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Using District Court E-Discovery Strategies At The ITC

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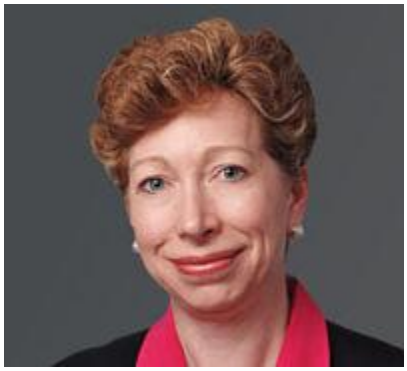

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Suppose that the general counsel of a global technology company has received a patent infringement complaint filed with the International Trade Commission. Although the company has faced U.S. district court patent litigation, this is its first experience with the ITC. The general counsel inquires whether e-discovery options can help manage the scope of the case and minimize costs when defending an ITC investigation.

E-Discovery Issues at the ITC

The ITC provides a unique forum for patent disputes that differs from more traditional federal district court litigation. Section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337) authorizes the ITC to initiate investigations of complaints of unfair trade and importation, including allegations of patent, trademark and copyright infringement, misappropriation of trade secrets, and false advertising, among others. ITC investigations provide a remedy of injunctive relief, often in the form of an order prohibiting infringing articles from entering the United States.

ITC investigations differ from district court litigation in that they are governed by the ITC Rules of Practice and Procedure and the Ground Rules of the Administrative Law Judge assigned to the case and not by the Federal Rules of Civil Procedure or local rules of the district court. Under the ITC Rules of Practice, for example, parties are permitted as many as 175 interrogatory requests and discovery responses generally require a response within 10 days (as opposed to 30 days allotted in district court actions). In addition, there is little limitation on the scope and nature of e-discovery permitted, which can potentially result in costly "document dumps" for even standard investigations. Thus, although ITC investigations typically progress faster than district court litigation, with many investigations reaching resolution in 15 to 18 months, ITC discovery has the potential to be significantly broader and more costly than discovery in district courts.

Prior Attempts to Mitigate Overbroad Discovery

In 2013, the ITC amended its rules of practice and procedure, in part "to reduce expensive, inefficient, unjustified or unnecessary discovery practices" in Section 337 proceedings. Several of these amendments have allowed parties to limit the scope and cost of e-discovery, though there remains room for further guidance from the ITC. For example, the amended rules include restrictions similar to

those found in FRCP 26(b)(2)(B), that allow a party to withhold, because of undue burden or cost, electronically stored information (ESI) that is not reasonably accessible.

The amendments also limit discovery when (i) the discovery sought is unreasonably cumulative, duplicative or can be obtained from a less burdensome source; (ii) the party seeking discovery has had ample opportunity to obtain the information by other discovery in the investigation; (iii) the responding party has waived the legal position or stipulated to particular facts pertaining to the issue to which the discovery is directed; or (iv) the burden or expense of the proposed discovery outweighs its likely benefit.

While considering its proposed rule amendments, the ITC contemplated, but ultimately declined to adopt, e-discovery provisions consistent with those found in Chief Judge Randall Rader and the Federal Circuit Advisory Counsel's 2011 Model Order Limiting E-Discovery in Patent Cases, including, e.g., (i) cost shifting for disproportionate ESI production requests; (ii) limitations to five email custodians and five search terms per custodian; and (iii) no requirement to produce metadata beyond sent and received dates. However, some of the ALJ's Ground Rules may propose similar limitations to those found in the model order, or provide the parties with an opportunity to negotiate and stipulate to mutually agreeable e-discovery limitations.

Moving Forward: Strategies for E-Discovery at the ITC

In light of the ITC's current e-discovery rules, respondents should consider the following principles to minimize burden and expense in ITC litigation:

Start Early — The ITC has 30 days after the filing of a complaint to determine whether to institute an investigation. After a decision to investigate, a respondent has 20 to 30 days to file an answer to the complaint (depending on whether the respondent is a domestic or foreign company). Consider using this initial period to assess both the case merits and potential document preservation and e-discovery issues, such as identifying and interviewing potentially relevant custodians and key individuals in the IT department. Also consider collecting sample bulk ESI from custodians to evaluate the scope of discovery and the applicability of various ESI search terms. Knowledge of these issues may provide an advantage during negotiations with opposing counsel on e-discovery agreements.

Negotiate E-Discovery Limitations — Consider the scope and types of relevant data, as this may shape discussions with opposing counsel. For example, if a case is relatively simple, an agreement to exchange e-discovery without corresponding metadata may be a cost-efficient solution for both parties. On the other hand, if documents such as CAD drawings and computer renderings may play a role in invalidating a complainant's patent, a respondent may want to consider requiring production of metadata in order to ensure fields such as "Date Created" or "Date Modified" are preserved and available for use with such documents.

Familiarity with Model E-Discovery Rules — The model order has proven influential in e-discovery discussions in district courts and other forums, such as the ITC. Knowledge of the model order and e-discovery processes may provide an advantage during negotiation of an e-discovery agreement.

Joint Stipulations — If the ALJ ground rules do not include limitations on e-discovery, consider entering into a joint stipulation with opposing counsel to limit the custodians, metadata, and search term number and scope of discovery in an effort to reduce cost and unnecessary burden.

Conclusion

Discovery at the ITC can be broad, burdensome, costly and fast. While the 2013 amendments indicate that the ITC is willing to address expensive and inefficient discovery practices, those familiar with patent litigation in federal court will find substantial differences, particularly relating to e-discovery practices. Applying federal court e-discovery strategies in ITC investigations can potentially mitigate cost and manage the scope of an ITC case.

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