

control or have custody of discoverable evidence. Documents in the possession of such legal persons are, generally, deemed within their corporation's control and, thus, discoverable if non-privileged.¹⁰⁴ This extended and inferred concept of control also covers parent-subsidiary relationships, even if the companies operate in different countries.¹⁰⁵ While the specific corporate form of the companies' relationship does not dispose of the control issue, courts tend to rely on multi-factor tests in assessing whether, overall, the entities have a sufficiently close nexus to justify a finding of control.¹⁰⁶

4. *Obligation to Preserve and Spoliation*

Until service of process, no general obligation exists to preserve information for potential discovery production.¹⁰⁷ Nevertheless, spoliation, a discovery violation, is defined as the "intentional destruction, mutilation, alteration, or concealment of evidence" in "pending or reasonable foreseeable litigation."¹⁰⁹ Exactly when litigation may be deemed "reasonably foreseeable" remains unclear.¹¹⁰ Thus, while receipt of a warning letter or other notice regarding the possibility of subsequent litigation does not necessarily effect an obligation to preserve likely evidence, courts may construe such acts as sufficient to impose preservation obligations or to permit an adverse inference instruction based on destruction of evidence.¹¹¹ Subjective apprehension seems to play an important role in whether document destruction contravenes Rule 26.

B. *Context of Rule 34 amid Other Discovery Rules*

As mentioned above, Rule 26 constitutes an umbrella rule detailing the general parameters of discovery.¹¹² It allows the parties to discover any nonprivileged matter relevant to a party's claim or defense, "including the existence, description, nature, custody, condition and location of any books, documents or other tangible things."¹¹³ Thus, discoverability extends not only to admissible evidence but also to matter that

¹⁰⁴ See *American Soc'y for Prevention of Cruelty to Animals v. Ringling Bros. and Barnum & Bailey Circus*, 233 F.R.D. 209, 212 (D.D.C. 2006) (documents gathered and possessed by attorney are within client's control, but nondiscoverable as work product); *see General Envtl. Sci. Corp. v. Horsfall*, 136 F.R.D. 130, 134 (N.D. Ohio 1991) (individual defendants who are corporate officers, directors and shareholders must produce documents possessed by corporation).

¹⁰⁵ *Japan Halon Co. v. Great Lakes Chem. Corp.*, 155 F.R.D. 626, 627 – 29 (N.D. Ind. 1993).

¹⁰⁶ *Uniden America Corp. v. Ericsson, Inc.*, 181 F.R.D. 302, 306 (M.D.N.C. 1998) (applying five-factor test to determine control).

¹⁰⁷ *E.g. Hansen v. Dean Witter Reynolds Inc.*, 887 F. Supp. 669, 675 – 76 (S.D.N.Y. 1995).

¹⁰⁸ *BLACK'S LAW DICTIONARY POCKET EDITION* 659 (2d ed. 2004)

¹⁰⁹ *See West v. Goodyear Tire & Rubber Co.*, 167 F.3d 776, 779 (2d. Cir. 1999).

¹¹⁰ *See Kenneth R. Adamo et al., Document Discovery in Patent Litigation*, in *PATENT LITIGATION STRATEGIES HANDBOOK 2004 CUMULATIVE SUPPLEMENT* *supra* note 1, at 79, 96 – 7.

¹¹¹ *See Rush v. Artuz*, 00 Civ. 3436, 2003 U.S. Dist. LEXIS 7158, at *6 (SD.N.Y. Apr. 3, 2003).

¹¹² *See supra* Part II.

¹¹³ FED. R. CIV. P. 26(b)(1).

may reasonably lead to finding admissible evidence.¹¹⁴ The availability or previous delivery of the same information contained in the requested documents also do not directly bar document discovery.¹¹⁵ Rule 26(b)(1) authorizes discovery of information about infringement, non-infringement, and a disputed patent's scope, because those issues go to the very heart of the liability question in patent infringement actions.¹¹⁶ That rule entitles both patent owners and alleged infringers to discover relevant and detailed information regarding an adversary's contentions about the infringement.¹¹⁷ For example, a defendant in an infringement suit can discover information from the plaintiff concerning the latter's interpretation of the patent claims and their scope.¹¹⁸ Both parties may also discover information relevant to claims of non-infringement.¹¹⁹ In *V.D. Anderson Co. v. Helena Cotton Oil Co.*,¹²⁰ for example, the court held discovery requests inquiring about the patent proprietor's knowledge of the defendant's operation and products permissible, because responses to them could constitute admissions by the patent owner concerning the defendant's actual infringement of the patent-in-suit.

1. *Privileges*

Rule 26 governs the scope of Rule 34. A party can object to a production or inspection request based the application existence of a privilege.¹²¹ Privileged and, thus, nondiscoverable matter in patent infringement cases includes only information that qualifies under a federal common law privilege.¹²² No absolute privilege exists for patents or confidential research and development.¹²³ In patent litigation, the attorney-client privi-

114 FED. R. CIV. P. 26(b)(1). Subject to court authorization *all* nonprivileged matters relevant to the case are discoverable. Rule 26(b)(1) defines the scope of discovery as follows: "Parties may obtain discovery regarding *any* matter, *not privileged* that is *relevant* to the claim or defense of any party, including the existence, description, nature, custody, condition, and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of any discoverable matter. For good cause, the court may order discovery of any matter relevant to the subject matter involved in the action. Relevant information *need not be admissible* at the trial if discovery appears reasonably calculated to lead to the discovery of admissible evidence." *Id.* (emphasis added); *see e.g.* Financial Bldg. Consultants, Inc. v. American Druggists Ins. Co., 91 F.R.D. 59, 61 (N.D. Ga 1981) ("what is relevant during pretrial discovery and what is admissible during trial are two different things, the former being broader than the latter.")

115 7 MOORE ET AL., *supra* note 89, at §34.12[5][a].

116 6 MOORE ET AL., *supra* note 13, at §26.46[12][a].

117 *Id.*

118 Digmaonics Corp. v. Jewel Cos., 57 F.R.D. 649, 649 – 650 (N.D. Ill. 1972) (patentee's explanation of how each piece of prior art cited to the patent examiner during prosecuting at the United States Patent and Trademark Office relates to each element of each allegedly infringed claim relevant to the issue of the claims' scope and, thus, to infringement).

119 6 MOORE ET AL., *supra* note 13, at §26.46[12][a]; *see e.g.* Nat'l Dairy Prod. Corp. v. L. D. Schreiber & Co., 61 F.R.D. 581, 582 (E.D. Wis. 1973) (authorizing defendant to inspect patent proprietor's plant, because doing so could reveal the latter's failure to practice the patented invention. Such lack of patent practice would result in a narrow construction of the claims and, thus, increase the probability that the defendant is not infringing).

120 117 F.Supp. 932 (E.D. Ark. 1953).

121 *See* FED. R. CIV. P. 26(b)(1) (permitting discovery as to "any nonprivileged matter").

122 This is so because patent law lies within the province of federal law. *See* U.S. Const. art. I, § 8, cl. 8.

123 *See* Stephen C. Bruner, *Discovery: An Ordered Approach*, 30 FEDERATION INS. COUN. Q. 205, 247 (1980); *see also* 6 MOORE ET AL., *supra* note 13, §26.48 – 52 (listing a litany of federal and trade privileges). However, a "protective order" may prevent disclosure of "trade secrets or other confidential

ilege and work product doctrine are the most commonly used mechanisms in attempting to protect sensitive communications from document discovery.¹²⁴

The attorney-client privilege applies to communications between lawyers and their clients when lawyers act in counseling or litigating roles.¹²⁵ In the patent context, the Court of Appeals for the Federal Circuit has held that the attorney-client privilege protects invention records prepared and submitted to counsel¹²⁶ primarily for obtaining legal advice concerning patent applications or assistance in a legal proceeding, even if this invention record contains technical and not strictly juridical information.¹²⁷ The work-product doctrine protects documents prepared in anticipation of litigation or trial from disclosure.¹²⁸ Because they likely contain crucial analyses and strategies of the litigation, these communications threaten to be damaging in the adversaries' hands.¹²⁹

2. Protective Orders

Protective orders aim to ensure that discovery proceeds efficiently and fairly by injecting judicial supervision into especially sensitive matters where cooperation among the parties' has failed.¹³⁰ While Rule 26(c)(1) lists eight ways of achieving this, its non-exhaustive nature allows much judicial discretion in fashioning protective orders.¹³¹ However, motions for protective orders should be used sparingly, because courts generally dislike extensive involvement in discovery disputes.¹³² For example,

research, development or commercial information." FED. R. CIV. P. 26(c)(1)(G); *see also* Coca-Cola Bottling Co. of Shreveport, Inc. v. Coca-Cola Co., 110 F.R.D. 363, 366 (D.Del. 1986) (when Coca-Cola Co. refused to comply with the court's request to disclose its recipe for making Cola, which was held essential to the determining the dispute, all inferences related to the recipe were drawn in favor of the opposing party); *see* 23 CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE § 5422 (2d ed. 2008) (discussing policies underlying privileges and Federal Rule of Evidence 501).

¹²⁴ See KIMBERLY A. MOORE, PAUL R. MICHEL & RAPHAEL V. LUPO, PATENT LITIGATION AND STRATEGY 145, 164 – 165 (2nd ed. 2003); *see* FED. R. CIV. P. 26(b)(3)-(4). Other privileges such as the priest-penitent, physician-patient and governmental privileges are virtually irrelevant to patent actions and, thus, beyond the scope of this paper. *See e.g.* 6 MOORE ET AL., *supra* note 13, at §26.48 – 52.

¹²⁵ U.S. v. Chen, 99 F.3d 1495 (9th Cir. 1996).

¹²⁶ That case concerned corporate in-house counsel for Spalding and, more specifically, its "patent committee" consisting presumptively of both lawyers and patent agents. *See* In re Spalding Sports Woldwide, 203 F.3d 800, 805 (Fed. Cir. 2000).

¹²⁷ In re Spalding Sports Woldwide, 203 F.3d at 805 – 806 (justifying that "an attorney cannot evaluate patentability or prepare a competent patent application without knowing the prior art and obtaining relevant technical information from the inventors. "), *quoting* Sperry v. Florida, 373 U.S. 379, 383 (1963) ("[T]he preparation and prosecution of patent application of others constitutes the practice of law.")

¹²⁸ The work product doctrine and attorney-client privilege constitute independent concepts. While the former protects the adversarial system by assuring that an attorney's files normally remain private and protected from interferences and parasitism by the opposing party, the latter is designed to encourage frank and complete communication between attorneys and their clients. *See* Christina M. Tchen et al., *The Attorney-Client Privilege and Work-Product Doctrine in Internal Investigations: Protecting the Privilege: What Is It, Who Has It, and What Happens If You Waive It Good-Bye?* 778 PLI/LIT 33 (2008); Alvin K. Hellerstein, *A Comparative Survey of the Attorney-Client Privilege and Work-Product Doctrine*, 540 PLI/LIT 589 (1996); *see also* 6 MOORE ET AL., *supra* note 13, at §26.70[8] (distinguishing work product doctrine and attorney-client privilege).

¹²⁹ MOORE, MICHEL & LUPO, *supra* note 124, at 145.

¹³⁰ *Id.* at 162.

¹³¹ FED. R. CIV. P. 26(c)(1) (including an order different from what the parties sought)

¹³² Raphael V. Lupo, *Protective Orders*, in PATENT LITIGATION STRATEGIES HANDBOOK 125, 133 (Barry L. Grossman & Gary M. Hoffman eds., BNA Books 2002).