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FEDERAL E-DISCOVERY

Expert Analysis

Court Ruling Gives Guidance On Native File Production


By **H. Christopher Boehning** And **Daniel J. Toal**

The production of electronically stored information (ESI) in native file format continues to be a topic of interest for litigators. For those (and there are many) still confused, help may be on the way. Several recent decisions indicate that a consistent body of guidance is developing in the case law on this topic.

For the uninitiated, a document's "native format" is the "default format of a file."[1] Files in their native format are usually read using the software program originally used to create them, as opposed to a generic reader, such as Adobe Acrobat, that is used to access files once they have been converted from their native format into another form, such as PDF files.[2]

Unlike paper documents, which are fixed in form, ESI exists in a dynamic state such that the form in which it is kept in the regular course of business can evolve and be continuously manipulated. Because it "includes the metadata for the electronic document,"[3] the native format can reveal its history, such as when a document was last edited and by whom.

Certain files, such as voluminous electronic spreadsheets or databases, can in some cases be rendered practically unusable when printed out and produced in paper format, making their production in native format almost a necessity in certain circumstances.[4] No wonder, then, that more and more parties are requesting—and more courts are requiring—production of at least some types of data in native format.

Cenveo Corp. v. Southern Graphic Systems,[5] a ruling from the U.S. District Court for the District of Minnesota, is one such case.

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The facts of the underlying litigation are easily stated. Plaintiff Cenveo Corp. alleged that defendant Southern Graphic Systems (SGS) lured employees away from Cenveo, and that those employees brought proprietary and confidential information with them when they joined SGS.[6]

The plaintiff brought various claims against SGS and the former employees, including tortious interference with business relationships, breach of the duty of loyalty and misappropriation of trade secrets. After plaintiff's request for a preliminary injunction was granted in part and denied in part, the parties began to take discovery.

In their requests for the production of documents, the defendants defined the word "document" to include "electronically stored information in its native format." Their first request specified that all documents responsive to that request should "be produced in native format with all attachments in native format," while the other requests simply asked for "documents," thereby incorporating the definition quoted above.

In framing its request this way, the defendants acted in accordance with Federal Rule of Civil Procedure (FRCP) 34, which states that a party requesting ESI "may specify the form or forms in which electronically stored information is to be produced."[7]

When the plaintiff provided documents that it maintained in electronic form, however, it produced them not in native format, but as Adobe PDF files. Prior to making the production, plaintiff failed to follow the mandate of FRCP 34, a mistake that continues to trip up many litigators.

Thus, while FRCP 34 provides that a requesting party "may" specify the form of production, a responding party "must" either object to the form when one is specified in the request or specify the form in which it intends to produce ESI if no form is specified in the report. Here, plaintiff failed to object to defendants' native format request, and failed to state the format in which it intended to produce ESI. That failure proved fatal to plaintiff's attempts to avoid a native file production.

Defendants then filed a motion to compel production of ESI in native format. The

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plaintiff responded that defendants had not defined "native format" in their document request and that plaintiff had complied with FRCP 34, which provides that "[i]f a request does not specify a form for producing electronically stored information, a party must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms."[8]

The court rejected the plaintiff's argument. Relying on cases that used the term "native format" (including those cited in this article) as well as "secondary materials that are readily available and familiar to attorneys," the court held that the term, as used in the document requests, was unambiguous.

The plaintiff's argument that it did not understand what was meant by "native format" was thus unavailing, especially considering that the plaintiff had never asked the defendants for clarification. Because the plaintiff had neither objected to the defendants' request for native file production, nor made any showing that native production was unduly burdensome, the court ordered the plaintiff to re-produce its ESI in native format, notwithstanding that PDF versions of those documents had already been provided to the defendants.

2006 Amendments

The court's ruling should not have come as a surprise to the plaintiff, even though Cenveo no doubt did precisely what countless litigants had done in the past: collected and processed ESI files so that they took the form of traditional "documents," Bates-stamped the resulting images, and forwarded them to the defendants as PDFs. Especially for lawyers who began practicing before the Federal Rules of Civil Procedure were amended in 2006, the production format used by Cenveo conforms to our notion that when a Rule 34 discovery request seeks "documents," it is paper documents or their electronic equivalent that will be produced in response.

However, the 2006 amendments to the FRCP effected an important, if subtle, change to Rules 34 and 26. According to the Advisory Committee, those amendments confirmed that "discovery of electronically stored information stands on equal footing with discovery of paper documents," and hence "a Rule 34 request for production of 'documents' should be understood to encompass, and the response should include, electronically stored information."[9]

The amendment reflected the practice that had then developed among judges and lawyers of interpreting Rule 34's references to "documents" to include ESI, even though the text of the FRCP "had not kept pace with changes in information technology."[10]

As the *Cenveo* opinion points out, Rule 34 provides that ESI can be produced in a "reasonably usable" form when the proponent of a discovery request has not specified the form in which it wants to receive a production.

In some cases a PDF format will satisfy the legitimate interests of the party propounding the discovery request. By allowing a litigant to specify a form of production, however, the drafters of the 2006 amendments to Rule 34 acknowledged that the requestor has the best idea of what will be "reasonably usable" to it in the context of a given litigation.

Just as a litigant is not entitled to ignore the substance of a document request based on convenience or what it thinks its opponent wants to review, he may not ignore the form in which those documents are requested either.

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The *Cenveo* case suggests some important lessons about native format production. As a preliminary matter, as we have discussed in these pages before,[11] the parties to any litigation should discuss electronic discovery early and often, and work to cooperate throughout the discovery process. In fact, under FRCP 26, litigants are obligated to formulate a discovery plan that "states the parties' views and proposals on," among other things, "any issues about disclosure or discovery of electronically stored information, *including the form or forms in which it should be produced*."[12]

Indeed, in order to eliminate needless litigation and promote e-discovery best practices, the Seventh Circuit Electronic Discovery Committee recently launched an e-discovery pilot program that emphasizes the importance of cooperation early in the case to resolve e-discovery disputes.[13]

Perhaps not surprisingly, the discovery plan that appears in the Rule 26(f) Report from the *Cenveo* case is silent on ESI discovery issues.[14] Had the parties discussed the form of ESI production during their discovery conference and incorporated it into their discovery plan, it is possible they could have avoided the satellite litigation that arose later. At the very least, the parties could have resolved the format issue before the plaintiff had already produced documents, thereby saving the court and the parties a great deal of time and expense.

Armed With Knowledge

But in order to participate in a productive conference about ESI production format, the parties need to be armed with knowledge. In the case of the requestor, this would include the relevant information it hopes to glean from a particular production format.

Depending on the issues in the litigation, the date on which a document was altered or "the transmittal of an incriminating statement" may be important to a party's claim or defense, and such information may be revealed by the document metadata produced with a native file.[15]

There are many cases, however, in which documents in their "static" form will be entirely sufficient for the issues implicated in the lawsuit. Likewise, a party should try to determine in advance of making a discovery request whether the ESI it is requesting includes complex databases or other files for which metadata might be necessary to understanding the data.

The party responding to a document request needs to understand its electronic systems and the difficulties and burdens it might encounter in collecting or producing documents in a particular format. It also needs to be prepared to challenge an opposing party's request to produce in native format if to do so would be unduly burdensome.

This usually will require a thorough understanding of the key issues in the litigation and the degree to which metadata will be useful in exploring them. Because native files cannot be redacted or stamped with confidentiality designations without altering

the files themselves, litigants should also ascertain the degree to which sensitive, privileged, or proprietary information may be revealed by a document production in native form.[16]

In particular, when a file is produced in native format, all of its metadata is unavoidably produced along with it, some of which may not be responsive to a discovery request and, of even greater concern, some of which may be privileged, proprietary or highly sensitive. Because at present there is no efficient way to strip metadata from native format documents selectively, litigants who produce in native format have less control over the data they are sending to their adversaries. These kinds of concerns can counsel against native format production of all file types. Depending on the particular circumstances of a case, it therefore may make sense for the parties to agree—or for the court to order—that some files should be produced in native format and others in a static format such as PDF or TIFF.

In fact, to the extent that ESI production has become standardized over the last several years, it has become common practice for litigants to produce static images like TIFFs along with a "load" file that provides certain metadata fields and full text-searching capabilities. This allows the producing party to provide selected metadata[17] along with fixed image files that are Bates-stamped, stamped for confidentiality, and redacted as necessary, and that also cannot be altered as easily as native files.[18]

Since selected metadata is provided, however, the receiving party can still search these files and view basic information about them such as author and date of creation.[19] This hybrid production format thus offers many of the advantages of producing native files while avoiding some of the potential drawbacks and problems.

Cenveo itself may have been a case in which metadata proved to be important evidence. There, the plaintiff alleged the defendant employees had misappropriated confidential information, which suggests the dates on which documents were copied, downloaded, or altered might have been central to the claims or defenses of the parties. Under these circumstances, it is possible the defendants could have made a strong argument on the merits that they should receive documents in native format.

A Final Lesson

But the defendants were never required to make such a showing, which brings us to the final lesson we can take from *Cenveo*. It is important to recognize that the plaintiff was not taken to task by the court for failing to comply with some statutory duty to produce native files.

As we have discussed, native format production is not appropriate for all situations. Rather, Cenveo failed to comply with its obligation under FRCP 34, which requires the respondent to a document request to timely object to the proponent's requested production format for ESI.[20]

As the *Cenveo* court held, because the "Plaintiff has failed to present any argument as to why it could not comply with Defendants' discovery request…and why it could not comply with Fed. R. Civ. P. 34(b)(2)(D), this Court concludes that production in native format is warranted."

The court's ruling reflects the holdings in other recent cases regarding native files and metadata, such as *Aguilar v. Immigration & Customs Enforcement Division of the U.S. Department of Homeland Security*.[21] There, the court was faced with a belated request for metadata from the plaintiff after the bulk of the defendant's documents had been produced without it.

The court ordered the production of metadata for only certain categories of documents, such as spreadsheets and e-mails whose metadata was preserved and readily available. It also ordered that metadata be produced for word processing documents, but that plaintiff had to bear the expense of that production.

In both *Aguilar* and *Cenveo* the lesson is clear: when dealing with native files, a party must comply with the Federal Rules of Civil Procedure—whether through a timely objection or a timely request—or it risks waiving its ability to secure, or resist, production in native format.

Knowing about the issues associated with native file production can help the parties to a lawsuit formulate an appropriate discovery plan and promote the speedy and costeffective litigation to which the Federal Rules of Civil Procedure aspire. And as the *Cenveo* case reminds us, such knowledge must be incorporated into the litigator's toolbox and be utilized in conjunction with tools that are familiar to all lawyers: open dialogue with one's adversaries, careful study of and compliance with rules of procedure, and above all, familiarity with one's client and the issues at work in its case.

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1. *Aguilar v. Immigration & Customs Enforcement Div. of U.S. Dep't of Homeland Sec,* 255 F.R.D. 350, 353 n.4 (S.D.N.Y. 2008).
2. Of course, some ESI may exist in its native state as a PDF. Throughout this article, when we refer to production of PDFs or TIFFs, we are referring to ESI that has been converted from its native state into one of these fixed formats.
3. *Lorraine v. Markel Am. Ins.,* 241 F.R.D. 534, 547 (D. Md. 2007).
4. Cf. *In re: Seroquel Prods. Liab. Litig.,* 244 F.R.D. 650, 658-59 (M.D. Fla. 2007) (discussing difficulties with using and interpreting production of an electronic database in a non-native format).
5. Civ. No. 08-5521 (JRT/AJB), 2009 WL 4042898 (D. Minn. Nov. 18, 2009) (Order and Opinion on Defendants' Motion to Compel).
6. *Cenveo Corp v. S Graphic Sys., Civ.,* No. 08-5521 (JRT/AJB), 2009 WL 161210, at *1-2 (D. Minn. Jan. 22, 2009) (Order and Opinion on plaintiff's motion for a preliminary injunction).
7. Fed. R. Civ. P. 34(b)(1)(C).
8. Fed. R. Civ. P. 34(b)(2)(E)(ii).
9. Fed. R. Civ. P. 34 advisory committee's note (2006 Amendment); see also Kenneth J. Withers, Electronically Stored Information: The December 2006 Amendments to the Federal Rules of Civil Procedure, 7 Se-dona Conf. J. 1 (2006).
10. Fed. R. Civ. P. 34 advisory committee's note (2006 Amendment).
11. See H. Christopher Boehning & Daniel J. Toal, 'Mancia' Applies ESI Rules to Broader Discovery Practice, NYLJ, Dec. 23, 2008.
12. Fed. R. Civ. P. 26(f)(3)(C) (emphasis added).
13. Seventh Circuit Electronic Discovery Pilot Program: Statement of Purpose and Preparation of Principles (Oct. 1, 2009), available at http://www.ca7.uscourts.gov/.
14. Rule 26(f) Report, *Cenveo Corp. v. S. Graphic Sys.,* Civ. No. 08-5521 (D. Minn. March 31, 2009).
15. The Sedona Principles (Annotated), cmt. 12.a (2007) (noting that "the content value of a particular piece of metadata may be critical or may be completely irrelevant").
16. Nor can native format documents be Bates-stamped, although some commentators on e-discovery have suggested that Bates-stamping will some day be replaced by the use of identifying information that is inherent in every electronic document. See Ralph C. Losey, Hash: The New Bates Stamp, 12 J. Tech. L. & Pol'y 1 (2007).
17. Incidentally, the metadata fields that will be produced can, and often should, be discussed by the parties at their Rule 26(f) conference and incorporated into a subsequent order.
18. The Sedona Principles (Annotated), cmt. 12.a (2007).
19. Id.
20. Fed. R. Civ. P. 34(b)(2)(D).
21. 255 F.R.D. 350 (S.D.N.Y. 2008).

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