WALKING THE LINE

New Eastern District Model Order Seeks to Make E-Discovery More Bearable

By Matt Acosta

As anyone footing the bill for a patent infringement lawsuit understands, e-discovery can be breathtakingly expensive. Whether rooted in outdated discovery rules, a business culture of hoarding electronic documents, or merely a natural result of virtually unlimited digital memory space, the process of gathering, reviewing, and producing electronic documents has become one of the most financially taxing parts of any commercial litigation. The good news is, Courts have begun to take notice.

Late last September, during the Federal Circuit's joint Bench-Bar conference with the Eastern District of Texas, Chief Judge Randall Rader unveiled an "E-Discovery Model Order" drafted by the Federal Circuit's E-Discovery Committee Advisory Counsel. The order proposed landmark restrictions to the scope of e-discovery, and especially email discovery. One of the key restrictions proposed to limit email production to a total of five document custodians, and five search terms per custodian, with a maximum of ten custodians and ten search terms only upon application to the Court. Not surprisingly, the model order was met with mixed reaction from the both sides of the bar. At the time, the outstanding question was whether the order could realistically serve as a blueprint for e-discovery in lawsuits while maintaining the spirit of the broad discovery mandates of Federal Rule of Civil Procedure 26. In other words, could this really catch on? Well, with the benefit of a little hindsight, it looks like it has—at least partially.

On February 27, Judge Leonard Davis, newly appointed Chief Judge of the Eastern District of Texas, issued General Order 12-6 making various minor amendments to the Eastern District's local rules and propounding a new "Model Order Regarding E-discovery in Patent Cases" as a brand new "Appendix P" to the local rules. According to the comments of the general order, the Eastern District Model Order was developed by a working group of the Eastern District's "Local Rules Advisory Committee" charged with determining "whether [Chief Judge Rader's] Model Order, or some portion or variation of it, should be recommended for inclusion in [the] . . . local rules." Rather than include the discovery limitations of Chief Judge Rader's order as local rules, the committee chose the more subtle and flexible approach of including a model order as an appendix to the local rules. The Eastern District Model Order now sets the gold-standard for e-discovery in the district. Any plaintiff or defendant deviating from the order will be expected to have good cause bolstered by unique circumstances. So, what's in the order? Here are the highlights:

General Standards for production of electronic documents:

The Model Order sets general standards for e-document production, which were not included in Judge Rader's Order. In the Model Order, Electronic discovery must be produced in a Tagged Image File Format ("TIFF") and must include load files identifying the location and unitization of the TIFF files. Documents need not be produced in a text-searchable format, unless the

documents already exist in such a format or are converted to such a format for use by a party's counsel. A party receiving documents must request that particular documents be produced natively.

Limits on the Scope of Document Retention and Collection:

This important limitation expands upon the limitations suggested by Judge Rader. The Model Order specifies that data on voicemails, PDAs, and mobile phones need not be collected or even preserved, thus eliminating a previously cumbersome burden for in-house counsel everywhere. The Order further clarifies that no backup restoration is required to comply with e-discovery duties, absent a showing of good cause. This effectively eliminates one of the largest production costs often associated with e-document production.

Email Production Procedure:

As for actual email production, the Model Order requires the parties to exchange the names of 15 potential document custodians who have potentially relevant information. The Model order also allows the parties five written discovery requests (most likely interrogatories) and one deposition to assist the parties in identifying proper custodians, email search terms, and the time frame for production of e-mails. After this initial exchange, e-mail production is limited to eight custodians and ten search terms (expanded from Judge Rader's five-and-five approach). The number of custodians and search terms may be further limited or expanded for good cause.

In sum, the Model Order walks the line between the very broad e-discovery obligations implicated by Federal Rule of Civil Procedure 26 and Judge Rader's suggested limitations. Certainly, the Court's adoption of the Model Order creates more certainty as to e-discovery in Eastern District patent cases. That, by itself, reduces cost. Since its adoption in late February, the Model Order has been implemented, largely without change, in several Eastern District Cases. However, parties are free to negotiate additional limitations on e-discovery depending on the issues and the particular case.

Perhaps the most heartening aspect of the Model Order is the fact that the judiciary was willing to play an active role in identifying inefficiencies in litigation procedure and working to alleviate them. E-discovery will never be fun, but perhaps following the issuance of the Model Order, it will be far less burdensome.