Apple, Inc. v. Gravity Tank, Inc. et al Doc.

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Apple Inc.,	)	
Plaintiff,	)	
v.	)	Case No.
Samsung Electronics Co., Ltd.,	)	Case No. 11-cv-1846 (pending in the Northern District of California)
Defendant.	)	

THIRD-PARTY SUBPOENA RESPONDENT GRAVITY TANK, INC.'S
MOTION FOR PROTECTIVE ORDER

Third-Party Subpoena Respondent Gravity Tank, Inc. ("Gravity Tank"), by and through its counsel, and for its Motion for Protective Order relating to two subpoenas for the production of documents and a records custodian deposition subpoena issued by Apple Inc. ("Apple") and Samsung Electronics Co., Ltd. ("Samsung") in a case pending in the Northern District of California, and pursuant to Fed. R. Civ. P. 45(c)(3), states as follows:

INTRODUCTION

Gravity Tank is an innovation consulting firm based in Chicago, Illinois with approximately 60 employees. As innovation consultants, Gravity Tank works with its clients to grow new business, define new products and services, and enter new markets through business analysis, research, and design. Apple and Samsung, two of the largest electronics companies in the world, are embroiled in a contentious patent litigation pending in the United States District Court for the Northern District of California, Case No. 11-cv-01846. As part of their dispute, Apple and Samsung have both served document subpoenas upon Gravity Tank requiring Gravity Tank, by March 5, to provide over 40 categories of documents, across multiple projects, and

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involving significant electronically stored information ("ESI"). As discussed below, both Apple and Samsung's subpoenas are overly broad, unduly burdensome, and fail to allow for a reasonable time for compliance.

Pursuant to Rule 45 and applicable case law, a Protective Order should be entered to allow the parties the opportunity to narrow their subpoenas, grant sufficient time for Gravity Tank to respond to the subpoenas, requiring Apple and Samsung to mutually agree to confirm how the production should take place and, to the extent that they desire ESI that is duplicative of each other's subpoena, requiring Apple and Samsung to agree on what should be produced, and lastly, requiring Apple and Samsung to retain an ESI vendor to conduct the search and production of Gravity Tank's ESI and to split the cost of the vendor between them. Alternatively, if Apple and Samsung are unwilling or unable to cooperate in resolving Gravity Tank's objections, the subpoenas should be quashed.

PROCEDURAL BACKGROUND

1. The Apple and Samsung Litigation

On April 15, 2011, Apple filed a complaint in the United States District Court for the Northern District of California for patent infringement, trademark infringement, and other unfair competition claims against Samsung in connection with Apple's iPhone, iPod touch, and iPad products (the "California Action"). Samsung has filed a number of counterclaims against Apple. From the outset of the California Action, Apple and Samsung have engaged in contentious discovery disputes, including fully briefing multiple motions to compel, and each has engaged multiple ESI vendors. Gravity Tank's counsel was informed that the discovery cutoff in the California Action is March 8, 2012.

2. The Subpoenas

A. The Samsung Subpoena

On February 20, 2012, counsel for Samsung issued a document subpoena to Gravity Tank with a return date of March 5, 2012 at 9:00 a.m. (See Samsung Subpoena attached hereto as Exhibit A). Attached to the subpoena is a document rider containing 33 categories of documents that Samsung is seeking from Gravity Tank. For each of the 33 categories, Samsung requests, without any limitation, that Gravity Tank produce e-mails and other electronic documents. In addition, 28 of the categories do not contain any limitation on time.

For example, Samsung's requests (Exhibit A, No. 28 and 32) seek:

> 28. All DOCUMENTS relating to research, analysis, or evaluation conducted by or know to YOU of features of smartphones, tablets and/or media players that consumers consider when purchasing smartphones, tablets and/or media players, including features consumers consider when purchasing iPhones, iPads, and/or iPod Touches.
>
> 32. All DOCUMENTS relating to any consumer panels and/or surveys conducted by or known to YOU relating to the iPhone, iPad, and/or iPod Touch.

Responding to such requests will require Gravity Tank to produce terabytes of data, including ESI that relates to other customers of Gravity Tank that wish to create products merely "accessible" by a smartphone, tablet or media player. The requests are patently overbroad and responding to them would be unduly burdensome. It is hopeful that further dialogue with counsel for Samsung will narrow the requests to projects relating solely to finished work provided on three discrete projects relating to certain Apple products.

B. The Apple Subpoenas

On February 27, 2012, counsel for Apple issued a subpoena for the deposition of Gravity Tank's records custodian with that deposition to take place on March 5, 2012. On February 27, 2012, counsel for Apple also issued a document subpoena to Gravity Tank with a return date of

March 5, 2012. (See the Apple Subpoenas attached hereto as Exhibit B). Attached to the document subpoena is a document rider containing eight (8) categories of documents that Apple is seeking from Gravity Tank. For all of its document categories, Apple requests, without any limitation, that Gravity Tank produce e-mails and other electronic documents. Similarly, Apple has not stated any limitation on the time period of its requests.

Apple's subpoena seeks records that will cover at least a six (6) year relationship between Gravity Tank and Samsung and "Copies of all drafts and final versions of any studies, reports, evaluations, recommendations, memorandum or other documents, prepared by Gravity Tank with or for Samsung relating to Apple's iPhone and/or iPad." (See Exhibit B, Req. No. 1.) Thus, the scope of the requests would include a vast amount of ESI, accounting records, and multi-media records covering years of activities.

It is believed that Apple would agree to extend the time necessary for the production, but those details have not been forthcoming as of the date hereof.

3. Gravity Tank's Objections and Resolution Efforts

In an effort to comply with its obligations under the Federal Rules and its non-disclosure agreements ("NDA") with both Apple and Samsung, on February 29, 2012, counsel for Gravity Tank sent to each company the related NDA's so that they would be on notice of the subpoenas if either objected to the other's subpoena for the records. Furthermore, Dan Graham, counsel for Gravity Tank, spoke directly with Apple and Samsung's counsel that issued the subpoenas to discuss Gravity Tank's objections and, in compliance with Local Rule 37.2, sought agreement on the narrowing of the subpoenas and protocol for the production. In particular, Gravity Tank informed Apple and Samsung that their subpoenas are unduly burdensome and overly broad as compliance will require costly discovery of ESI and Gravity Tank does not employ personnel

qualified to perform the ESI searching. Apple and Samsung were also informed that the subpoenas are deficient as the time for compliance is unreasonable and the subpoenas do not include any methods for identifying relevant ESI, such as key word searching, or a format for production. Gravity Tank's counsel raised additional concerns regarding the application of the Agreed Protective Order entered in the California Action in light of the non-disclosure agreements contained in Gravity Tank's service agreements with both Apple and Samsung.[1] Lastly, Gravity Tank has not received direction on whether any production would be deemed non-confidential, "Confidential" or "Attorney's Eyes Only" under the California Action's protective order.

Based on the foregoing, Gravity Tank's counsel requested that Apple and Samsung's counsel confer with each other or to cooperate in a coordinated effort regarding the scope of the documents they are seeking from Gravity Tank; that the time for Gravity Tank to comply with the subpoenas be stayed until mutually agreeable categories and procedures are established; and that Apple and Samsung select an independent e-discovery expert to conduct any necessary ESI discovery, with Apple and Samsung paying for the costs associated with the collection, review and production of the ESI.

As of the date of this Motion, Apple has not responded to Gravity Tank's requests, and Samsung's counsel's initial offer to narrow certain requests did not include the protections necessary to protect Gravity Tank from the costs associated with responding to the subpoenas.

ARGUMENT

Rule 45 governs subpoenas on non-parties and places affirmative duties on those issuing subpoenas to "take reasonable steps to avoid imposing undue burden or expense on a person

[1] Gravity Tank also raised concerns about the copy of the Agreed Protective Order sent to Gravity Tank as the version provided is a red-lined version of the document and may not be final.

subject to the subpoena." Fed. R. Civ. P. 45(c)(1). With respect to ESI, Rule 45(d)(1)(D) provides that a "person responding need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost." In addition to Rule 45, the Seventh Circuit has strongly recommended that parties to complex discovery proceedings work to negotiate the amount of ESI being sought as part of the Principles enunciated in the Seventh Circuit Electronic Discovery Pilot Program. *Heraeus Kulzer, GmbH v. Biomet, Inc.*, 633 F.3d 591, 598 (7th Cir. 2011).

1. The Subpoenas Impose An Undue Burden On Gravity Tank Because They Do Not Allow A Reasonable Time To Comply, Are Indefinite As To Time Periods, And Involve Subject Matter That Implicates Numerous Of Gravity Tank's Other Clients.

"On timely motion, the issuing court must quash or modify a subpoena that: (i) fails to allow a reasonable time to comply;… or (iv) subjects a person to undue burden." Fed. R. Civ. P. 45(c)(3)(A). Here, the subpoenas issued by both Apple and Samsung fail to allow a reasonable time to comply. Samsung's subpoena, which was issued on February 20, 2012, only allows Gravity Tank two weeks to search for 33 categories of documents, including ESI. Likewise, Apple's subpoena, which was issued on February 27, 2012, only allows Gravity Tank one week to comply with eight categories of document requests. Given the lack of specificity or guidance provided by the subpoenas and the need to retain an e-discovery expert to properly retrieve relevant ESI, complying with the subpoenas will take several weeks, if not longer.

In addition, neither Apple nor Samsung's subpoena specifies a time period for the documents they are seeking. Samsung has been a client of Gravity Tank for approximately six (6) years on numerous projects which will make compliance with Apple's subpoena unduly burdensome. More importantly, given the subject matter of the subpoenas, in particular cell phones, smart phones, and tablets, including the widely used iPhone and iPad, searching for

responsive ESI will implicate several of Gravity Tank's other customers whose projects include research on applications that are accessible through "smart phones" and "tablets." Accordingly, Apple and Samsung should be required to modify their subpoenas to provide definitive time periods as well as document requests for ESI that are targeted, clear, and as specific as practicable. Alternatively, if Apple and Samsung cannot cooperate in resolving Gravity Tank's objections, the subpoenas should be quashed.

2. The ESI Sought By Apple And Samsung Is Not Reasonably Accessible To Gravity Tank And The Cost Of Securing the ESI Should Be Shifted To Apple and Samsung.

As a small consulting firm, Gravity Tank does not employ personnel with the necessary expertise to conduct the ESI search and retrieval necessary to comply with Apple and Samsung's subpoenas. To resolve this problem, Gravity Tank has requested that Apple and Samsung agree to retain an e-discovery expert to conduct and coordinate the necessary searches, with Apple and Samsung splitting the cost of the expert between them based on the searches and production requested. While Apple and Samsung have not responded to this request, cost-shifting is appropriate in this case regardless of Apple and Samsung's agreement.

Generally, "the costs and burdens of preservation and production that the law imposes on litigants *should not be the same for non-parties*. Third parties should not be required to subsidize litigation to which they have no stake in the outcome." *DeGeer v. Gillis*, 755 F. Supp. 2d 909, 918 (N.D. Ill. 2010), quoting Sedona Conference Commentary on Non-Party Production & *Rule 45* Subpoenas, 9 SEDCJ 197, *198-99 (2008) (emphasis added). With respect to cost-shifting for subpoenas on non-parties, courts have considered the following factors: "(a) the scope of the request; (b) the invasiveness of the request; (c) the need to separate privileged material; (d) the non-party's interest in the litigation; (e) whether the party seeking production of documents ultimately prevails; (f) the relative resources of the party and the nonparty; (g) the

reasonableness of the costs sought; and (h) the public importance of the litigation." *DeGeer*, 755 F. Supp. 2d at 928-929, quoting 9 SEDCJ at *202.

Here, all of the *DeGeer* factors favor cost shifting to Apple and Samsung particularly in light of the scope and invasiveness of the subpoena requests, the dramatic discrepancy in the resources of Gravity Tank and Apple or Samsung, and the lack of interest that Gravity Tank has in the patent infringement claims at issue. Accordingly, once the scope of Apple and Samsung's subpoenas is resolved, Apple and Samsung should be required to equally share the cost of an e-discovery expert to search and retrieve Gravity Tank's requested ESI.

CONCLUSION

Based on the foregoing, Gravity Tank requests that this Honorable Court enter a Protective Order requiring that Apple and Samsung confer and develop an agreed-upon scope and process for Gravity Tank's ESI; that the time for Gravity Tank to comply with the subpoenas be stayed until mutually agreeable categories and procedures are established; and that Apple and Samsung select an independent e-discovery expert to conduct the necessary ESI discovery with Apple and Samsung equally sharing the cost of the expert. Alternatively, if Apple and Samsung are unwilling or unable to cooperate in resolving Gravity Tank's objections, Gravity Tank requests that Apple and Samsung's subpoenas be quashed.

Respectfully submitted,

CLARK HILL PLC

Dated: March 2, 2012

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