the information tended to show whether the plaintiff was still able to enjoy life. *Romano v. Steelcase Inc.*, 907 N.Y.S.2d 650, 654 (N.Y. Sup. Ct. 2010).

In other situations, courts have ordered parties to produce only select portions of their social-media data. In a sexual-harassment case, a Nevada court ordered all of the plaintiff’s private MySpace messages to be produced but nothing else. *Mackelprang*. In a series of influential decisions from Canada, courts have required plaintiffs to turn over photos uploaded to Facebook so that the defendants could determine whether the plaintiffs’ theories of the case jived with their recent activities. See, e.g., *Kent v. Laverdiere*, 2009 CanLII 16741, at *5 (Can. Ont. Sup. Ct. J.) (finding photos on Facebook and MySpace could potentially be relevant); *Goodridge v. King*, 2007 CanLII 51161, para. 128 (Can. Ont. Sup. Ct. J.) (concluding that the plaintiff’s Facebook photos contradicted her claims); *Kourtesis v. Joris*, 2007 CanLII 39367, para. 6 (Can. Ont. Sup. Ct. J.) (same).

Additionally, some judges have gotten creative in how they approach the discoverability of social media. In at least one case, a Tennessee magistrate judge offered to “friend” the plaintiffs on Facebook for the purpose of conducting an in-camera review of the photographs and comments contained on their Facebook pages. *Barnes v. CUS Nashville, LLC*, No. 09-764 (M.D. Tenn. June 3, 2010). In another case, a New Jersey judge, after conducting her own research by visiting the plaintiff’s Facebook page, relied on a Facebook photograph as evidentiary support for her determination that the plaintiff’s claimed inability to find a job was not credible, resulting in denial of Social Security benefits. *Purvis v. Comm’r of Soc. Sec.*, No. 09-5318 (D.N.J. Feb. 23, 2011). As a final example of the creativity of judges, the British Columbia Supreme Court, presiding over a personal-injury case involving an alleged brain injury, ordered the plaintiff to provide the defendant with a copy of her hard drive so that the defendant could determine how much time the plaintiff spent on Facebook. *Bishop v. Minichiello*, 2009 BCSC 358, paras. 1, 4, 57 (Can. B.C. S.C.).

Tips to Help Avoid Problems with Social Media in Litigation

In light of this developing yet still largely uncharted landscape, parties would be well advised to follow some general principles when navigating the discoverability of social media. First and foremost, companies should immediately update their document-retention policies to include social media. By establishing a written process and consistently following that process, adversaries will face significant obstacles should sanctions be sought down the road for spoliation. A simple update to a party’s retention policy, however, only solves half the problem.

Although a company can require its employees to turn over old-fashioned emails and other ESI stored on a company computer or account, the same cannot typically be said for information contained on an employee’s personal social-media site. But could a company get sanctioned if its employee refuses to provide this information? Suffice it to say, some parties may make the argument that a company should be deemed to have effective “control” over its employees’ social-media sites vis-à-vis the company’s general control over its employees, at least to the extent that employees are using company resources to access social media or using social media as part of their jobs. Although this is more of a human-resources issue than a discovery issue, most companies likely have no current recourse in the event of litigation except to ask their employees nicely to turn over needed information. In an abundance of caution, especially for companies that are at risk for being sanctioned for non-cooperative employees due to the nature of their business or workplace, companies should consider contractually requiring their employees, as a condition of employment, to turn over social-media information in the event that it becomes necessary for litigation. Because of the significant privacy concerns involved, this issue may end up becoming one of the most hotly debated topics as the social-media revolution reaches its next level.

At the same time that a party issues an internal litigation hold, it must immediately alert its social-media providers of their need to preserve all of the party’s information currently available and that this preservation effort must be continued until the dispute has been resolved. The



timing of this notice is critical because social-media information is stored “in the cloud,” meaning that the data is constantly at risk of being overwritten or subject to routine deletion. Waiting just a few extra days to issue a litigation hold to a social-media provider may give the opposing party fodder to argue that material information was purposefully or recklessly destroyed.

On a related note, much like with any cloud-computing provider, parties should ensure that their social-media sites, as well as each site’s servers, will cooperate with them in the event of litigation. Ideally, this means that before signing up with any particular social-media site, a party should conduct the necessary due diligence on the site, including who owns the data, who can access the data, how long the data will be retained, the policy for data duplication if a need exists, and how the site will respond to criminal and civil subpoenas. Further, regardless of what a social-media site’s or third-party server’s written policies might state, parties should ask around about the reputation of the organization. Some sites and servers have reputations as being unresponsive or non-cooperative. Although parties likely will not encounter any resistance from established, international social-media sites (e.g., Facebook, YouTube, etc.), parties should be prepared for different procedures and perhaps obstacles when dealing with smaller or less well-known sites.

In short, social media has the potential to significantly increase the complexity and difficulty of e-discovery by expanding the realm of discoverable information that a party must, but cannot always, control. Given the rapid expansion of social media, and the increased tendency of courts to impose sanctions for failure to preserve or produce ESI, parties should tread conservatively. Getting through the ever-expanding minefield that is e-discovery is not easy, so until a critical mass of courts have clearly delineated a narrower rule, parties should preserve all potentially relevant social-media information from all potentially relevant individuals and entities. Of course, once the law catches up to this one form of technology—social media—there will likely be another challenge right around the corner.

Keywords: litigation, pretrial practice and discovery, social media, Facebook, Twitter, LinkedIn, Google+, YouTube, Flickr, blog

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Different Perspectives on Oral Advocacy

By Nicole D. Thumma and Samuel A. Thumma

Oral advocacy is essential in many aspects of daily life. From a baby's cry, to trying to stay up a bit later on a school night, to lobbying for a particular vacation destination, oral advocacy has a huge impact on how most of us live our lives.

Effective oral advocacy is the lifeblood of litigators. Be it seeking to convince a jury or judge, an opponent, a regulator, or a client or potential client, lawyers use persuasion every day in almost everything. How, then, do persuasive skills used in day-to-day life differ from those used in the law (or do they differ at all)?

Nearly a generation ago, in *All I Really Need to Know I Learned in Kindergarten*, Robert Fulghum suggested how the world might be a better place if adults applied the same basic concepts they learned as children. On the heels of Nicole's seventh-grade oral presentation on the Oracle of Delphi and following Sam's stint as a judge pro tempore on the Arizona Court of Appeals, we decided to test Mr. Fulghum's suggestions. More specifically, we decided to discuss whether the approaches to oral presentations for a seventh grader (through the eyes of Nicole, a seventh grader) applied to pretrial oral advocacy in court (through the eyes of Sam, a trial judge). In doing so, we first identified 10 helpful tips for oral advocacy and then addressed them from those two perspectives.

Ten Tips for Effective Oral Advocacy

1. Be Prepared

Nicole's View: Prepare so that you know what you are talking about and can answer any questions. You want to give the impression that your audience can trust you. Also make sure what you are saying relates to the topic so that you keep your audience focused.

Using note cards or an outline will help without signaling that you don't know your facts. You should go over your presentation several times so that you won't need such tools, but have them handy just in case.

The saying "practice makes perfect" is a good one. If you go over your presentation many times, and you practice parts you are having trouble with, then you will find it makes your presentation go smoother.

Sam's View: Nicole's approach has a great deal to offer for attorneys. In preparing for oral argument, read the briefs again and make sure you know what they say. Often, there are last-



second epiphanies framed by the briefs that can be winners at oral argument. Don't overlook that opportunity.

Do prepare an oral argument outline. Similar to outlining in advance of law-school exams, the process of *preparing* an outline may be more helpful than *using* an outline at oral argument. Also, make sure the outline anticipates arguments by the other side and has responses. If you are the movant, also make sure your outline has a few points to press in rebuttal.

Focus on the relief requested from the court. That will help in framing argument and avoiding distractions. Remember, the goal at oral argument is getting the court to do, or not do, something. To accomplish that goal, you need to know what relief you are requesting.

2. Have a Presence

Nicole's View: You need to convey that the audience should be listening to you and that your presentation should take priority over any side conversations or distractions. Stand up there like you are supposed to be up there, like you know what you are talking about, and you have good information that the audience should know.

You are the center of attention, so act like you are. Stand in the front of the room and speak confidently so that you have everyone's attention. Hold yourself tall, and don't slouch. The audience shouldn't have to listen to whispering, so use a good, strong, loud voice, but don't yell. Don't speak too fast, because that gives the impression of nervousness, but don't speak too slowly either. It is fine to speak a little more slowly than usual so that the audience can hear you clearly. Don't leave long pauses between words, because that can leave the impression that you aren't prepared. Just use a nice, even pace.

There has to be balance in your presentation style. Don't make a big deal about yourself. Get their attention, but make sure it's about the information you are presenting, not about yourself.

Sam's View: Again, Nicole's approach translates well to the courtroom. Advocates should take care so that the judge is focused on their argument. Own the courtroom. Use a calm, steady, and strong voice. Think of your audience, including the court reporter. Everyone speaks faster when he or she is nervous and it is not uncommon for even experienced attorneys to be a little nervous during oral argument. So, when you present, consciously slow down a little.

Make eye contact with the judge and do everything within your power to convey confidence in your position. Even the most legally correct argument can be undercut by body language expressing doubt, reservation, or uncertainty. Don't let that happen to you.

3. Start with an Overview



Nicole's View: Like a book's table of contents, an overview gives the audience a chance to see what is coming. People want to know what they will be hearing about, do not like random new topics, and may not like surprises. People also may like to know where they are in the speech and how many topics the speaker has yet to cover.

Don't make an overview too detailed. Just list the most important topics that will be covered. An overview lets the audience know that you are going to talk about something they need or want to hear about and that they should listen through the entire presentation. If they know the topics that you will address, there is a better chance that they will listen carefully.

Sam's View: An overview for any oral argument is essential. It is, as Nicole states, like a table of contents and should be short and address a small number of essential points: (1) the issue you are arguing; (2) your client's position and the key reasons—ideally three or fewer—why that position should prevail; and (3) the relief requested. The overview also has to be short. For most oral arguments, an overview should last no more than 30 to 60 seconds. It also should quickly and logically tie into the briefs and lead into the structure of your argument.

4. Speak to the Audience, Not at the Audience

Nicole's View: Everyone likes to be treated as an individual. That's why people like to be spoken *to*, not just *at*. Eye contact is an important key to speaking to (not at) people. Think about it this way: If you are having a one-on-one conversation, wouldn't you look that person in the eye so that the listener felt like you were speaking to him or her? Try to make eye contact with as many people as you can so that they know you are speaking to each of them. Although in a presentation, you aren't having a one-on-one conversation, you can make the audience feel like you are speaking to them, not at them.

Sam's View: The judge is your audience. Speak to, not at, the judge. Any other approach is a mistake.

5. Use Gestures

Nicole's View: Although constant hand movement is not suggested, an occasional gesture can help keep the attention of the audience. Make sure that it's not a big or grand gesture. Just moving your hand a little to punctuate a word or important point is enough. Gestures can emphasize a point and also can be used to compare and contrast different points of view. Don't use obscure motions or move too quickly. Don't use any gestures so close to any member of your audience that the person flinches in response. Remember personal-space issues.

Sam's View: Gestures in court should be used sparingly and with a specific purpose. They can be used to do things like emphasize particularly important points or to show contrasts. But gestures also can be a distraction if they are not used in a thoughtful and purposeful way.

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I recall one situation where opposing counsel (and a longtime friend) made occasional windmill gestures in my direction. On one such occasion, he came very close to making contact with my head. If he had done so, it would have been accidental. His gestures, however, distracted the judge, who was looking at whether he was going to strike me instead of paying attention to his argument. So, use gestures in court sparingly, carefully, and with a purpose.

6. Use Visual Aids Appropriately

Nicole's View: If given the choice, use visual aids. Like gestures, visual aids can help keep the attention of your audience and communicate your message. A visual aid also will keep the listeners more focused and entertained, and more likely to listen to your presentation. It can be a PowerPoint slide, a poster, a handout, an object, or any number of other things.

Don't write all the facts on the visual aid. That's what you are there to do in your presentation. Instead, use visual aids to highlight important facts or topics.

A PowerPoint presentation should help highlight and illustrate the facts, not state them. Although you should not have one slide the entire time—it gets boring—don't have a slide for each fact either. You might want to use one slide per subtopic that you are talking about.

For posters, you don't want too much writing. Unless the poster is the size of a wall, the audience won't be able to read it. Also, if you are using only one poster, make sure it is broken down into subtopics so that it applies during the entire presentation.

For handouts, don't make it a written version of your presentation. If you do, people will either read the handout and ignore your presentation or not look at the handout at all. Like a PowerPoint, a handout needs to include information that you want the audience to remember and keep in their heads, not a word-for-word version of the presentation.

For all visual aids, use them in a mock presentation before you make your formal presentation. Make sure you know where everything is and the order of things. Also make sure that you know how long you have for your presentation so that you don't get behind. As you are writing your presentation, think about what you want to use for visual aids. Don't wait until the last minute to identify and prepare your visual aids.

Sam's View: Visual aids can be very helpful at oral argument. However, they don't need to be high-tech. Although PowerPoint presentations can be nice, they won't work very well if your oral argument time is spent rebooting your computer or in a courtroom where the sound drowns out the presentation. A low-tech poster or handout can be just as effective.

Make sure visual aids are a help, not a distraction. Consider short checklists comparing, say, factors you believe are present in your case with a controlling and helpful appellate case. Such a checklist is simple and allows the court to follow along with your argument. By contrast, avoid lengthy handouts that cause the court to multitask or, even worse, ignore your argument while reading the handout. Visual aids should augment and supplement—not distract from—oral argument.

7. Don't Act

Nicole's View: Present like a real person. Don't act in a way that people who know you wouldn't recognize. There is no reason why you should be a different person speaking to a group than when speaking to an individual. Although you want to be something for the people to focus on, make sure that they are focusing on you for the information, not a goofy approach or style. Whatever you do in your presentation, it needs to seem natural. An artificial demeanor makes people curious about whether to believe what you are saying, and they will wonder if you are acting all fancy to hide your lack of facts. Make sure that you sound believable in your presentation, and make the audience feel like they can rely on the facts in your presentation.

Sam's View: Agreed, both for facts and law during oral argument in court.

8. Don't Exaggerate or Overstate

Nicole's View: The main reason not to exaggerate is that you will lose credibility with the listener. Even an exaggeration of one fact may lead listeners to think that they cannot believe any facts that you give them. Facts should be facts, not stories that need to be exaggerated to get the listener's attention. The listener needs to know your facts are real and not made up.

When someone knows that you are exaggerating, he or she tends to tune out and not really listen anymore. There is no reason to overstate, even if it might make your presentation sound a little more interesting. Don't exaggerate, even if you think you might get an advantage from it. Just don't do it.

Sam's View: Once lost, credibility is hard to regain. And if credibility is lost, almost all else that matters is lost. Your briefs and argument should send the message to the judge that you can be relied upon, will provide correct and valid authority and factual citations, and will address adverse facts or law directly and honestly. That approach will yield good results in the short run and the long run. A contrary approach, however, will be discovered and will have adverse consequences. So, as Nicole correctly puts it, "don't exaggerate, even if you think you might get an advantage from it. Just don't do it."

9. Address Questions Appropriately



Nicole’s View: If you have said in the beginning that you are answering questions as you go, you should answer them during the presentation. If you announce that you will answer questions at the end, stick to that. In that case, keep track of any questions but wait until the end to answer them.

When you answer questions, make sure you understand the question asked. Then answer the question and give an appropriate explanation. Don’t give the minimum information to answer the question. Make sure you give enough information so that the person understands the “why” of the answer, and not just yes or no.

Always make eye contact when answering a question. Along with speaking to the person, you can tell whether the person understands the answer or whether you need to elaborate more on the topic. You also may want to consider asking the person whether you have answered his or her question. If you do that, do so in a polite manner that would not offend, and make sure the person understands the answer and doesn’t have any follow-up questions.

Sam’s View: Welcome questions. The worst question for an advocate is the one a judge had but was unable to ask (or, even worse, that was asked but was not answered). Don’t defer answering a question. A response that the advocate will “get to that in a few minutes” is not an acceptable response to a question from the judge. Answer questions when asked and come back to your outline later.

If the answer is yes or no, say so. If the question cannot be answered with a yes or no, say so as well but then also tell the judge why not. Don’t talk around the question, even if it is hard to answer or has no clear answer. Courts typically don’t ask questions unless they want an answer or, at very least, counsel to address the issue.

Finally, if you don’t know the answer, say so and offer to follow up with a short supplemental brief. If you offer to file such a supplement, do so and make sure the judge gets a copy in a timely fashion. You want to address the issue in real time, before the judge goes on to other things. Don’t assume that a supplement two weeks later will have the same impact as one filed the same day as oral argument.

10. End Strong

Nicole’s View: In ending your presentation, you want to remind the audience of the important facts and not too much more. Like with the beginning, you should not go over specifics. Instead, you are covering the broader topics and what you think is important about each one. Make it nice and short.

If you are telling people that this is the end of the speech, it should be. People also may start packing up or getting ready to leave when you say something like “in conclusion,” so don’t then



keep speaking for a long time. The ending should touch on what you really want the audience to remember about your presentation. In other words, if they remember nothing else, they should remember your conclusion. End strong, and keep it short.

Sam’s View: Primacy and recency are very important concepts. Perhaps more important than starting strong, is to end strong. Ideally, the judge will remember your entire argument as brilliant, well-organized, well-supported, and logical. Short of that ideal, however, you certainly want the court to remember your conclusion and, accordingly, it needs to be strong.

Typically, a conclusion should be no longer than the overview or introduction. It should state a small number of reasons why your position is correct and the relief you are requesting. It should be as forceful as any other part of your presentation. It should indicate—but not say—that the court should have confidence in your position. And then you should sit down. To quote Nicole, “end strong, and keep it short.”

Conclusion

In many ways, *All I Really Need to Know I Learned in Kindergarten* (or at least in seventh grade) applies to oral argument. In general, oral advocacy in the law does build on instincts and skills developed long before law school and, though there are differences, the similarities far outnumber those differences. Stated simply, relying on what you learned in seventh grade really can help you during oral argument in court.

Keywords: litigation, pretrial practice and discovery, oral advocacy, public speaking, junior high, *All I Really Need to Know I Learned in Kindergarten*

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Avoiding an Electronic Discovery Disaster with Litigation Holds

By Elizabeth S. Fenton, Diana Rabeh, and Jonathan M. Shapiro

The U.S. government estimates 206,000,000 barrels of oil flowed from the explosion of BP's rig into the Gulf of Mexico. Dina Cappiello, "[New BP Challenge to Spill Size Could Affect Fine](#)," *Associated Press*, Dec. 3, 2010. BP has confirmed that the cost of the Deepwater Horizon oil spill is \$1.6 billion as of December 1, 2010. There are 1 trillion bytes of data in the form of documents, emails, voice mails, text messages, and instant messages expected to be retrieved from BP's electronic discovery. William W. Belt Jr., [Electronic Discovery Challenges in BP Oil Spill Cases](#) [PDF], *The e-Discovery 4-1-1*, Aug. 2010. The sheer volume of electronic data will cause the Deepwater Horizon oil spill to become one of the largest electronic discovery events in history.

In the wake of events like an oil spill, natural disaster, or other catastrophic event, clients find themselves confronting urgent duties regarding the maintenance and preservation of electronic evidence, duties that may possibly burden their ability to conduct operations going forward. As litigators, especially as business torts litigators, it is imperative that we provide effective guidance to clients both before and during litigation to ensure that these duties are met and to minimize—to the degree possible—the burden on their business so that a disaster does not become an e-discovery disaster as well.

Although the explosion of electronic discovery over the years alone warrants heavy emphasis on having a proper system in place to respond to pending or anticipated litigation, a disaster such as the Deepwater Horizon oil spill reminds us that work done before a crisis will pay off when the inevitable crisis comes. In the face of an overwhelming amount of daily electronic communication and the relative ease of spoliation, we must advise our business clients of the triggers for the common-law duty to preserve evidence and assist them in developing policies and practices to ensure that the duty is met when it arises. We must also advise them that the high costs associated with electronic discovery coupled with the risks of sanctions in the event of data destruction, even inadvertent destruction, make ignoring such a duty perilous.

The Law Governing Litigation Holds

A litigation hold is simply a communication within a company that requires that all information—whether paper or electronic—relating to the subject of a current or an impending litigation be preserved for possible production in the litigation. The 2003 landmark case, *Zubulake v. UBS Warburg, LLC*, popularized the use of the litigation hold to satisfy preservation obligations imposed on parties. The court explained that “[o]nce a party reasonably anticipates litigation, it must suspend its routine document retention/destruction policy and put in place a

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“litigation hold” to safeguard all relevant data. *Zubulake v. UBS Warburg LLC*, 220 F.R.D. 212, 218 (S.D.N.Y. 2003); *see also ACORN (N.Y. Ass’n of Cmty. Org. for Reform Now) v. County of Nassau*, No. 05-2301, 2009 WL 605859, at *2 (E.D.N.Y. Mar. 9, 2009) (explaining that once the duty to preserve arises, “a litigant is expected, at the very least, to suspend its routine document and retention/destruction and to put in place a litigation hold” (internal citation omitted)).

“[W]hile a litigant is under no duty to keep or retain every document in its possession, it is under a duty to preserve what it knows, or reasonably should know, is relevant in the action, is reasonably calculated to lead to the discovery of admissible evidence, is reasonably likely to be requested during discovery and/or is the subject of a pending discovery request.” *Wm. T. Thompson Co. v. General Nutrition Corp.*, 593 F. Supp. 1443, 1455 (C.D. Cal. 1984). The purpose of a litigation hold is to prevent the automatic destruction of potentially relevant or discoverable documents and information pursuant to a document retention policy.

Amendments to the Federal Rules of Civil Procedure that took effect on December 1, 2006, codified the evolving obligation for companies to preserve, collect, and produce “electrically stored information.” Except for a Note to Rule 37(f), which references the use of a “litigation hold” as a method of implementation, the Federal Rules do not define the scope of the preservation obligation under a litigation hold per se and do not expressly require litigants to adopt a “litigation hold.” Similarly, although the Delaware Court of Chancery recently issued guidelines regarding the preservation of electronically stored information, few other courts have done so. *See [Court of Chancery Guidelines for Preservation of Electronically Stored Information](#)*. Nonetheless, many district courts have determined that the “utter failure to establish any form of litigation hold at the outset of litigation is grossly negligent” and subject to sanctions. *Heng Chan v. Triple 8 Palace, Inc.*, No. 03-CIV-6048, 2005 WL 1925579, at *7 (S.D.N.Y. Aug. 11, 2005). As one judge recently explained, “By now, it should be abundantly clear that the duty to preserve means what it says and that a failure to preserve records—paper or electronic—and to search in the right places for those records, will inevitably result in the spoliation of evidence.” *Pension Comm. of Univ. of Montreal Pension Plan v. Bank of Am. Secs., LLC*, 685 F. Supp. 2d 456, 462 (S.D.N.Y. 2010).

When Is the Duty to Preserve Triggered?

Because the duty to preserve is not necessarily triggered at the commencement of litigation, it is imperative that a company be aware of when the duty to preserve documents and issue a litigation hold arises. “The duty to preserve material evidence arises not only during litigation but also extends to the period before the litigation when a party reasonably should know that the evidence may be relevant to anticipated litigation.” *Silvestri v. General Motors Corp.*, 271 F.3d 583, 591 (4th Cir. 2001); *see also Jacob v. City of New York*, No. 07-cv-04141, 2009 WL 383752, at *1 (E.D.N.Y. Feb. 6, 2009) (“[The] obligation to preserve evidence arises when the party has notice that the evidence is relevant to litigation or when a party should have known that the evidence may be relevant to future litigation.”). When the duty to preserve is triggered, a party must take reasonable steps to preserve relevant and/or discoverable information, which

includes “what it knows, or reasonably should know, is relevant in the action, is reasonably calculated to lead to the discovery of admissible evidence, is reasonably likely to be requested during discovery and/or is the subject of a pending discovery request.” See *Wm. T. Thompson*, 593 F. Supp. at 1455. A party who fails to preserve and produce information as required may be subject to a range of sanctions. *Id.* (“Sanctions may be imposed against a litigant who is on notice that documents and information in its possession are relevant to litigation, or potential litigation, or are reasonably calculated to lead to the discovery of admissible evidence, and destroys such documents and information.”).

Although this rule may appear straightforward, its application can be hard to pin down in some situations. For example, when an unexpected disaster strikes, many would argue that the duty to preserve arises almost immediately at the outset of the disaster. At least one commentator has speculated that the duty to preserve arguably arises before disaster strikes, particularly where the disaster is “man-made” or the result of ongoing negligence. Maribeth L. Minella, [BP Oil Spill Demonstrates Why Litigation Hold Instructions Are Invaluable](#), Delaware Employment Blog, June 16, 2010. Suffice it to say that “[d]etermining whether a duty to preserve is triggered is fact-intensive and is not amenable to a one-size-fits all or a checklist approach.” The Sedona Conference, “The Sedona Conference Commentary on Legal Holds: The Trigger & the Process,” 11 *Sedona Conf. J.* 265, 271 (2010).

The Sedona Conference, recognizing that determining when the duty to preserve is triggered can be difficult, has provided a number of guidelines to practitioners. *Id.* First, the Sedona Conference defines “reasonable anticipation of litigation” as arising “when an organization is on notice of a credible probability that it will become involved in litigation, seriously contemplates initiating litigation, or when it takes specific action to commence litigation.” *Id.* at 269. This determination “should be based on a good faith and reasonable evaluation of relevant facts and circumstances.” *Id.* at 270. Important reasonable facts and circumstances for a company to consider include:

- The nature and specificity of the complaint or threat;
- The party making the claim;
- The business relationship between the accused and accusing parties;
- Whether the threat is direct, implied or inferred;
- Whether the party making the claim is known to be aggressive or litigious;
- Whether a party who could assert a claim is aware of the claim;
- The strength, scope, or value of the known or reasonably anticipated claim;
- Whether the company has learned of similar claims;
- The experience of the industry, and
- Reputable press and/or industry coverage of the issue either directly pertaining to the client or of complaints brought against someone similarly situated in the industry.

Id. at 276.

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Accordingly, because the duty to preserve documents may arise well before a complaint has been filed or a subpoena is served, a company must be cognizant of the factors outlined above and must consider the necessity of a litigation hold whenever a claim or threat of a claim first comes to light.

Best Practices for Implementing Litigation Holds

Companies should not wait until disaster strikes or litigation is commenced to start thinking about how best to manage and protect their electronic data. The following practice tips are designed to assist companies in managing, storing, and protecting electronically stored information and implementing a proper litigation hold.

Be Prepared

Before drafting a litigation-hold policy, a company should set forth a “policy or practice setting forth a process for determining whether the duty to preserve information has attached.” *Id.* at 274. As the Sedona Conference explained, “[A]dopting and consistently following a policy or practice governing an organization’s preservation obligations is one fact that may demonstrate reasonableness and good faith.” *Id.* In addition, a company must know how its electronic data is stored, backed up, and archived so that it can draft a proper litigation-hold policy. Specifically, companies should be aware of potential “evidence destroyers” and problem areas such as the automatic deletion of email, the recycling of backup tapes, the upgrading and reformatting of systems, laptop computers, home computers, portable storage devices such as flash drives, and personal email accounts.

Be Proactive

Businesses should periodically review and monitor their document-retention policies before a situation necessitates the implementation of a litigation hold. By being proactive, a company can determine if there are any holes or deficiencies in the policy or its implementation and whether the policy needs to be updated. This step is also critical to a later showing of good faith, as Rule 37(e) provides that “[a]bsent exceptional circumstances, a court may not impose sanctions under these rules on a party for failing to provide electronically stored information lost as a result of the routine, good-faith operation of an electronic information system.” Fed. R. Civ. P. 37(e). The protection of this provision may be lost, however, if—after the duty to preserve is triggered—the retention policies are not suspended or modified.

Set Up an Electronic Discovery Team

For larger companies and/or legal departments, the time and resources dedicated to putting together an e-discovery team are well worth it. This team should consist of not only legal personnel but technology personnel as well. Technology personnel will be particularly important for ensuring the suspension of the automatic deletion of email, the recycling of backup tapes, and the upgrading and reformatting of systems. It is also important to designate and train a member

of the electronic discovery team to handle inquiries from employees about claims or threats of litigation, the duty to preserve, and other questions regarding the litigation hold.

Identify Key Players

When litigation is reasonably anticipated, a business must quickly implement an effective litigation hold and make sure all sources of potentially relevant information are identified and placed on hold. To do so, a company must identify and interview the key players in the litigation as quickly as possible. It is important to note that it may be necessary to extend the litigation hold beyond the key players to “appropriate data stewards, records management personnel, information technology (IT) and other potentially knowledgeable personnel.” Sedona Conference, *supra* p. 10, at 283.

Issue Effective Litigation-Hold Policy Promptly

When a company issues a hold notice, the company should disseminate it to its employees both electronically and via interoffice mail. The litigation hold should also include the following information:

- A description of the case in laymen’s terms;
- Instruction on which documents should be preserved and how such documents should be preserved;
- Instruction that any automatic deletion of email or other electronic media should be suspended;
- Instruction for recipients to search all information for anything relevant or potentially relevant to the claim and to err on the side of preserving;
- An explanation to recipients about the risk to the company and its employee for failing to heed the litigation-hold request; and
- Contact information for the designated person from the e-discovery team, or an in-house or outside lawyer.

The widespread use of electronic discovery makes it vital for litigants to employ litigation holds as soon as a claim or potential claim is reasonably anticipated. The failure to timely implement a litigation hold may not only result in spoliation but may also be costly to a party in the form of court-ordered sanctions, including the entry of a default judgment. One court even went so far as to suggest the imposition of jail time for spoliation. *See* Sean T. Carnathan, “Jail Time for Spoliation?” 36-2, *Litigation News*, Winter 2011, at 17. In *Victor Stanley, Inc. v. Creative Pipe, Inc.*, 269 F.R.D. 497 (D. Md. 2010), Magistrate Judge Paul W. Grimm of the U.S. District Court for the District of Maryland determined that the defendant’s willful acts of spoliation warranted not only partial default judgment in favor of the plaintiff but also constituted civil contempt. *Id.* at 500. The court ordered the culpable individual defendant to be “imprisoned for a period not to exceed two years unless and until he pays to Plaintiff the attorney’s fees and costs” allocable to spoliation. *Id.* (internal citations omitted). In later proceedings, U.S. District Judge Marvin J. Garbis modified the sanctions to eliminate the potential for jail time, reasoning that it was not

appropriate to order the individual “[d]efendant incarcerated for future possible failure to comply. . . .” See *Victor Stanley, Inc. v. Creative Pipe, Inc.*, D.C. Md., C.A. No. MJG-06-2662, Garbis, J., at *3 (Nov. 1, 2010) (Memorandum and Order). Businesses cannot afford to take the requirement that they issue litigation holds lightly.

Be Over-Inclusive

It doesn’t hurt to be over-inclusive in determining which documents should be placed in the litigation hold, and employees should always err on the side of caution. Although preserving and collecting massive quantities of data can be expensive, this cost must be weighed against the very real threat of spoliation and the issuance of sanctions. Thus, until a company is aware of what discovery requests it will face in the future, it is recommended that companies preserve their data very broadly.

Be in Control

It is necessary not only to implement a litigation hold but also to continually take affirmative steps to monitor compliance. The monitoring and testing of a litigation-hold policy ensures that employees are following the policy and that its data has been safeguarded. In *Zubulake*, the court explained that litigation-hold responsibilities do not end with the issuance of the litigation hold: “Counsel must oversee compliance with the litigation hold, monitoring the party’s efforts to retain and produce the relevant documents.” *Zubulake*, 229 F.R.D. at 432. This is especially true where a company may face criminal charges and employees may be tempted to delete or alter information that might get them in trouble. Throughout the process, counsel should document the steps taken to both ensure compliance and prevent the destruction of potentially relevant electronically stored information.

Keep Communications Open

A company should communicate with its employees to ensure that the litigation hold has been effectively implemented, while counsel is, at the same time, having ongoing conversations with opposing counsel and the court on the status and progress of electronic data. This is especially true where discovery may involve particular areas of sensitivity.

Conclusion

No one can predict when disaster will strike, but a company can and should prepare itself for disasters that might arise and take steps to minimize the risk of secondary electronic discovery disaster. As litigators, we play an instrumental part in ensuring that our business clients are prepared if disaster strikes. To adequately prepare our clients and provide effective guidance, we must follow the best practices outlined above for implementing an effective litigation-hold policy. The high costs of electronic discovery, as well as the risk of sanctions in the event of spoliation, even inadvertent, make it imperative that we assist our clients in proactively implementing policies and practices to ensure that the common-law duty to preserve is met.

Keywords: litigation, business torts, technology, electronic discovery, litigation holds

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Pretrial Practice & Discovery

FROM THE SECTION OF LITIGATION PRETRIAL PRACTICE & DISCOVERY COMMITTEE

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NEWS & DEVELOPMENTS

Federal Circuit Releases Model E-Discovery Order for Patent Cases

The U.S. Court of Appeals for the Federal Circuit has recently unveiled a [model e-discovery order](#) intended to limit e-discovery in patent cases. The stated purpose of the order is to control excessive e-discovery, including disproportionate and overbroad e-mail production requests, which carry staggering time and production costs and have a debilitating effect on litigation. The court believes that e-discovery in patent litigation generally pertains to a narrow set of issues. The order is intended to narrow the scope of parties' e-discovery requests to the most relevant aspects of a patent case. The court hopes the order in practice will curb disproportionate e-discovery costs, with the goal of making the court more available to all parties seeking to vindicate their patent rights.

Highlights of the order include the following:

- Costs will be shifted for disproportionate electronically stored information (ESI) production requests pursuant to Rule 26. Meaningful compliance with the order and efforts to promote efficiency will be considered in cost-shifting determinations. Likewise, a party's nonresponsive or dilatory discovery tactics will be considered.
- General ESI requests under Rule 34 and 45 *shall not* include metadata, absent a showing of good cause.
- Requests for email production must be separate from other general ESI requests and must pertain to specific issues, not general discovery of a product of business.
- Each requesting party is limited in its email requests to five custodians per producing party and five search terms per custodian. The parties may jointly agree to modify these numbers without the court's leave. The court will consider contested requests for up to five additional custodians per producing party and five additional search terms per custodian, upon a showing of distinct need.
- Pursuant to Rule 502, the inadvertent production of a privileged or work-product-protected ESI is not a waiver in the pending case or in any other federal or state proceeding.

The order disfavors the use of broad email requests and places specific limits on the manner and use of these types of requests in patent cases. The court specifically states in its introduction, that it views email requests as tangential to the most significant issues in patent litigation. Therefore, it is unclear whether the order foreshadows the use by other Courts of limitations on e-mail

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requests or is merely a product of this Court's view as to the relevance of emails to patent cases. The court's statements regarding the pertinence of email requests to patent litigation seems to limit the applicability of the order's provisions on email requests, especially in cases—such as employment actions—where emails commonly play an important role.

However, an important takeaway from this order is that the significance of ESI and categories of ESI will be different in every case. It is important for parties and courts to work together to tailor e-discovery based on relevance to the issues with the goal of curbing discovery abuse and bringing down litigation costs. It is clear from this order and the Seventh Circuit's Pilot Program that courts are now more willing to take a proactive role to provide parties with e-discovery guidelines that go beyond what is provided for in the rules, to further those goals. Litigants can expect that more of these types of programs, orders, and guidelines are forthcoming from other courts and jurisdictions.

Look for a full analysis of the implications of this model order on other arenas of civil litigation in an upcoming issue of our newsletter.

— [Aaron H. Gould](#), *Podvey, Meanor Catenacci, Hildner Cocozziello & Chattman, P.C., Newark, NJ*

Courts Are Expanding Recovery of E-Discovery "Costs"

“The court is persuaded that in cases of this complexity, e-discovery saves costs overall by allowing discovery to be conducted in an efficient and cost-effective manner.” With that opening, Judge Legrome Davis of the Eastern District of Pennsylvania has joined the raging debate over taxation of e-discovery expenses as “costs” under 28 U.S.C. § 1920. This case first grabbed the e-discovery version of “headlines” when in July 2011 the clerk of court issued a 70-page written decision awarding over \$500,000 in e-discovery costs. That decision was appealed to the district court, which on October 5, 2011 affirmed in part and reversed in part the clerk's determinations. *In re Aspartame Antitrust Litigation*, No. 07-CV-1732 (E. D. Pa., Oct. 5, 2011). The court agreed that e-discovery costs for items like processing, de-duplication, hosting, keyword and privilege searching, and forensic-tape restoration should be awarded, but the court denied costs for the use of a “concept search” function used by defendants (Attenex Document Mapper) as “advanced technology” that “exceeds necessary keyword search and filtering functions” and was “acquired for the convenience of counsel.” E-discovery practitioners will note the discrepancy between this court's apparent treatment of keyword searching as a kind of gold standard and recent comments from the judiciary (in opinions and industry publications) criticizing keyword searching and endorsing “advanced technology” such as concept searching and predictive coding.

The *In re Aspartame* decision comes on the heels of another decision out of Pennsylvania, [Race Tires of America, Inc. v. Hoosier Racing Tires Corp.](#), No. 07-1294 (W.D. Pa. May 6, 2011) in

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which Judge McVerry of the Western District offered the understatement that “[E]-discovery has become a necessary and sometimes costly function of civil litigation.” In *Race Tires* the court awarded the prevailing two defendants over \$350,000 in e-discovery expenses, finding that the expenses were authorized under the category of “fees for exemplification and the costs of making copies of any materials where the materials are necessarily obtained for use in the case.” The court held that because the plaintiff had agreed to the procedures used by defendants and had been aggressive with its discovery requests, and because the defendants’ vendors had performed highly specialized tasks not akin to paralegal work, the defendants would recover all of their costs.

Race Tires was an antitrust case involving suppliers of dirt-track auto-racing tires. The case was marked by extensive and repeated disputes between the parties over electronic discovery. The parties attempted to control the disputes with an e-discovery case-management order specifying what types of documents would be produced in what formats and setting goals for agreement on keywords, but ended up filing 11 discovery-related motions. The plaintiff was particularly aggressive in discovery, resulting in the defendants collecting over 490 gigabytes from their servers.

Both courts noted that since a 2008 change in the statute permitting costs for copying “any materials” (the prior statute had said “copies of papers”), no court had categorically rejected e-discovery costs under section 1920. Most courts have awarded costs for scanning paper documents into electronic form. But some courts have refused to award costs for thoroughly processing electronically stored information and creating databases. See [*Fells v. Va. Dept. of Transp.*, 605 F. Supp.2d 740, 741 \(E.D. Va. 2009\)](#); see also [*Specht v. Google, Inc.*, No. 09-2572 \(N.D. Ill., June 27, 2011\)](#) (no e-discovery costs where parties did not agree to exchange electronically). And, some courts have denied costs for vendor collection and processing data, reasoning that such expenses were similar to paralegal work, which is not recoverable under the statute. See [*Klayman v. Freedom’s Watch, Inc.*, No. 07-22433 \(S.D. Fla. Dec. 4, 2008\)](#). Although both the *Race Tires* court and the *In re Aspartame* courts went out of their way to limit their conclusions to the facts presented, and the awards have been or are likely to be appealed, both decisions (and other similar decisions, like [*Tibble v. Edison Int’l*, No. 07-5359 \(C.D. Cal. Aug. 22, 2011\)](#), which awarded costs for forensic searching) are being hailed for their recognition of the complexity, and necessity, of sophisticated e-discovery in modern litigation.

Stay tuned for further news & development updates on this issue and a fuller treatment in our committee newsletter.

— [Seth H. Row](#), *Parsons Farnell & Grein, LLP, Portland, OR*