

United States District Court
For the Northern District of California

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

VENTURE CORPORATION LTD., et al.,)	Case No. 5:13-cv-03384-PSG
)	
Plaintiffs,)	ORDER RE: MOTION TO COMPEL
)	
v.)	(Re: Docket No. 44)
)	
JAMES P. BARRETT,)	
)	
Defendant.)	

Most lawyers (and hopefully judges) would be forgiven if they could not recite on demand some of the more obscure of the Federal Rules of Civil Procedure. Rule 80 (Stenographic Transcript as Evidence) and Rule 64 (Seizing a Person or Property) come to mind. But Rule 34 (Producing Documents, Electronically Stored Information, and Tangible Things) is about as basic to any civil case as it gets. And yet, over and over again, the undersigned is confronted with misapprehension of its standards and elements by even experienced counsel. Unfortunately, this case presents yet another example.

After Defendant James P. Barrett served initial document requests and Plaintiffs Venture Corporation Ltd. and Venture Design Services, Inc. responded, the parties met and conferred about how the Ventures would produce documents.¹ So far, so good. But despite their best efforts, the

¹ See Docket No. 54 at 3.

1 parties could not agree. Barrett wanted the documents organized and labeled to identify the
2 requests to which they were responsive.² The Ventures demurred at such an obligation.³ What
3 followed was a production of approximately 41,000 pages, even though there was nothing close to
4 a meeting of the minds.⁴ Because this production did not square with the requirements of either
5 Rule 34(b)(2)(E)(i) or (ii), the Ventures shall try again, as explained below.

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7 **I.**

8 Even in the days of paper measured by the carton and large, cold-storage warehouses, the
9 document dump was recognized for what it was: at best inefficient and at worst a tactic to work
10 over the requesting party. Rule 34 aims to prevent such a scenario with two specific and separate
11 requirements. First, “[a] party must produce documents as they are kept in the ordinary course of
12 business or must organize and label them to correspond to the categories in the request.”⁵ Second,
13 “[i]f a request does not specify a form for producing electronically stored information, a party must
14 produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or
15 forms. A party need not produce the same electronically stored information in more than one
16 form.”⁶

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18 Barrett is the owner of three patents on an air monitor and gas scrubber component. The
19 Ventures say those patents belong to them, and filed this suit to confirm their ownership.⁷ Barrett
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23 ² *See id.*

24 ³ *See id.*

25 ⁴ *See id.*

26 ⁵ Fed. R. Civ. P. 34(b)(2)(E)(i).

27 ⁶ Fed. R. Civ. P. 34(b)(2)(E)(ii).

28 ⁷ *See* Docket No. 54 at 1.

1 countersued, saying the Ventures welched on commitments they made to induce Barrett to assign
2 the patents.⁸

3 After the initial case management conference and the filing of a scheduling order,⁹ Barrett
4 began serving document requests together with other discovery.¹⁰ After the Ventures served
5 objections, but no documents, the parties met by telephone.¹¹ What happened during that call is
6 hotly contested. The Ventures say Barrett agreed to accept documents in bulk and in PDF or native
7 format despite initially insisting on an identification of which documents correspond to each
8 request.¹² Barrett denies this, saying that he only agreed to review whatever the Ventures would
9 produce while reserving the right to later demand identification by request.¹³

10
11 What is not contested is that the Ventures proceeded to produce, on flash drive and by
12 email, approximately 41,000 pages. The drive and email contained no custodial index, no table, no
13 information at all—just folders of the files themselves.¹⁴ After Barrett took various depositions, he
14 followed up on what he understood the original deal to be by serving interrogatories requesting
15 identification of what documents responded to various categories.¹⁵ Barrett served the follow-up
16 interrogatories by email pursuant to Fed. Civ. P. 5(b)(2)(E), just 30 days before the discovery cut-
17 off set out in the court’s scheduling order.¹⁶

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20 ⁸ *See id.*

21 ⁹ *See* Docket No. 25.

22 ¹⁰ *See* Docket No. 54 at 1.

23 ¹¹ *See* Docket No. 54-1 at 1.

24 ¹² *See id.*

25 ¹³ *See* Docket No. 44 at 7, 12; Docket No. 55 at 1, 7, Docket No. 61.

26 ¹⁴ *See* Docket No. 54 at 1, 3, 8.

27 ¹⁵ *See id.*

28 ¹⁶ *See* Docket No. 54 at 1, 5, 7.

1 The Ventures balked at what they claim were untimely requests and more generally
2 unwarranted demands calling for document and ESI production other than as they are kept in the
3 usual course of business.¹⁷ Barrett then moved to compel answers to the interrogatories and
4 requests for production and sanctions in the form of attorney's fees and costs.¹⁸

5 II.

6 The court has jurisdiction under 28 U.S.C. § 2201 and 1332(a)(1) and (2). The parties have
7 consented to magistrate judge jurisdiction under 28 U.S.C. § 636(c) and Fed. R. Civ. P. 72(a).

8 The Ventures may be right that Barrett's final round of interrogatories were untimely. By
9 serving the interrogatories by email under subsection (E) of Rule 5(b)(2), Barrett pushed the
10 Ventures' deadline to respond three days past the discovery cut-off, by operation of Rule 6(d).
11 Under Civil L.R. 37-3, "[d]iscovery requests that call for responses or depositions after the
12 applicable discovery cut-off are not enforceable, except by order of the Court for good cause
13 shown." But the court need not resolve whether Barrett has shown good cause here, because either
14 way the Ventures' production did not square with the rules.
15

16 III.

17 Rule 34(b)(2)(E)(i) is plain: if documents are not organized and labeled to correspond to
18 the categories in the request, they must be produced as they are kept in the usual course of
19 business. The Ventures did not do this.
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21 *First*, there is no real dispute that the Ventures did not organize and label their production.
22 Not even the Ventures claim this.
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24 *Second*, the Ventures have submitted no evidence that in the ordinary course of business
25 they keep documents and ESI in folders as they were produced. "A party selecting the alternative
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27 ¹⁷ See *id.*

28 ¹⁸ See Docket No. 44.

1 method of production bears the burden of demonstrating that the documents made available were in
2 fact produced consistent with that mandate. . . . To carry this burden, a party must do more than
3 merely represent to the court and the requesting party that the documents have been produced as
4 they are maintained.”¹⁹ At a minimum, the court would expect to see the documents and ESI kept
5 by the name of the employee from whom the documents were obtained or at least which Venture
6 entity had produced the documents.²⁰ But here, there was nothing in the way of any such source
7 information.

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9 Once again, the Ventures do not dispute that their documents and ESI are kept in some
10 more hierarchical scheme. Instead they claim that while they offered to produce the files together
11 with load files and an index, Barrett told them he would accept production in PDF and native
12 form.²¹ As an initial matter, the Ventures’ proof of this is thin at best. The Ventures tender neither
13 a contemporaneous letter nor any email following up the call between counsel. All that Venture
14 musters is an attorney declaration prepared many months after the call and only once Barrett
15 brought his motion.²² The only such contemporaneous communication is from Barrett, in which
16 his counsel makes clear she was not agreeing to much of anything.²³ More fundamentally, even if
17 there was such an agreement, an agreement on form relieves a responding party of any further form
18 obligations under subsection (ii) of Rule 34(b)(2)(E). It does nothing to relieve such a party of its
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22 ¹⁹ See *Pass & Seymour, Inc. v. Hubbell Inc.*, 255 F.R.D. 331, 334 (N.D.N.Y. 2008) (citing *Johnson*
23 *v. Kraft Foods N. Am., Inc.*, 236 F.R.D. 535, 540-41 (D. Kan. 2006); *Cardenas v. Dorel Juvenile*
24 *Group, Inc.*, 230 F.R.D. 611, 618 (D. Kan. 2005)). See also *Google, Inc. v. American Blind &*
25 *Wallpaper Factory, Inc.*, Case No. 03-cv-5340, 2006 WL 5349265, at *3 (N.D. Cal. Feb. 8, 2006).

26 ²⁰ Cf. *MGP Ingredients, Inc. v. Mars, Inc.*, Case No. 06-2318-JWL-DJW, 2007 WL 2010343, at *1
27 (D. Kan. Oct. 15, 2007).

28 ²¹ See Docket No. 54 at 3.

²² See Docket No. 54-1.

²³ See Docket No. 56.

1 obligation under subsection (i) to produce the documents and ESI as they are kept in the ordinary
2 course of business.

3 This distinction matters. Form under subsection (ii) is about whether the production should
4 be native, near-native, imaged as PDF (or more commonly, as TIFFs accompanied by load files
5 containing searchable text and metadata) or in paper (printed out).²⁴ Providing information about
6 how documents and ESI are kept under subsection (i) “[a]t a minimum . . . mean[s] that the
7 disclosing party should provide information about each document which ideally would include, in
8 some fashion, the identity of the custodian or person from whom the documents were obtained, an
9 indication of whether they are retained in hard copy or digital format, assurance that the documents
10 have been produced in the order in which they are maintained, and a general description of the
11 filing system from which they were recovered.”²⁵

12
13 **Third**, because there was not even an agreement on form, Venture had an obligation under
14 subsection (ii) to show that the production was in which “it is ordinarily maintained or in a
15 reasonably usable form or forms.”²⁶ Once again, there is no serious question that a grab-bag of
16 PDF and native files is neither how the Ventures ordinarily maintained the documents and ESI nor
17 is “in a reasonably usable form.”²⁷

18 19 **IV.**

20 This leaves only the question of remedy. While Barrett wants the production organized and
21 labeled, as he has all along, the court sees no reason to limit the remedy to only what Barrett wants.
22 After all, during the meet and confer, and even at the hearing on this matter, Barrett kept insisting
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24 ²⁴ See Craig Ball, Lawyer’s Guide to Forms of Production, available at:
http://www.craigball.com/Lawyers%20Guide%20to%20Forms%20of%20Production_Ver.20140512_TX.pdf (last visited 10/15/2014).

25 ²⁵ *Pass & Seymour, Inc.*, 255 F.R.D. at 337.

26 ²⁶ Fed. R. Civ. P. 34(b)(2) (E)(ii).

27 ²⁷ *Id.*

1 that organization and labeling is always required—never mind the disjunctive structure of
2 subsection (i)’s language. And so to remedy this situation, the Ventures shall do three things: (1)
3 either organize and label each document it has produced or it shall provide custodial and other
4 organizational information along the lines outlined above and (2) produce load files for its
5 production containing searchable text and metadata.

6 As for Barrett’s requested fees and costs, this request is denied. Barrett’s unwillingness to
7 accept the disjunctive nature or subsection (i), insistence on organization and labeling and delay in
8 bringing this motion only contributed to the unfortunate situation at hand.
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10 The Ventures shall comply with this order within 21 days.

11 **SO ORDERED.**

12 Dated: October 16, 2014

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15 PAUL S. GREWAL
16 United States Magistrate Judge
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