

## Qualcomm Decision Provides E-Discovery Lessons

by Gregory Fordham

The recent decision in the patent infringement dispute, *Qualcomm v. Broadcom*, 2008 WL 66932 (S.D.Cal), provides many lessons for litigators involved with digital evidence.

The most obvious lesson is that this case is just another in an ever increasing line of decisions awarding impressive monetary sanctions for discovery misconduct where digital evidence was involved.

In this case, Qualcomm was ordered to pay \$8.5 million in monetary sanctions to cover Broadcom's attorney's fees, expert fees and other costs related to the litigation.

Although Qualcomm had produced more than 1.2 million pages of documents, it had withheld more than 46,000 e-mails that were critically important to Broadcom's case. Consequently, the Court theorized that the case would not have progressed had Qualcomm actually produced the critical e-mails.

The second obvious lesson is that sanctions are not just for the named parties. In its decision the Court explained that, "If an attorney makes an incorrect certification without substantial justification, the Court must sanction the attorney, party or both . . ."

In this case, Qualcomm had agreed to produce relevant documents yet never produced them. Furthermore, even after learning of 21 potentially relevant e-mails, Qualcomm did not produce those or any of the others withheld.

Consequently, besides ordering Qualcomm to pay monetary sanctions, the Court referred six of Qualcomm's outside counsel to the State Bar for possible ethics violations.

In addition to the six outside attorneys, five of Qualcomm's in-house counsel, were ordered to participate in a comprehensive Case Review and Enforcement of Discovery Obligations (CREDO) program.

Adding insult to injury, the Court even published the names of Qualcomm's outside counsel that participated in the production failure, included short biographies about them and descriptions of their participation in the production failure.

The third lesson, and perhaps one of the more important, is that, "Attorneys must take responsibility for ensuring that their clients conduct a comprehensive and appropriate document search."

In essence, attorneys cannot turn a "blind eye" or play "ostrich" during the discovery and production phase of the litigation.

In the *Qualcomm* case there had been several warning signs. One was that key Qualcomm personnel for whom no e-mail had been produced had been part of a distribution list of individuals receiving e-mails on the relevant subject.

A second warning sign was that individuals designated by Qualcomm as their most knowledgeable persons regarding the matter were not included in the search for documents.

As a result, the Court was persuaded that the attorneys preferred to rely on the assurances of an important client and ignore these warning signs rather than recognize their signals and act accordingly.

In many respects, this part of the *Qualcomm* decision is similar to a 2006 decision, *Phoenix Four, Inc. v Strategic Resources Corp.*, Not Reported in F.Supp.2d, 2006 WL 1409413 (S.D.N.Y.)

In that case, the Court found that, ". . . [C]ounsel's failure to verify with client whether there was an e-mail backup system 'cannot be countenanced,' and that failure to search back-up tapes owing to 'honest miscommunication' between client and counsel as to whether such tapes existed 'was at least grossly negligent.'"

As a result in that case, the Defendants and their counsel were ordered to reimburse Plaintiffs equally for any statutory costs and attorneys' fees associated with bringing the motion, and the Defendants' share was not to be paid by their insurers.

Attorneys must be engaged in the preservation and production of their client's discovery documents. That is clearly the lesson learned from both the *Qualcomm* and *Phoenix Four* decisions.

Finally, the decision demonstrates the need to validate a production and how exploring the expertise and planning required to produce digital evidence could unlock production failures.

In *Qualcomm*, not only had the e-mail of key individuals been overlooked but the pertinent time periods had been missed as well.

A detailed exploration of the production protocol that included whose computer records had been examined along with the search terms, criteria and result distributions could have revealed this failure much earlier.

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