Wrestling the eDiscovery Beast

The Role of In-House Counsel

eDiscovery
The beast that rears its head in intellectual property litigation

Successfully wrestling the eDiscovery beast requires grasping legal, practical, and strategic elements

March 19th,
3:30pm - Registration
4:00 - 6:00pm - Presentation and discussion
6:00 - 7:00pm - Networking cocktail reception
Welcome!

An introduction to tonight’s presentation from firm President

John L. DuPré
We are a full-service intellectual property law firm offering solutions to intellectual property challenges. We pride ourselves on providing expert services with a strategic approach to advance our clients’ business goals.

Our expertise in the full spectrum of Intellectual Property services, including patents, trademarks, copyrights, trade secrets, agreements, and IP disputes, along with the scientific and technical knowledge of our staff, allows us to deliver exceptional service while solving complex legal issues. Our attorneys, patent agents, and technology specialists are trained in the cutting edge of the following technology areas: chemistry, biotechnology, computer hardware and software, medical devices, pharmaceuticals, physics, optics, nanotechnology, telecommunications, clean energy, polymer science, and electrical, chemical and mechanical engineering.

With a history of 30 years and over 45 attorneys, patent agents, and technology specialists, we have developed a broad base of clients from all over the world, including large corporations, universities and research institutions, small high-technology start-up companies, independent inventors, and venture capitalists.
Coming this Fall:
We’re growing!

Concord, MA
530 Virginia Rd

Boston, MA
155 Seaport Blvd West
2nd Floor
Susan G. L. Glovsky
Principal
Susan Glovsky is a trial attorney who has devoted much of her career to litigating complex trademark, trade dress, copyright, and patent conflicts, patent interferences, and trademark opposition and cancellation proceedings.

A current guest lecturer at the Boston University School of Management and a former Adjunct Professor of Law at Suffolk University Law School.

- University of Vermont, B.S. in Chemistry, 1977
- Boston University School of Law, J.D., 1980

Lawrence P. Cogswell III, Ph.D.
Associate
Larry has represented companies in cases ranging in complexity from the assertion of a single patent to over a dozen patents, often with the counterassertion of multiple patents by the defendant. Larry has been a law clerk with the Honorable Arthur J. Gajarsa of the United States Court of Appeals for the Federal Circuit.

- Duke University, B.S. in Chemistry, summa cum laude
- Harvard University, A.M. in Chemistry
- Harvard University, Ph.D. in Biophysics
- Yale Law School, J.D.
Guest Panelists

**J. Dana Hubbard**  
Head of Patents  
EMD Millipore Corporation  

Before joining EMD Millipore, Dana was Assistant Patent Counsel with W.R. Grace & Co. in Lexington, Massachusetts from 1985 to 1997.

**Martha A. Mazzone**  
Senior Vice President and  
Deputy General Counsel  
Fidelity Investments  

Marty advises businesses and technology groups on best practices, regulatory requirements and policies in social media, mobile devices, technology development and implementation, records management, retention, and litigation readiness.

**David J. Cerveny**  
Senior Vice President,  
Intellectual Property and  
General Counsel  
ConforMIS, Inc.  

David is responsible for managing ConforMIS' legal affairs as well as for developing and implementing ConforMIS' intellectual property portfolio and strategy.
J. Dana Hubbard

Dana is the Head of Patents of EMD Millipore Corporation of Billerica, Massachusetts. EMD Millipore is a leading provider of products and services that improve the productivity in biopharmaceutical manufacturing in clinical, analytical, and research laboratories worldwide. Before joining EMD Millipore, Dana was Assistant Patent Counsel with W.R. Grace & Co. in Lexington, Massachusetts from 1985 to 1997. Prior positions include Deputy Senior Technical Advisor to the U.S. Court of Appeals for the Federal Circuit from 1982-1985, and Associate/Patent Agent for the Virginia law firm of James Wray and Associates from 1980 to 1982. Dana holds a B.S. in Biology from the University of Massachusetts/Amherst and a J.D. from George Washington University.
Guest Panelists

Martha A. Mazzone
Marty is Senior Vice President and Deputy General Counsel at Fidelity Investments. She advises businesses and technology groups on best practices, regulatory requirements and policies in social media, mobile devices and apps, technology development and implementation, records management, retention, search and retrieval of electronic communications, and litigation readiness. Marty also serves as the company’s expert counsel on major litigation and regulatory discovery and case management, and manages a large extended team of lawyers, paralegals, and litigation technology staff operating a centralized litigation support and eDiscovery program. Marty graduated from Harvard University in 1982, and from the University of Maryland School of Law in 1995.
Guest Panelists

David J. Cerveny

As Senior Vice President, Intellectual Property and General Counsel at ConforMIS, Inc., David is responsible for managing ConforMIS' legal affairs as well as for developing and implementing ConforMIS' intellectual property portfolio and strategy. Prior to joining ConforMIS, he was the Chief Intellectual Property Counsel for Palomar Medical Technologies, where he managed a patent portfolio widely regarded as the strongest in that industry. David has a law degree from Boston College Law School, and was formerly an associate with Proskauer Rose and a partner at Hale & Dorr (now WilmerHale). Prior to law school, David earned a degree in biomedical engineering at Marquette University, and worked for five years with McDonnell Douglas Corporation developing digital flight control systems for military aircraft.
Wrestling the eDiscovery Beast

- Electronic information is only binary
  - A gigabyte is simply 8 billion on/off values
- Timing is everything:
  - Pre-Litigation
  - Litigation
  - F.R.C.P. 26(f) conference
  - Discovery

- Focus on the role of in-house counsel
What Are The Roles of In-House Counsel?

I. Preservation of electronically stored information (ESI)
II. Collection of ESI
III. Protection of confidential information
IV. Storage of ESI
V. Review of ESI for production
VI. Production of ESI
What Are The Roles of In-House Counsel?

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**Precedent and Principles**

- Duty to preserve generally arises when litigation is reasonably anticipated
  - “Thus, the proper standard for determining when the duty to preserve documents attaches is the flexible one of reasonably foreseeable litigation without any additional gloss.” Micron Tech., Inc. v. Rambus Inc., 645 F.3d 1311, at 1321 (Fed. Cir 2011)

- Once the duty attaches, compliance is usually effectuated through a “legal hold”.

- Failure to preserve ESI may result in sanctions.
At issue is whether Samsung took adequate steps to avoid spoliation after it should have reasonably anticipated this lawsuit and elected not to disable the “auto-delete” function of its homegrown “mySingle” email system.

Samsung failed to follow up with its employees to ensure their compliance with the litigation hold; it was within each employee’s discretion whether to save relevant documents.

7-25-12, Magistrate Judge ordered an adverse inference instruction allowing the jury to presume that the evidence lost was both relevant and favorable to the plaintiff.

8-21-12, the District Court Judge found that an adverse inference instruction against Samsung was warranted, but modified the instruction to reduce its severity.
Issues

- How to determine when litigation is “reasonably anticipated”?
  - Entry of a court order
  - The filing of a lawsuit
  - Receipt of a subpoena or discovery request
  - Receipt of a demand or preservation letter
  - Forming the intent and taking action in preparation for filing a lawsuit

- What should be made subject to the “legal hold”?
  - Working with IT
    - Reference Rule 26(f) requirement
  - Identifying custodians
  - Developing a defensible strategy
  - Documenting actions to comply with duty
  - What is reasonable?
Issues (cont.)

- When should the scope of the legal hold be reevaluated?
  - A party “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”.
  
  - Not required to anticipate every twist; “no duty to keep and retain every document in its possession”

(Zubulake v. UBS Warburg LLC, 220 F.R.D. 212, 217 (S.D.N.Y. 2003))

- How to reduce the burden proactively
  - Effectively managing document lifecycles
  - Choosing email and server solutions that facilitate compliance when the need arises
In-House Counsel’s Role

- How to determine when litigation is “reasonably anticipated”
- What should be made subject to the “legal hold”?
- When should the scope of the legal hold be reevaluated?
- How to reduce the burden proactively
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Precedent and Principles

- Rule 26(f) obligation of transparency to determine ESI to be collected
- Reasonably accessible data sources
  - Flash drives
  - Backup tapes
  - Floppies?
  - Univac computer??
Issues

- The new mobile
  - Home computers
  - Smartphones
- Determining what is reasonably accessible
- International company and foreign laws protecting employees
Issues (cont.)

International Law

- **French CNIL:** The Commission nationale de l’informatique et des libertés (CNIL) is responsible for ensuring that information technology remains at the service of citizens, and does not jeopardize human identity or breach human rights, privacy or individual or public liberties. The Commission fulfils its duties in pursuance of the law of January 6, 1978 as amended on August 6, 2004.


- **German Law:** The collection, processing and use of personal data is strictly prohibited, unless it is permitted by the law or the person concerned gives consent (§ 4 I BDSG).

- **Swiss Law:** In the case of a transfer of personal data outside of Switzerland, depending on the circumstances, the Swiss Federal Data Protection and Information Commissioner must be informed before the transfer is made.

Issues (cont.)

- A continuing theme:
  - Working with IT
  - Identifying custodians
  - Developing a defensible strategy
  - Documenting actions to comply with duty
  - What is reasonable?

- Practical considerations
  - Is it all on a network?
  - Is it easily offloaded from a computer?
  - Prying computers out of employees’ hands long enough to get the information
  - Computer imaging
  - Encryption

- Possible shifting obligation to pay to the party seeking discovery
In-House Counsel’s Role

- Create an atmosphere of compliance
- Determine where ESI is located
- Be prepared to explain corporate structure
- Prepare business people for collection
- Introduce outside lawyers to custodians
- Determine who is in possession, custody, or control
- Learn lessons and educate the company on the cost of current practices and possible policies to institute
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Precedent and Principles

- Protective Order protects against the disclosure of sensitive company information
- Parties can negotiate additional terms, e.g.,
  - Clawback provision
  - Third party confidential information
- Work on protective order early so that discovery can proceed and issues can be resolved at the Scheduling Conference
Issues

- Number of tiers of confidentiality and who is in each
  - Where is in-house counsel included
  - Example of protective order
  - Legal precedent
- What gets destroyed at the end of the case
  - Saving one set of pleadings
- Mock jurors
- Court’s practice on sealing or impounding documents
- Who can be in depositions
- Clawback provisions
- Third-party confidentiality issues
In-house Counsel’s Role

- Evaluate nature, volume, and sources of the company’s confidential information
- Decide who from the company should be able to see the other side’s confidential information, and who from the other side should be able to see the company’s confidential information.
- Evaluate the existence and scope of third party confidential information
- Work with outside counsel to implement a protective order early in the case
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Precedent and Principles

- ESI must be stored somewhere to be reviewed, *e.g.*, at a vendor’s site
- Raw data must be processed before being loaded for storage and review at a cost of $350 to $1,200 per gigabyte
- The cost of storage depends both on volume stored and length of time stored, typically $25 to $100 per gigabyte per month.
Issues

- Where should data be stored?
  - At company? At vendor?
  - At outside counsel’s offices?

- Technical constraints:
  - Size of company’s and outside counsel’s servers and bandwidth requirements
  - Speed of downloading documents for review

- Reducing storage costs
  - Reduce storage volume with pre-processing of data
    - Deduplication
    - Keyword searching
    - Loading of subset of documents into active storage

- Maintaining inactive databases at reduced cost
In-house Counsel’s Role

- Work with outside counsel to evaluate cost-effective solutions tailored to the needs of the company and the case

- Where should data be stored?

- Technical constraints

- Reducing storage costs

- Maintaining inactive databases at reduced cost
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Precedent and Principles

- Search terms – agreement with opposing counsel
- Metadata – agreement with opposing counsel
  - Sample ESI metadata letter
  - Include production of paper with OCR text
Issues

- Efficient review that is cost effective, does not result in sanctions, and prepares the case for trial

- Who will review
  - Additional law firm
  - Contract attorneys
  - Accessing the data from another country
    - Export control laws: EAR, ITAR, OFAC
Issues (cont.) Export Control

- Limited export licensing authority delegated to the PTO. Applies only to exports of unclassified technical data pertaining to patent applications to be filed in foreign countries—it does not extend to patent applications intended to be filed in the U.S.

- The primary United States regulations controlling export activities are the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations (EAR), and the foreign asset control regulations.

- If an activity is controlled under the export regulations, then a license or other approval is needed from the relevant agency unless an exemption applies. Even if approval is not needed, there might be requirements for government review prior to conduct of the activity, for giving notice to the government or for keeping special records.

- There are potentially severe civil and criminal penalties, including fines and imprisonment, for violating the export laws. Both the organization and the individuals involved are subject to these penalties.
In-House Counsel’s Role

- Provide names of all attorneys including other law firms, in-house counsel, and foreign counsel to assist in identifying privileged information

- Possibly participate in review of certain materials such as in-house counsel files

- Allocate responsibility for managing the document review

- Documents in other languages
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Precedent/Principles
- Metadata agreement
- Providing sneak peak

Issues
- Privilege
- Third-party confidential information
- Logistics for production

In-House Counsel’s Role
- Be prepared to field questions about production
- Make decisions
A Roundtable Discussion: Review of Opposing Party’s Production

- Protective order governs who can see confidential information
- Issue: Amount of information and level of review that can be achieved
- In-house Counsel’s Role:
  - Advise the company without all the information being seen by outside counsel
Join Us Next Month!

The Revival of the Design Patent
A Look at Design Patents and the Implications of Apple v. Samsung

April 24th
Westin Waltham Hotel
8:00 - 10:30am

Topics include:
- Design patents as part of your intellectual property portfolio
- Strategy for United States Patent and Trademark Office prosecution
- Litigation tactics for design patents
- Review of patents and jury instructions in actual litigation, including the Apple v. Samsung case
Join us now!
Networking reception
down the hall

Thank you to Andrew Rejent, Associate at Hamilton Brook Smith Reynolds, for assisting with the presentation.