

## ESI Top 10 in the Eastern District of Texas

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Litigants in the Eastern District of Texas should consider the Courts' perspectives on the discovery of electronically stored information (ESI) and other e-discovery principles.

1. ***Metadata Production.*** Judge Ward is inclined to follow the general presumption against metadata production. *Repligen Corp. v. Bristol-Myers Squibb Co.*, No. 2:06-cv-004-TJW (E.D. Tex. Jan. 12, 2007).
2. ***To OCR or not to OCR.*** Last month, in a case where the parties had already agreed to TIFF production, Judge Ron Clark ordered the parties to perform the Optical Character Recognition ("OCR") process on any scanned documents stored in hard copy format prior to production and declined the defendant's request to cost-shift. *The Proctor & Gamble Co. v. S.C. Johnson & Son, Inc.*, No. 9:08-cv-143 (E.D. Tex. Feb. 19, 2009) (Through OCR, "static images of text are translated into a format, via a computer software program, that can be searched or read electronically . . . and is used to render documents maintained in hard copy format and scanned into a computer searchable.").
3. ***Use of Neutral Computer Forensics Experts.*** Judge Schell and Magistrate Judge Craven have ordered parties to engage neutral computer forensics experts to address the review of electronically-stored information. *Sony BMG Music Entm't v. Arellanes*, No. 4:05-cv-328 (E.D. Tex. Oct. 27, 2006) (Schell, J.); *In re Triton Energy Ltd.*, No. 5:98-cv-256 (E.D. Tex. Mar. 7, 2002) (Craven, M.J.).
4. ***Consequences of ESI Misconduct, Part 1.*** A few months ago, in a case where the computer hard drives of two key employees "suddenly" became "sick and unavailable," Magistrate Judge Earl Hines concluded that "an appropriate sanction included a discretionary adverse inference that the missing hard drives contain evidence unfavorable to all defendants." *Gateway v. MMA Fin., Inc.*, No. 1:06-cv-458-TH (E.D. Tex. Dec. 4, 2008).
5. ***Consequences of ESI Misconduct, Part 2: ESI Conduct May Influence an "Exceptional Case" Determination.*** Judge Davis has awarded attorneys' fees and enhanced damages pursuant to 35 U.S.C. §§ 284-285 due, in part, to the failure to produce relevant emails and producing other relevant information hidden amongst 11,274 other files. *z4 Tech., Inc. v. Microsoft Corp.*, No. 6:06-cv-142 (E.D. Tex. Aug. 18, 2006).
6. ***Advice of Counsel Defense.*** Judge Davis has also found that the assertion of the affirmative defense of advice of counsel in response to an allegation of willful infringement may waive privilege protection as to both ESI and hard copy materials. *Reedhyalog UK, Ltd. v. Baker Hughes Oilfield Operations Inc.*, 251 F.R.D. 238, 241-43 (E.D. Tex. 2008).

7. ***ESI Location May Have Little Impact in Determining a Venue Transfer Motion.*** Judge Clark and Magistrate Judge Love have found that in the era of electronic storage and transmission, “where electronic information can be accessed conveniently in any number of locations . . . , it does not follow that transfer to the location of the stored information is more convenient for anyone.” *Sanofi-Aventis Deutschland GmbH. v. Genentech, Inc.*, No. 9:08-cv-203 (E.D. Tex. Mar. 19, 2009) (Clark, J.) (Denying motion to transfer venue); *Invitrogen Corp. v. General Elec. Corp.*, No. 6:08-cv-113 (E.D. Tex. Feb. 9, 2009) (Love, M.J.).
8. ***Advisory Opinions on ESI Preservation Duties.*** Magistrate Judge Don Bush granted a motion to dismiss a declaratory judgment action that sought the Court’s protection from a general litigation hold letter requesting preservation of electronic data. *The State of Texas v. The City of Frisco*, No. 4:07-cv-383 (E.D. Tex. March 27, 2008). However, the Court reminded “that the Rules of Civil Procedure contemplate that the parties will act in good faith in the preservation and production of documents.”
9. ***Obligation to Preserve During a Discovery Stay.*** Even while discovery is stayed pending the resolution of a motion to dismiss pursuant to the Private Securities Litigation Reform Act, all relevant documents including ESI must be preserved in federal securities fraud actions. *Pedroli v. Bartek*, 251 F.R.D. 229, 230 (E.D. Tex. 2007) (Schell, J.).
10. ***Avoid “Chaffy” Behavior.*** Magistrate Judge Earl Hines has admonished litigants that “bullying, venomous and tit-for-tat pretrial antics go against the letter and spirit of the Federal Rules of Civil Procedure, and they especially assail customary and expected practice in the Eastern District of Texas.” *CooperVision, Inc. v. Ciba Vision Corp.*, No. 2:06-cv-149 (E.D. Tex. 2007). In that case, Magistrate Judge Hines observed that the parties “bickered over scheduling deadlines,” “sent letter briefs quibbling over matters,” engaged in “shoot first” strategies that were “unmasked as mostly unnecessary, artless and petulant,” and argued the majority of moot issues “*ad nauseum* in warring motions, responses, replies, and, yes, even a sur-reply . . .” The Court wrote that “the few remaining issues have reasonable solutions so obvious that the court must wonder whether the clients’ interests were advanced by the expenditure of so much highly-compensated attorney time on such a parenthetical skirmish.”