IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

THE WEATHER UNDERGROUND, INC.,
a Michigan corporation,

Plaintiff,

vs.

Case No. 2:09-CV-10756
Hon. Marianne O. Battani

NAVIGATION CATALYST SYSTEMS, INC.,
a Delaware corporation; BASIC FUSION, INC.,
a Delaware corporation; CONNEXUS CORP.,
a Delaware corporation; and FIRSTLOOK, INC.,
a Delaware corporation,

Defendants.

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NAVIGATION CATALYST SYSTEMS, INC.'S MOTION TO COMPEL FURTHER RESPONSES AND PRODUCTION OF DOCUMENTS

TO THIS HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT, pursuant to Fed. R. Civ. P. 37(a), Defendant Navigation Catalyst Systems, Inc. ("NCS") hereby moves this Court for an order compelling Plaintiff The Weather Underground, Inc. ("Plaintiff") to: (i) provide further responses to NCS's Third Set of Requests for Production ("Third Set of RFPs"); (ii) produce all documents responsive thereto including all communications between Plaintiff's counsel and Plaintiff's designated testifying expert[1], Chris Schwerzler, from August 16, 2010 (the day of Plaintiff's designation) forward; and (iii) to remove the privileged designation it assigned to an email described as Deposition Exhibit 220, all within ten (10) days of the Court's order hereon.

This Motion is based on the facts and arguments set forth in the accompanying Memorandum of Points and Authorities; to wit, that the version of Rule 26 that existed when Plaintiff responded to discovery applies herein, and that, pursuant thereto, Plaintiff is required to produce all documents considered by its testifying expert, Christopher Schwerzler, regardless of whether the documents are otherwise privileged.

This Motion is supported by the attached Memorandum of Points and Authorities, the Declaration of William A. Delgado filed concurrently herewith and the exhibits thereto, the case file, and the arguments of counsel that the Court would entertain at a hearing on this motion.

[1] Nothing herein shall be construed to be an admission by NCS that Mr. Schwerzler is, in fact, an expert in the areas in which he will seek to testify or that any such testimony offered by him is admissible under *Daubert*.

The parties have met and conferred through correspondence and in person on January 31, 2011. NCS has explained the nature of the motion, its legal basis and requested but has not obtained, concurrence in the relief sought.

RESPECTFULLY SUBMITTED this 10th day of February, 2011.

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MEMORANDUM OF POINTS AND AUTHORITIES

Statement of the Issues Presented

At issue in this Motion is the following question: whether Plaintiff is permitted to withhold documents read and considered by a designated, testifying expert, including communications between counsel and the expert, on the basis of the attorney-client privilege or the attorney work product doctrine? NCS respectfully requests that the answer, pursuant to the applicable version of Rule 26, is no.

Controlling Authority

The controlling authorities for this motion are Rule 26 of the Federal Rules of Civil Procedure, which governs expert-related discovery; Rule 34 of the Federal Rules of Civil Procedure, which governs Requests for Production of Documents; and Rule 37(a) of the Federal Rules of Civil Procedure, which permits a party to bring a motion before the Court to compel responses and the production of documents.

I. INTRODUCTION

NCS seeks an order compelling further responses and documents requested by NCS in its Third Set of RFPs that Plaintiff is apparently withholding and refusing to produce. In its Third Set of RFPs, NCS requested, *inter alia*, all documents considered by Mr. Schwerzler in his role as expert, including communications with Plaintiff's counsel. Plaintiff has refused to provide all such communications on the basis that they are protected by the attorney-client privilege because Mr. Schwerzler is an officer/employee of Plaintiff. However, the Sixth Circuit has already ruled that ***all*** documents considered by a testifying expert, including privileged documents and attorney work product, must be produced. *See*, *Regional Airport Authority of Louisville v. LFG, LLC*, 460 F.3d 697, 717 (6th Cir. 2006) ("*Regional Airport Authority*") ("Rule 26 created a bright-line rule mandating disclosure of all documents, including attorney opinion work product, given to testifying experts.").

To justify its refusal to turn over these documents, Plaintiff relies on the December 1, 2010 amendment to Rule 26, which now restricts the discovery of privileged material considered by an expert. But, the new version of the rule was ***not*** in effect when Plaintiff designated Mr. Schwerzler as an expert, when NCS issued its Third Set of RFPs, or, most importantly, when Plaintiff responded to NCS's Third Set of RFPs. As explained below, therefore, the amended version of Rule 26 is not applicable; it is the prior version which controls. Accordingly, NCS respectfully requests that the Court compel Plaintiff to produce any and all documents responsive to the Third Set of RPFs and to remove the privileged designation from a document produced by Plaintiff in response to the Third Set of RFPs but that Plaintiff is now claiming is privileged.

II. STATEMENT OF FACTS

A. Third Set of Requests for Production.

On August 16, 2010, Plaintiff designated Christopher Schwerzler, its Director and, essentially, Chief Technology Officer, as its testifying expert witness. Declaration of William A. Delgado, dated February 10, 2011 at ¶ 2. Pursuant to Rules 26 and 34 of the Federal Rules of Civil Procedure, NCS propounded its Third Document Requests on October 26, 2010, seeking documents related to Mr. Schwerzler's retention as Plaintiff's expert. Declaration of William Delgado ("Delgado Decl."), Ex. B. The requests include the following:

- Request 48 seeks documents that relate to any of the services rendered by, any of the work done by, or any of the work product produced by Mr. Schwerzler in his role as Plaintiff's expert witness;
- Request 49 seeks documents related to the development of any expert declaration or report by Mr. Schwerzler;
- Request 51 seeks drafts or versions of any expert declaration or report of Mr. Schwerzler;
- Request 52 seeks all documents evidencing or reflecting communications between Plaintiff and/or Plaintiff's attorney, on the one hand, and Mr. Schwerzler, on the other, relating to his role as Plaintiff's expert, the topics of expert testimony, the opinions to be proffered and/or any draft of the expert reports provided by Plaintiff;
- Request 54 seeks documents seen, reviewed or relied upon by Mr. Schwerzler in the course of rendering services relating to this litigation, preparing his expert reports, or otherwise forming an opinion in this matter;

- Request 55 seeks documents evidencing or relating to any review or consideration by Mr. Schwerzler of any aspect of NCS's business or of the industry in which NCS operates;
- Request 56 seeks documents evidencing or reflecting instructions or guidance provided by Mr. Schwerzler to any person who assisted him in providing services related to this litigation, preparing the expert reports, and/or otherwise forming an opinion in this matter;

Delgado Decl., Ex. B, pp. 6-10.

After seeking an extension from NCS, which NCS granted, Plaintiff served its responses on November 30, 2010 and objected to all requests to the extent that they seek information protected by the attorney-client privilege, the work-product privilege, or any other privilege, protection, or immunity applicable under the governing law. Delgado Decl., Ex. C, p. 2 (General Objections, ¶ 2). Notwithstanding this objection, however, among the documents produced by Plaintiff in response to the Third Set of RPFs *were* communications between Plaintiff's counsel and Mr. Schwerzler, including an email string from September 17-18, 2010 among counsel and Mr. Schwerzler and between Mr. Schwerzler and Mr. Steremberg ("Deposition Exhibit 220"). Delgado Decl. at ¶ 5 and Ex. H.[2] This e-mail string ***postdates*** Mr. Schwerzler's designation as a testifying expert in this matter. *See* Ex. H. At his deposition on December 6, 2010, Mr. Schwerzler was questioned about the document, and the document was marked as Deposition Exhibit 220. Delgado Decl. at ¶ 6. Plaintiff's attorney then claimed that production of Deposition Exhibit 220 was inadvertent and claimed that both the document and corresponding deposition testimony are privileged. *See* Delgado Decl. Ex. D. As discussed below, they are not.

[2] For the reasons explained below, NCS does not believe this e-mail is privileged. Nevertheless, as a courtesy to Plaintiff's counsel, this exhibit has been filed under seal.

B. Meet and Confer Efforts.

Given Plaintiff's representation on December 28, 2010 that Deposition Exhibit 220 was "inadvertently" produced, NCS suspected that there were other communications between counsel and Schwerzler that had not been produced (though they should have been). On December 29, 2010 counsel for NCS wrote to Plaintiff's counsel asking (i) that Plaintiff remove the attempted designation of Deposition Exhibit 220 as privileged and (ii) that Plaintiff confirm whether it had such other communications between counsel and Schwerzler in its possession that had not been produced. Delgado Decl. at Ex. E. Receiving no reply thereto, counsel for NCS wrote to Plaintiff's counsel again to reiterate its requests on January 24, 2011. *Id*. at Ex. F. Counsel for the parties met and conferred, in person in Los Angeles, California, on January 31, 2011, and on February 8, 2011, Plaintiff's counsel responded but refused to produce any communications on the basis of the attorney-client privilege. *Id*. at Ex. F. Since the parties have now taken diametrically opposite positions on this issue, this motion followed.

III. ARGUMENT

A. The Version Of Rule 26 That Existed as of November 30, 2010 Applies.

As described, above, Mr. Schwerzler was designated as a testifying expert on August 16, 2010. On October 26, 2010, NCS propounded its Third Document Requests pursuant to Rule 34 of the Federal Rules of Civil Procedure, seeking expert-related discovery under Rule 26. Delgado Decl., Ex. A. Plaintiff responded to those requests on November 30, 2010, and withheld information on the basis of privilege (even though, as discussed in more detail in Section III.B.1. below, it had no basis for doing so under *Regional Airport Authority of*

Louisville v. LFG, LLC, 460 F.3d 697 (6th Cir. 2006) ("*Regional Airport Authority*"), wherein the Sixth Circuit established a bright-line rule requiring the disclosure of any information or documents supplied to an expert witness, regardless of whether it is privileged or whether it consists of attorney opinion work product).

On December 1, 2010, Rule 26 was amended in a way that restricts – but does not eliminate entirely – the discovery of privileged material considered by experts.[3] Although Plaintiff responded to the Third Document Requests ***before*** the amendment took effect, it is now relying on the amended rule for its claim of privilege. But, Plaintiff cannot do so because the amended rule was not in effect when Plaintiff responded to the Third Document Requests. *See, Toth v. Grand Trunk R.R.*, 306 F.3d 335, 343 n.2 (6th Cir. 2002) (applying the pre-amendment Rule 37 because all portions of the suit relating to the motion for sanctions were completed prior to the effective dates of the amendments); *Stanphill v. Health Care Service Corp.*, 2008 WL 2359730 at *1, n.5 (W.D. Okla. June 3, 2008) ("The Court must apply the version of Rule 37(c)(1) in effect when the documents were to be produced."); *Pace v. International Mill Service, Inc.*, 2007 WL 1385385 at *1, n.1 (N.D. Ind. May 7, 2007) (applying the version of Rule

[3] The primary difference between the pre-amendment Rule 26 and the December 1, 2010 amendment at issue in this motion is that the pre-amendment rule required that an expert disclose all data *and other information* considered by the witness in forming them, which, as described below, has been construed as any and all documents, regardless of privilege, received, reviewed, read or authored by the expert in the scope of his or her retention. Fed. R. Civ. P. 26(a)(2)(B)(ii); *Regional Airport Authority*, 460 F.3d 697. The December 1, 2010 amendments to Rule 26 still allow discovery of draft reports or attorney-client communications, but only upon a showing of substantial need. Fed. R. Civ. P. 26(b)(4). The amended rule also freely allows discovery of attorney-expert communications concerning (a) compensation, (b) facts or data provided by counsel and considered by the witness in forming opinions, and (c) assumptions provided by counsel and relied upon by the expert. Fed. R. Civ. P. 26(b)(4).

34 pertaining to electronic discovery that existed when plaintiff propounded its discovery requests even though the amended rule contained significant provisions addressing discovery of electronic files).[4]

Applying the rule that was in place when Plaintiff responded to the Third Set of RFPs is not only supported by caselaw, it makes logical sense. In an adversarial context, such as a lawsuit, the administration of justice is dependent on the parties following the rules as they exist, not as they *might* exist at some future time. A system which would permit Plaintiff to rely on a later-in-time amendment to Rule 26 to excuse its failure to abide by Rule 26, as it existed when Plaintiff's performance was required, does nothing but invite gamesmanship into the discovery process.

In light of the foregoing, this motion analyzes Plaintiff's expert-related discovery obligations under the version of Rule 26 that existed prior to December 1, 2010, and that was in effect when the requests were propounded and the responses provided. Thus, all citations to Rule 26 below refer to the pre-amendment Rule 26.

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[4] In response to NCS's meet and confer letter, Plaintiff relies on the preamble to the amended rules in support of its argument that the amended rule applies. Delgado Decl., Ex. G. The preamble provides that the amendments "shall govern in all proceedings thereafter commenced and, insofar as just and practicable, all proceedings then pending." April 28, 2010 Order of the Supreme Court Amending the Federal Rules of Civil Procedure, ¶ 2 (http://www.supremecourt.gov/orders/courtorders/frcv10.pdf). But, that preamble is not unique, and appears in nearly every order of the Supreme Court that amends the Rules of Civil Procedure. *See*, March 26, 2009 Order of the Supreme Court Amending the Federal Rules of Civil Procedure, ¶ 2 (same); April 23, 2008 Order of the Supreme Court Amending the Federal Rules of Civil Procedure, ¶ 2 (same); April 30, 2007 Order of the Supreme Court Amending the Federal Rules of Civil Procedure, ¶ 3 (same). Notably, in determining which rule to apply to ***discovery disputes of pending matters*** such as this one, courts defer to the rule that was in effect when the documents were to be produced. *See*, *Stanphill*, 2008 WL 2359730 at *1, n.5; *Pace*, 2007 WL 1385385 at *1, n.1.

B. Plaintiff Should Be Compelled To Provide Further Responses To The Third Document Requests And Produce Documents Provided To Mr. Schwerzler And Considered By Him In The Course Of Preparing His Opinions.

1. The Sixth Circuit Established A Bright Line Rule Requiring Disclosure of All Documents Reviewed By A Testifying Expert, Regardless of Privilege.

Federal Rule of Civil Procedure 26 was designed to provide a bright-line rule requiring disclosure of all materials considered by an expert in the course of preparing his opinions. Indeed, the rule states that the report of a testifying expert "shall contain a complete statement of all opinions to be expressed and the basis and reasons therefore [and] the data *or other information* considered by the witness in forming the opinions." Fed. R. Civ. P. 26(a)(2) (emphasis added). The Advisory Committee Notes accompanying the 1993 amendments explain that "[g]iven this obligation of disclosure, litigants should no longer be able to argue that materials furnished to their experts to be used in forming their opinions – whether or not ultimately relied upon by the expert – are privileged or otherwise protected from disclosure." Fed. R. Civ. P. 26, advisory committee's notes for 1993 amendments. The purpose of these disclosures is to allow effective cross-examination of expert witnesses in recognition of the key and determinative role expert testimony has in cases.

The language of Rule 26(b)(3), concerning the applicability of the work product doctrine, further supports this rule requiring production of documents considered by an expert in formulating his opinions. While Rule 26(b)(3) provides for the protection of documents "prepared in anticipation of litigation or for trial," this protection is "[s]ubject to the provisions of subdivision (b)(4)," which permits a party to seek the work product of a testifying expert

before trial. Fed. R. Civ. P. 26(b)(3) and (b)(4). The language of Rule 26 and its supporting commentary thus verify that the drafters intended Rule 26 to provide a bright-line rule requiring disclosure of all materials considered by an expert.

This intent was corroborated by the Sixth Circuit in *Regional Airport Authority*, wherein the Sixth Circuit definitively established that ***all*** information supplied to a testifying expert witness must be disclosed under the plain terms of Rule 26(a)(2)(B), regardless of whether it is privileged or whether it consists of attorney opinion work product. *Regional Airport Authority*, 460 F.3d at 715-16. Put simply, Rule 26(a)(2)(B) "trumps any assertion of work product or privilege." *In re Commercial Money Center, Inc. Equipment Lease Litig.*, 248 F.R.D. 532, 537 (N.D. Ohio 2008) (internal quotations omitted); *see also Rochow v. Life Ins. Co. of North America*, 2010 WL 100633 at *5, n. 5 (E.D. Mich. Jan. 5, 2010) ("The Sixth Circuit was very clear [in *Regional Airport Authority*] that *everything* is to be disclosed, including privileged and work-product protected material." (emphasis in original)). Thus, "whether any privilege otherwise attaches to the documents makes no difference. If a testifying expert 'considered' a document in forming his opinion, then it must be produced." *Euclid Chem.Co. v. Vector Corrosion Tech., Inc.*, 2007 WL 1560277 at *3 (N.D. Ohio May 29, 2007).

In interpreting Rule 26(a)(2)(B) and giving definition to the term "considered," "courts have endeavored to adopt a bright-line rule, avoiding uncertainty, and reject reliance on analysis of the expert's 'subjective mental processes.'" *Id.* The courts have embraced an objective test that defines "considered" as "anything received, reviewed, read, or authored by the expert, before or in connection with the forming of his opinion, if the subject matter related to the facts or opinion expressed. *All ambiguities must be resolved in favor of discovery*." *Id*. at *4

(emphasis added); *see also SEC v. Reyes*, 2007 WL 963422 at *1 (N.D. Cal. March 30, 2007) (citing *Regional Airport Authority*, and stating that materials reviewed or generated by an expert must be disclosed, "regardless of whether the expert [] actually rel[ies] on the material as a basis for [his or her] opinions."). An expert "need not have relied upon the documents to have considered them. As long as [the expert] 'read or reviewed the privileged materials *before* or in connection with formulating [his] opinions,' he considered them for Rule 26 purposes." *In re Commercial Money Center, Inc.* 248 F.R.D. at 537-38 (emphasis in original)).

2. Applicability of Rule to Employees Who Are Designated As Experts.

The rule applies equally when the testifying expert is a corporate officer or employee of the designating party. This district considered the issue in *Rochow*, *supra*. In that case, the defendant withheld and redacted certain documents, including communications between its expert witness, who was a corporate officer, and in-house counsel based on a claim of attorney-client or work product privilege. The documents were submitted to the court for *in camera* review. The Judge concluded that the documents *were* privileged but that the privilege did not matter, and mandated disclosure of the documents pursuant to Rule 26(a)(2) and *Regional Airport Authority*. *Rochow*, 2010 WL 100633 at *3. The defendant attempted to distinguish *Regional Airport Authority* on the facts by arguing that, unlike in *Regional Airport Authority*, its expert was a corporate officer and his communications with in-house counsel are privileged. *Id.* at *5, n.5. The court disagreed:

> "A 'bright-line rule,' as the term implies, obviates the need to examine nuanced arguments and factual distinctions. So, it does not matter whether [the expert] is also a corporate officer, and that his

> communication with in-house counsel might otherwise be privileged. In the context of this case, he is a testifying expert witness, and Rule 26(a)(2)(B), as construed by *Regional Airport Authority* and numerous other cases, required the disclosure of *all* communications with counsel."

Rochow, 2010 WL 100633 at *5 (emphasis in original); *see also, Euclid Chemical Co.*, 2007 WL 1560277 at * 4 (holding that the testifying expert's disclosure obligation extends to the entire time period that the expert served as a litigation consultant, and requiring production of all documents considered by the expert from the date the defendant received plaintiff's cease and desist letter); *United States v. Am. Elec. Power Serv. Corp.*, 2006 WL 3827509 at *1 (S.D. Ohio Dec. 28, 2006) (requiring disclosure of unredacted report where employee-expert admitted he reviewed the unredacted version before he was designated as an expert but claimed he relied on the redacted version in preparation of his expert report); *Western Resources, Inc. v. Union Pacific R.R. Co.*, 2002 WL 181494, at *10 (D. Kan. Jan. 31, 2002) (requiring disclosure of privileged documents considered by the testifying expert, including all documents reviewed by the expert in his previous capacity as a litigation consultant).

3. Plaintiff Should Be Compelled To Provide Further Responses And Documents.

Pursuant to *Regional Airport Authority* and its progeny, Plaintiff's objection to the production of privileged material that fall into the categories of documents requested in NCS's Third Document Requests, as described in Section II.A. above, is unfounded and should be overruled. Indeed, by communicating with and sharing privileged documents with Mr. Schwerzler and designating him as a testifying expert, Plaintiff has waived any attorney-client or

work product protection that might otherwise have attached to the items it is withholding from discovery. This applies with equal force to the Third Set of RFPs and to Deposition Exhibit 220, which Plaintiff now claims it has inadvertently produced. Ergo, Plaintiff must produce ***all*** documents "received, reviewed, read, or authored by" Mr. Schwerzler after the date he was designated as an expert and "all ambiguities must be resolved in favor of discovery." Such documents would include all communications with Mr. Schwerzler, irrespective of whether they are privileged or protected by the attorney work product doctrine.

Conclusion

For the foregoing reasons, NCS respectfully requests that its Motion to Compel be granted in full, and that Plaintiff be compelled to provide further responses to the Third Document Requests and produce all responsive documents within ten (10) days of this Court's Order. NCS also respectfully requests that this Court compel Plaintiff to remove the privileged designation it assigned to Deposition Exhibit 220.

RESPECTFULLY SUBMITTED this 10th day of February, 2011.

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CERTIFICATE OF SERVICE

I hereby certify that on February 10, 2011, I electronically filed the foregoing paper with the Court using the ECF system which will send notification of such filing to the following:

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