

Paper Or Plastic? – The Hunt For Electronic Treasure During Discovery

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Bits and Bytes of Electronic Discovery

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[Editor's Note: This is the second in a series entitled "Bits and Bytes of Electronic Discovery." Matthew M. Neumeier is a partner at Jenner & Block, LLC in Chicago and Co-Chair of the firm's Class Action Litigation and Products Liability and Mass Tort Defense practice groups. Mr. Neumeier speaks and writes frequently on the topic of electronic discovery, and teaches an L.L.M. course on High Technology Litigation at The John Marshall School of Law. Brian D. Hansen is an associate at Jenner & Block, LLC and a member of the firm's class action and litigation practice groups. Irina Y. Dmitrieva is an associate at Jenner & Block, LLC. Copyright 2003 by the authors.]

Introduction

Electronic information and communications have firmly entrenched themselves in the modern business world. Indeed, the vast majority of business information today is produced electronically.¹ Some attorneys, however, have been slow to adopt to this change, and may be reluctant to seek or require electronic information during discovery because of their lack of familiarity with the technology used to create and store electronic information. In addition, clients may not be thrilled at the perceived high costs associated with electronic discovery. Accordingly, some attorneys may be content to accept only paper versions or hard copy print outs of information and data stored electronically in their opponents' computer systems. In most instances, however, this concession could be a grave mistake. The benefits of electronic information generally outweigh any burdens.

This commentary examines the benefits of discovery of information in electronic form as opposed to its traditional paper counterpart, and briefly addresses the discovery rules that govern and require the production of electronic information.

I. Electronic Information vs. Paper Documents

There are fundamental differences between electronic information and the traditional paper print-out of that very same information. Courts have recognized the unique and distinct characteristics of electronic information.² In some cases, these unique

characteristics have lead to information upon which an entire case was decided. But even where it is not case-determinative, the discovery of electronic information still has unique benefits.

First, electronic information potentially contains a wealth of hidden information that simply does not exist in a paper document. This hidden information may be embedded in the electronic document by the software programs used to create it, and is often referred to as "embedded data" or "metadata."³ The simplest example is the blind carbon copy, or "bcc." A printed copy of an e-mail message likely may not reveal all recipients of the message, but the electronic version of that same e-mail is embedded with data revealing everyone who received it. More importantly, many common forms of electronic documents — particularly wordprocessing documents — often carry with them their own history, from inception through subsequent changes to the final version. An electronic version of a document frequently includes embedded information revealing who created, edited or viewed the document; when the document was created, edited or viewed; and what changes may have been made. This embedded data may prove invaluable to a given case.

In the days of paper records, lawyers typically had to rely solely on a witness's statement about the history of a given document. But now, the electronic revolution has given that document a credible, and often indisputable, voice of its own. Today, parties are utilizing electronic versions of documents, among other things, to demonstrate an individual's knowledge or awareness of certain documents or information, to substantiate claims that an opponent falsified evidence or backdated documents,⁴ and to determine the parties' intent in contract disputes based on early electronic drafts of a subsequent agreement.⁵

Second, it may be surprising to learn that electronic documents often are more resilient than paper copies. While it is true that electronic information generally is very mutable and easily altered with a few simple keystrokes, it is extremely difficult to completely discard or delete an electronic document.⁶ Unlike a paper document, which is easily shredded and lost forever, "deleted" electronic data typically continues to reside on a computer's hard drive or other magnetic storage media until it is overwritten by another document. Specially designed software often can retrieve this deleted information, which is often referred to as "residual data," from a computer system. As one court aptly observed, "many files are recoverable long after they have been deleted — even if neither the computer user nor the computer itself is aware of their existence."⁷ It is easy to envision countless scenarios where "deleted" information from an opponent's computer system would be beneficial to a case. A party, however, could never retrieve such information from a paper document. To be sure, the need to even attempt to retrieve "deleted" electronic documents will rarely arise in the average commercial dispute, absent special circumstances such as trade secret misappropriation or evidence of improper document destruction, but if the need does arise, it may be feasible to retrieve them.

Finally, unlike paper documents, electronic data may be easily managed and manipulated. Computer software generally makes it possible to search, organize, store and retrieve large volumes of electronic information with relative ease. Paper documents, on the hand, are not so user-friendly and can become a logistical nightmare. A document-intensive case can easily bog down an attorney whose information is contained

solely in paper form, but an attorney with access to an entire universe of electronic documents at his or her fingertips stands at a distinct advantage.

Electronic discovery, however, does have some obvious downsides. Most importantly, electronic discovery can be costly, just like discovery involving large volumes of paper documents. The sheer volume of electronic information possessed by a party may be staggering. It has been predicted that, by the end of 2005, North Americans will send approximately 18 billion e-mail messages per day.⁸ Companies retain large volumes of electronic data mainly because it no longer takes up much electronic "storage space" and the cost of storage is almost nil. As one court correctly noted, "[i]nformation is retained not because it is expected to be used, but because there is no compelling reason to discard it."⁹ Thus, a single request for electronic information literally could encompass tens or hundreds of thousands of e-mails along with numerous other electronic documents to review and sort through. As one court keenly acknowledged, "[t]he more information there is to discover, the more expensive it is to discover all the relevant information until, in the end, discovery is not just about uncovering the truth, but also about how much of the truth the parties can afford to disinter."¹⁰ In addition, a party may need to utilize costly software tools and employ computer consultants or forensic experts in order to decipher certain electronic information and prevent the disclosure of privileged information or potential trade secrets contained within it.

Despite its potential downsides, the utility of electronic evidence requires attorneys to include requests for electronic information in their discovery requests, and to seek compliance with such requests. Although the technical intricacies of electronic information may be daunting to some attorneys, its prevalence in today's society requires that it cannot be ignored. Moreover, the discovery rules provide for depositions of the person most knowledgeable about an opponent's computer system, which is a great early mechanism for attorneys to educate themselves about an opponent's computer systems and learn how to navigate through its electronic "file drawers" (assuming, of course, that the right questions are asked).¹¹

II. Requesting And Producing Information In Electronic Form

It is no longer debatable whether or not the federal discovery rules apply to electronic evidence: they clearly do.¹² Some courts have even recognized that a litigant does not have to specifically request electronic documents in order to obtain such data, and indeed, numerous states expressly define the term "document" to include electronic information.¹³ As one court emphasized, "[d]uring discovery, the producing party has an obligation to search available electronic systems for the information demanded."¹⁴ Another observed that "by requesting 'documents' under Fed. R. Civ. P. 34, plaintiff also effectively requested production of information stored in electronic form."¹⁵ To remove any ambiguity, however, attorneys should expressly include electronic information in their specific discovery requests or definitions for such requests. This is particularly helpful in preventing opposing counsel from attempting to "innocently" claim that they simply did not realize that you wanted electronic documents as well as the paper records.

Additional concerns arise when producing information in electronic form. In some instances, a producing party may not be fully aware of the specific electronic infor-

mation contained in raw computer data. As discussed above, residual data may contain a plethora of important information, but the producing party may not be recognize that without the assistance of specially designed software tools. In addition, it may be difficult to screen for privileged or protected information, including trade secrets, when producing raw computer data. And the production of such raw data may at times result in some business interruption to a client. Accordingly, attorneys need to exercise diligence when producing electronic data and in many instances may need to seek a protective order in order to protect against the disclosure of protected information. Some courts have endorsed a two-step procedure to prevent disclosure of privileged and protected electronic information to an opponent, particularly in trade secrets cases: first, a computer forensic expert makes a "mirror image" of a computer's hard drive belonging to the producing party, and second, the producing party's counsel redacts all privileged and non-responsive electronic information from this "mirror image" before producing it to the requesting party.¹⁶ At the very least, when dealing with large volumes of electronic data such as e-mails, the producing party should obtain the agreement of the requesting party that inadvertent production of privileged or otherwise protected information within that data may be recalled upon request if discovered at a later date.

III. Requiring The Production Of Electronic Instead Of Paper Documents

In some cases, an opponent may refuse to produce data in its native electronic form or argue that production of paper documents or print outs of computer-based electronic information is sufficient under the rules. In such cases, an attorney should be aware of the controlling case law in that jurisdiction and be ready to justify the relevance of the requested electronic information in that particular case.

Courts generally point to Federal Rule of Civil Procedure 34's document production provisions and Federal Rule of Civil Procedure 26(a)'s disclosure provisions to support the discovery of electronic information. Rule 34 and its accompanying committee notes, however, cause some confusion regarding whether a party can be required to produce electronic data rather than or in addition to printed paper versions of such data. Rule 34(a) allows a party to serve a document request for designated documents "translated, if necessary, by the respondent through detection devices into reasonably usable form."¹⁷ The committee notes to the 1970 amendment to Rule 34 explain that a responding party "may be required to use his devices to translate the data into usable form," and that "[i]n many instances, this means that respondent will have to supply a print-out of computer data."¹⁸ Although the committee's language appears to suggest that a responding party can satisfy a discovery request for electronic data simply by providing the opposing party with a hard copy print-out of any electronic data, the committee notes also state that a responding party may "need[] to check the electronic source itself."¹⁹ Thus, it is not entirely clear from Rule 34 whether a party can compel production of electronic information instead of or in addition to paper versions of that same information.

Courts are not entirely uniform as to whether a party is required under the federal rules to produce data in its original electronic form, in paper form, or both. The vast majority of courts, however, have held that parties must provide the requester with both a hard copy and an electronic copy when the data requested is relevant to the case.²⁰ Indeed, some courts have even required a responding party to translate its

raw computer data and provide an electronic copy that is readable by the requestor's computer system.²¹ This frequently arises when the producing party relies on proprietary software to manage its electronic data that is unavailable to the requesting party. However, where a party already received a hard copy of requested information in discovery, that party likely will have the burden to prove that an additional electronic version of the information is relevant.²² On the other hand, a few courts have held that the production of only a hard copy of discoverable data is sufficient under the federal discovery rules.²³ In addition, some courts have held that a party need not produce hard copies of electronic data when an electronic version has been produced.²⁴

Thus, there is no bright-line rule requiring the production of information in electronic form instead of or in addition to paper versions of such information. However, where a litigant is able to demonstrate the relevance of the electronic version of information in addition to any paper form of such information, he or she most likely will be successful in compelling production of the electronic version.

Conclusion

The overwhelming majority of information related to large-scale commercial litigation today originates in electronic, as opposed to paper, form. This transition has changed the face of litigation, and particularly, discovery. Unlike its paper predecessor, electronic media not only store the information that is placed upon them, but often carry their own story and history embedded therein. This hidden history can prove invaluable in assessing the strength or viability of a claim or defense, and may ultimately provide the information upon which a case hinges. In addition, electronic data generally is more easily organized, stored, accessed and searched than its paper counterpart, assuming that counsel is appropriately equipped with the necessary software tools required in the new electronic era, which should save clients money in the long run. Accordingly, except in rare circumstances, attorneys should seek and require production of discovery in electronic form.

ENDNOTES

1. See Wendy R. Liebowitz, *Digital Discovery Starts to Work*, Nat'l L.J., Nov. 4, 2002, at 4.
2. See, e.g., *Public Citizen, Inc. v. Carlin*, 2 F. Supp.2d 1, 13-14 (D.D.C. 1997) ("Simply put, electronic communications are rarely identical to their paper counterparts; they are records unique and distinct from printed versions of the same record."), rev'd on other grounds, *Public Citizen, Inc. v. Carlin*, 184 F.3d 900 (D.C. Cir. 1999); *Armstrong v. Executive Office of the President*, 1 F.3d 1274 (D.C. Cir. 1993) ("The mere existence of the paper print-outs does not affect the record status of the electronic material unless the paper versions include all significant material contained in the electronic records. Otherwise, the two documents cannot accurately be termed 'copies' — identical twins — but are, at most 'kissing cousins.'").
3. See Hon. Shira A. Scheindlin & Jeffrey Rabkin, *Electronic Discovery in Federal Civil Litigation: Is Rule 34 Up To The Task?*, 41 B.C.L. Rev. 327, 338 (2000).
4. See, e.g., *Momah v. Albert Einstein Medical Center*, 164 F.R.D. 412, 417 (E.D. Penn. 1996) (compelling production of computer files that could help plaintiff establish whether defendants backdated documents).

5. See, e.g., *Medtronic Sofamor Danek, Inc. v. Michelson*, No. 01-2373-MIV, 2003 US Dist. LEXIS 14770 (W.D. Tenn. Aug. 7, 2003) (compelling production of earlier versions of a merger agreement which existed “on computer backup tapes and in electronic format.”).
6. See Mark Robins, *Computers and the Discovery of Evidence - A New Dimension To Civil Procedure*, 17 J. Marshall J. Computer & Info. L. 411 (1999).
7. *Zubulake v. UBS Warburg*, 217 F.R.D. 309, 311 (S.D.N.Y. 2003).
8. See Jonathan Early & Aaron Schutt, *What – If Anything – Is an E-mail?*, 19 Alaska L. Rev. 119, 121 (2002)
9. *Rowe Entm’t, Inc. v. William Morris Agency, Inc.*, 205 F.R.D. 421, 429 (S.D. N.Y. 2002).
10. *Zubulake v. UBS Warburg*, 217 F.R.D. 309, 311 (S.D. N.Y. 2003).
11. Fed. R. Civ. Proc. 30(b)(6).
12. See *Anti-Monopoly, Inc. v. Hasbro, Inc.*, No. 94 Civ. 2120, 1995 U.S. Dist. LEXIS 16355 (S.D.N.Y. Nov. 3, 1995) (“today it is blackletter law that computerized data is discoverable if relevant”).
13. E.g., Ill. Sup. Ct. R. 201(b)(1).
14. *McPeck v. Ashcroft*, 202 F.R.D. 31, 32 (D.C. Dist. 2001).
15. *Playboy Enter., Inc. v. Wells*, 60 F. Supp. 2d 1050 (S.D. Cal. 1999).
16. See *id.*
17. Fed. R. Civ. Proc. 34(a).
18. Fed. R. Civ. Proc. 34(a) advisory committee’s note (1970).
19. *Id.*
20. See, e.g., *Anti-Monopoly*, 1995 U.S. Dist. LEXIS at *5 (“[T]he rule is clear: production of information in ‘hard copy’ documentary form does not preclude a party from receiving that same information in computerized/electronic form”); *In re Air Crash Disaster at Detroit Metropolitan Airport*, 130 F.R.D. 634, 636 (E.D. Mich. 1989) (Requiring aircraft manufacturer to create a “computer-readable nine-track magnetic tape” containing similar information to a hard copy document the party already had produced); *Storch v. Ipco Safety Products Co.*, No. CIV. A. 96-7592, 1997 U.S. Dist. LEXIS 10118 at *6 (E.D. Pa. July 16, 1997) (noting “in this age of high-technology where much of our information is transmitted by computer and computer disks, it is not unreasonable for the defendant to produce the information on computer disk for the plaintiff”); *Zhou v. Pittsburgh State University*, No. 01-2493-KHV, 2003 U.S. Dist. LEXIS 6398 (D. Kan. Feb. 3, 2003) (requiring production of computer generated data used to compile information tables previously produced in hard copy).
21. See, e.g., *Crown Life Ins. Co. v. Craig*, 995 F.2d 1376, 1383 (7th Cir. 1993) (noting that “Rule 34 contemplates that when data is in an inaccessible form, the party responding to the request for documents must make the data available”); *National Union Elec. Corp. v. Matsushita Elec. Indus. Co.*, 494 F. Supp. 1257, 1262 (E.D. Pa. 1980) (requiring plaintiff to produce a computer readable tape containing data previously provided in hard copy); *Anti-Monopoly*, 1995 U.S.

- Dist. LEXIS 16355 at *1 (“the producing party can be required to design a computer program to extract data from its computerized business records.”).
22. See *McNally Tunneling Corp. v. City of Evanston*, No. 00 C 6979, 2001 U.S. Dist. LEXIS 20394, at *14 (N.D. Ill. Dec. 7, 2001) (holding that the party seeking the additional electronic copy has “the burden of establishing that the hard copies of the computer files are insufficient”).
 23. See, e.g., *Williams v. Owens-Illinois, Inc.*, 665 F.2d 918, 932-33 (9th Cir. 1982) (upholding the trial court’s refusal to allow plaintiff access to defendant’s computer tapes when defendant had provided the information on those tapes to plaintiffs in hard copy); *McNally Tunneling Corp.*, 2001 U.S. Dist. LEXIS 20394 1568879 at *15; *Torrington Co. v. Untied States*, 786 F. Supp. 1027 (Ct. Int’l Trade 1992).
 24. See *Sattar v. Motorola, Inc.*, 138 F.3d 1164, 1171-72 (7th Cir. 1998) (affirming refusal to require printout of 210,000 pages of hard copy of e-mails already produced on computer tape). ■