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Corporate Depositions in Patent Infringement Cases: Rule 30(b)(6) Is Broken and Needs to Be Fixed

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It is time to recognize that, at least in patent infringement cases, Rule 30(b)(6) of the Federal Rules of Civil Procedure is broken and needs to be fixed.

Corporate depositions taken pursuant to Rule 30(b)(6) are an expensive mainstay of virtually every patent infringement case. Deposing parties are attracted by the ease of use and benefits of corporate depositions. They are unfettered by tangible limits on the use of this potent discovery tool. As a result, they are using and abusing the Rule at a dramatically increasing pace.

Extensive Rule 30(b)(6) deposition notices, seeking broad discovery of confidential information on product research, development, marketing, sales, and profits and the opposing party's contentions on prior art, infringement opinions, and damages are common place. The costs and risks associated with preparing for and responding to such notices are familiar to every corporate litigant and a growing number of third-party corporate deponents. Yet, there is little that a beleaguered company can do when faced with a Rule 30(b)(6) deposition notice. Courts seem indifferent to the plight of a corporation beset by an unreasonable Rule 30(b)(6) deposition request. Repairs are needed.

Without a doubt, use of the Rule is on the rise. The authors of one article used the number of published opinions referring to Rule 30(b)(6) as a proxy for measuring use of the Rule in discovery. They determined that cases discussing Rule 30(b)(6) had increased four fold in the 11 years from 1988 to 1999.[1] Updating the same analysis shows that use of the Rule has literally exploded, increasing from 77 case citations in 1999 to more than 350 in 2006.[2]

With increasing use of the Rule has come increased abuse. Abuse of the Rule stems from a fundamental imbalance in the wording and application of the Rule. Simply put, parties to a patent infringement case face distinctly unequal burdens in taking and defending corporate depositions. Preparing and serving a Rule 30(b)(6) deposition notice takes little or no effort. Responding to a notice, even to a hastily drafted one, can be a gargantuan task for a corporate deponent. The judicially mandated requirements for the corporate deponent are substantial, and a failure to fulfill those requriements can have dire consequences. At the same time, the benefits for the party taking the corporate deposition are significant.

Given this decided imbalance, clever litigants are using the Rule 30(b)(6) discovery tool as a potent weapon in litigation. Abuses of the Rule resulting from

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this imbalance take several forms:

- Well-timed contention topics effectively and improperly shift the burden of discovery and of proof to the corporate deponent.
- Contention topics brazenly seek work product and attorney client privileged information with few safeguards for the deponent.
- Invariably, deposition questions fall outside any reasonable interpretation of the scope of the topics set forth in the Rule 30(b)(6) notice. Yet, there is little a corporate deponent can do to forestall or avoid risks associated with such questions.
- Courts create unnecessary confusion by incorrectly labeling corporate testimony as binding "admissions."
- Corporations that are not even parties to the litigation may face expensive and time consuming 30(b)(6) notices with few protections.

The flaws in the structure and use of the Rule can be remedied. Enactment of a few key changes, some of which have already been recognized by the courts, will correct existing imbalances and limit unnecessary costs and unfair risks associated with Rule 30(b)(6) corporate depositions.

The Rule and Applicable Law

Rule 30(b)(6), added to the Federal Rules of Civil Procedures in 1970, provides that:

> A party may in the party's notice and in a subpoena name as the deponent a public or private corporation or a partnership or association or governmental agency and describe with reasonable particularity the matters on which examination is requested. In that event, the organization so named shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which the person will testify. A subpoena shall advise a non-party organization of its duty to make such a designation. The persons so designated shall testify as to matters known or reasonably available to the organization. The subdivision (b)(6) does not preclude taking a deposition by any other procedure authorized in these rules.

Litigants in patent infringement cases must look to two different sources for the law relating to the foregoing Rule. The Court of Appeals for the Federal Circuit applies the law of the pertinent regional circuit when the issue to be addressed involves an interpretation of the Federal Rules of Civil Procedure not unique to patent law.[3] The same is true when issues of privilege are presented.[4] When the issue implicates substantive patent law, the Federal Circuit looks to its own law.[5] Thus, in evaluating the Rule, counsel must turn to both the Federal Circuit cases and cases in the regional circuit.

Rule 30(b)(6) Burdens on the Parties Are Out of Balance

There is a distinct imbalance in the obligations imposed by the Rule on a party seeking to take a corporate deposition as opposed to a party seeking to defend the deposition. This imbalance results from the language of the Rule, which imposes only one obligation on the inquiring party compared with three very substantial obligations on the corporation being deposed. There are also few, if any, limits on the use of the Rule. As a result, the Rule is often used as a weapon, not merely as a valuable discovery tool.

Obligations of the Party Noticing and Taking the Deposition

Rule 30(b)(6) places only one duty on the party seeking to take a deposition of a corporation: to "describe with reasonable particularity, the matters on which examination is required." To meet its obligation, the requesting party must reasonably particularize the subjects of the intended inquiry so that the responding party can select the most suitable deponent.[6] The process of formulating reasonable particular topics of inquiry is neither time consuming nor expensive.

A reasonably particular description need only (1) inform the corporation to be deposed of the topics on which the deposition will be conducted so that (2) the corporation can designate the right person(s) to provide answers to questions falling within the scope of the topics.[7]

Moreover, there is very little risk to the inquiring party if a Rule 30(b)(6) topic is impermissibly vague. When faced with an improper topic, a corporate deponent can move for protection under Federal Rule of Civil Procedure 26(b)(2) or object to the notice under Federal Rule of Civil Procedure 32(d)(1). In either case, the onus is on the deponent to object.

Obligations of Corporation Being Deposed

In contrast to the inquiring party's single burden, a responding corporation must (1) designate one or more witnesses; (2) thoroughly prepare those witnesses;

and (3) through its designee, answer fully the questions posed.[8] The cost of these three steps is often substantial. In addition, there are significant risks to the corporation if it fails to fulfill these obligations.

1. Duty to Designate

The corporation being deposed, not the party taking the deposition, is obligated and entitled to designate the witness.[9] Those designated must be able to testify as to matters known or reasonably available to the corporation.[10] A lack of firs-thand corporate knowledge responsive to a Rule 30(b)(6) topic is not an excuse to avoid designating a witness.[11]

2. Duty to Prepare

Courts have identified at least three key elements of the duty to prepare:

1. The corporate designee must testify to all information that is "known or reasonably available" to the corporation.[12]

2. The corporation has an affirmative duty to educate the witness as to information reasonably available to the corporation.[13]

3. In undertaking the obligatory preparation, the corporation must go out and gather information reasonably available to it and use such information to educate the designee.[14]

To complete the process of preparation, the corporate designee has a proactive duty to educate its designees by gathering and having its designee(s) review:

- Prior depositions (presumably only when the corporation is a party)
- Prior deposition exhibits
- All (not just a sample) of the documents relevant to the topics and within the corporation's control
- Unwritten corporate practices
- Interview other employees with knowledge[15]

3. Duty to Answer

Once prepared, the corporate designee must "answer fully, completely, unevasively, the questions posed . . . as to the relevant subject matters."[16] If a designated witness is unable to testify fully, the corporation is obligated to designate another witness who can.[17]

4. Risk of Failure to Fulfill Duties

The corporation's failure to meet its obligations to designate, educate, and answer may result in severe sanctions. If a corporation fails to make any designation under Rule 30(b)(6), the examining party may move for an order compelling discovery pursuant to Rule 37(a). If an order is entered and subsequently disobeyed, sanctions may be imposed under Rule 37(b).[18] If a Rule 30(b)(6) designee fails to appear for a deposition in response to a proper notice, the court may impose sanctions directly pursuant to Rule 37(d), without first issuing an order compelling discovery.[19] Importantly, producing an unprepared witness is tantamount to a failure to appear at the Rule 30(b)(6) deposition.[20]

There Are Few Limitations on the Use of the Rule

The corporate deponents' burdens are compounded by a lack of any real boundaries on the face of the Rule. For example:

1. Timing: The Rule contains no limitation on when a Rule 30(b)(6) notice can be served. Corporate defendants may face substantial, intrusive demands for corporate deposition testimony very early in the case. The notices may come before a corporation has time to analyze and prepare its legal positions. The notices may come before documents are produced and before important preliminary discovery is completed. But, if the corporation fails to respond, its trial evidence may be restricted and/or its witnesses may be impeached with later inconsistent statements. At least some courts seem unfazed by this predicament. Allowing little leeway, the *United States v. Taylor* court stated, "The time for preparation is now."[21]

2. Number of Topics: The Rule contains no limit on the number of topics that can be included in a deposition notice. Notices with dozens of topics are becoming the norm. Corporate defendants face the same stringent burdens to designate, prepare, and answer with regard to every topic.

3. Number of Notices: The Rule contains no limit on the number of 30(b)(6) notices that a party can serve. Already, separate notices on validity issues, infringement issues, and damages issues are served in many cases.

Judicial Indifference to the Imbalance

Courts have shown little sympathy for the time and cost involved in meeting the burden imposed on the corporation being deposed.[22] These courts fall back on

the policy of liberal discovery or the notion that such discovery is concomitant with being able to operate in the corporate form. For example, "It is a premise of modern litigation that the Federal Rules contemplate liberal discovery, in the interest of just and complete resolution of disputes."[23] Rule 26(b)(1) provides that parties "may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action. . . . " Under Rule 26(b), discovery of relevant information may be precluded if no need is shown or when the burden on the person from whom discovery is sought outweighs the need of the person seeking the information.[24] But, practical experience suggests that judges almost never agree that Rule 30(b)(6) discovery is unduly burdensome on a large corporation. Thus, traditional protections afforded by the Federal Rules of Civil Procedure are often of little or no benefit.

The confluence of an imbalance of obligations under the Rule, the lack of effective limitations on the use of the Rule, and judicial indifference toward the effects of the Rule often lead to serious abuse. Some of the most egregious are set forth next.

Shifting the Burden of Discovery (and Proof) to the Corporate Deponent

Artfully drawn Rule 30(b)(6) topics can effectively shift the burden of discovery and proof to the corporate deponent. Rule 30(b)(6) contains no prohibition on the use of contention topics. For example, an inquiring party can propound a Rule 30(b)(6) deposition notice that requires a corporation to provide testimony with regard to "any contention that the patent-in-suit is not infringed." The same notice can then require the corporation to provide testimony with regard to "each and every factual basis for the company's contention that the patent-in-suit is not infringed," and the follow up with a topic that requires testimony regarding "any and all documents or other tangible evidence supporting or controverting any contention that the patent-in-suit is not infringed."

One recent case suggests that courts may not be sympathetic to the corporation's plight when faced with topics like those described. In *Omega Patents v. Fortin Auto Radio*, the court did not hesitate to order a corporation to designate a witness to respond to the following topics: "(1) the factual basis for [defendant's] defenses or denials of the allegations raised in Plaintiff's complaint; (2) the factual basis for [defendant's] counterclaims; (3) [Defendant's] claims of invalidity; and (4) [Defendant's] claims of non-infringement."[25] The court even ordered the corporation to bear the costs of a second deposition, based on the corporation's admitted lack of preparation and failure to produce a knowledgeable witness at the initial deposition.

Contention Topics Threaten Work Product and the Privilege

Contention topics can also wreak havoc with work product and threaten the attorney/client privilege.

Case law is clear:

> The Rule 30(b)(6) designee does not give his personal opinions. Rather, he presents the corporation's 'position' on the topic. Moreover, the designee must not only testify about facts within the corporation's knowledge, but also its subjective beliefs and opinions. The designee, in essence, represents the corporation just as an individual represents himself or herself at a deposition.[26]

Another court concluded, that the inquiring party:

> is entitled to know now what [the corporation's] position at trial will be on these subjects. [The inquiring party] is entitled to responsive answers about the nature and extent of [the corporation's] contentions, both factual and legal. [The inquiring party] is entitled, for instance, to know what plaintiff contends is its invention's point of novelty, and to an explicit statement whether [the corporation] contends that the doctrine of equivalents applies in this litigation.[27]

Such broad language evokes well-founded concerns about the discovery of work product. It is no stretch to say that counsel generally develops a party's legal and factual contentions and positions at trial. Counsel often shapes a corporation's subjective beliefs and opinions. Case law that requires disclosure of such information puts work product squarely in the discovery crosshairs. The problem is heightened if the Rule 30(b)(6) notice comes early in the discovery period, and well before the company or its counsel have had time to complete necessary discovery and shape their theories.

There is no clear rule on the disclosure of work product. In contrast to the foregoing opinions, one court held that Rule 30(b)(6) depositions could not seek opinion work product relating to how a party and its counsel intended to marshal the facts, documents, and testimony in its possession, nor could such a deposition be used to discover the inferences that the party believed could properly be drawn from the evidence in the case.[28] While such opinions are helpful, without a uniform rule corporate deponents are subject to the discretion of the courts.

Just as Rule 30(b)(6) depositions may compro-

mise work product, the depositions also threaten the privilege. Almost uniformly, counsel are involved in the gathering of information (including both documents and facts) necessary to respond to Rule 30(b)(6) deposition notices. Uniformly, counsel are involved in the preparation for corporate depositions, including the obligatory educating of the corporate designee. It is not surprising that counsel are so intimately involved in the process. The corporate designee speaks for the corporation. The deposition notice may call for the corporation's position on any number of legal and factual contentions. It is unlikely that the corporate deponent will want a layman making uncontrolled and unconsidered statements that affect the legal position of the company. Counsel simply has to be involved in the preparatory process.

Against this backdrop, deposition questions may well seek information subject to the attorney-client privilege. When they do, they often raise difficult privilege issues. For example, when a topic calls for "all documents" in support of a certain proposition, counsel for the corporation were likely involved in gathering such documents. When deposition questions raise issues about the protocol used in searching for, locating, and producing documents, privilege issues are at the surface. Similarly, when information about a factual or legal contention is sought, questions about why the corporation maintains that position take aim at privileged conversations.

Often, counsel are the most knowledgeable about matters requested in contention topics. In some instances, corporate counsel even testify on behalf of the corporation. There is Federal Circuit case law supporting the proposition that, at least under Eighth Circuit law, merely designating corporate counsel as the corporate representative does not waive the privilege so long as the witness is not offered to testify about privileged or protected matters.[29] This holding leaves open the issue of what the law is in other circuits. In those circuits, if a contention interrogatory seeks such information, it puts the attorney corporate designee in an almost untenable position.

Questions Outside the Topics Threaten Confidential Information, Create Disputes

In virtually every Rule 30(b)(6) deposition, some questions fall outside the scope of the deposition topics. Disputes are almost inevitable. Counsel for the corporate deponent will likely object. A continuing objection to the line of inquiry may be requested. That request may or may not be granted. If not, there may be objections to many of the subsequent questions. Inquiring counsel will likely argue that questions are within the scope of the topics or, at a minimum, relevant to the issues in the case. Tempers may flare and a trip to the court may follow. The court will likely be unenthused about another discovery dispute. And on and on it goes.

Case law provides some guidance. With only one exception, courts have held that a corporate deponent cannot refuse to answer questions falling outside the scope of the deposition topics. The majority rule is that, when questions fall outside the scope of the Rule 30(b)(6) topics, the deposition will convert to a fact deposition. As a result, the individual, not the corporation, will be testifying and obligations uniquely applicable to Rule 30(b)(6) depositions will not apply. In particular, if a witness does not know the answer to a question falling outside the scope of the topics, it will be the examining party's problem and not the corporation's.

The court in *King v. Pratt & Whitney, A Div. of United Technologies Corp.*,[30] adopted the most widely agreed-upon interpretation of the scope of questioning in a Rule 30(b)(6) deposition. If the examining party asks questions outside the scope of the topics described in the Rule 30(6)(6) notice, that portion of the deposition is governed by the general rule on depositions, Rule 26(b)(1). Thus, relevant questions may be asked, and no special protection is conferred on a deponent by virtue of the fact that the deposition was noticed under Rule 30(b)(6). If the deponent does not know the answer to questions outside the scope of topics set forth in the notice, "then that is the examining party's problem."[31] In essence, the deposition will convert to a fact deposition. The court concluded that Rule 30(b)(6) should not confer a special privilege on a corporate deponent not to respond.

The majority rule places additional burdens on the corporate deponent. In addition to preparing for the topics, the corporation and its counsel must prepare for questions outside of the scope of the topics. Such a task is virtually impossible because it cannot be known what questions will be asked. Counsel must then attempt to make a clear record at the deposition of which questions are within the scope of proper Rule 30(b)(6) topics and which are outside the scope.

Little Protection from Abusive Questions

When overbroad questions are posed, counsel defending the deposition has few options, none of which are very appealing. Counsel can: (1) object and instruct the witness not to answer; (2) allow the witness to respond without objection; or (3) object to the question, allow the witness to respond, and argue later that testimony outside the noticed topics is not testimony of the corporation.

First, instructions to the witness not to answer fly in the face of Rule 30(c). As a general rule, and with only

limited exceptions, instructions not to answer questions at a deposition are improper.[32]

Second, allowing the witness to answer without objection poses a substantial risk that the opposing party will later argue that the testimony was within the scope of the Rule 30(b)(6) notice and therefore binding testimony of the corporation. If the opposing party interrogates a designee on subjects beyond the topics set out the deposition notice and there is no objection, the corporate deponent runs the risk that objections regarding the effect of the testimony (*i.e.*, that the testimony is beyond the scope of the Rule 30(b)(6) designation and therefore not the testimony of the corporation) may be waived.[33]

Third, the least objectionable approach to overbroad questions is to object and allow the witness to answer. In the event that the examining party acts in bad faith by seeking to examine the designee on confidential or privileged areas well beyond the subjects stated in the Rule 30(b)(6) deposition notice, counsel for the corporation may suspend the deposition pursuant to Rule 30(d)(3) and seek a ruling from the court.

Little Protection for Confidential Information

Questions outside the scope of the deposition notice pose an additional problem for corporate deponents. Often, such questions will get into sensitive areas and inquiring counsel will seek sensitive or confidential and proprietary information, possibly including trade secrets. When this happens, it is very possible that the witness will not be prepared to testify about such issues. About all counsel for the corporation can do is object and seek protection under Rule 30(d)(3) if the circumstances warrant. At best, the result will be a confusing record and additional worries for the corporation being deposed. Counsel should be diligent in attempting to make clear which parts of the record are subject to the Rule and which are not.

Judicial Confusion About the Nature of Corporate Testimony

Many cases state that Rule 30(b)(6) testimony somehow binds the corporation. Courts and counsel are quick to say that the testimony of a corporate designee in a rule 30(b)(6) deposition is binding. Based on the loose use of this term, some courts and practitioners incorrectly believe that Rule 30(b)(6) testimony constitutes a preclusive judicial admission by the corporation. The better reading of the law is that corporate testimony procured under Rule 30(b)(6) is no more binding than deposition testimony given by any other witness. Put another way, Rule 30(b)(6) does not impose any greater evidentiary burden on a corporate deponent than on any other person who gives deposition testimony. Yet, all too often, what is meant by binding is unclear. Until clear rules are adopted regarding the effect and use of testimony obtained under Rule 30(b)(6), the confusion will remain. There are at least three possible areas of confusion.

Rule 30(b)(6) Testimony Constitutes Binding Judicial Admissions

Some courts appear to hold that the designees' testimony constitutes a preclusive admission.[34] Judicial admissions may not be contradicted.[35] But, statements made in Rule 30(b)(6) testimony are distinguished from and do not constitute binding "judicial admissions."

> Judicial admissions must be distinguished from ordinary evidentiary admissions. A judicial admission is binding upon the party making it; it may not be controverted at trial or on appeal of the same case. Judicial admissions are not evidence at all but rather have the effect of withdrawing a fact from contention. Included within this category are admissions in the pleadings in the case, admissions in open court, stipulations of fact, and admissions pursuant to requests to admit. Ordinary evidentiary admissions on the other hand, may be controverted or explained by the party. Within this category fall the pleadings in another case, superseded or withdrawn pleadings in the same case, judicial admissions in another case, stipulations as to admissibility, as well as other statements admissible under Rule 801(d)(2) [admissions by a party opponent].[36]

The practical effect of this distinction may have little impact on a jury. A witness offering contradictory testimony may be impeached.

> Even to the extent that contradictory evidence might be permitted at trial, the court could both permit cross-examination of any witness who contradicted the sworn testimony of the 30(b)(6) witness or witnesses and order the witness to testify further why in good faith opposing counsel was not apprised of the amendments prior to trial.[37]

Testimony Does Constitute Admissions by a Party Opponent

W.R. Grace & Co. v. Viskase Corp. makes it clear that corporate Rule 30(b)(6) testimony is no more binding

than any other deposition testimony.[38] As part of pretrial discovery, defendant took several Rule 30(b)(6) depositions of plaintiff. Prior to trial, defendant moved *in limine* to exclude any evidence contrary to plaintiff's admissions made during its Rule 30(b)(6) depositions. In making its motion, defendant argued that plaintiff was bound to its Rule 30(b)(6) deposition testimony as a matter of law and moved to preclude the admission of any contrary evidence. In denying the motion, the court found that a corporation is "bound" by its Rule 30(b)(6) testimony in the same sense that any individual deposed under Rule 30(b)(1) would be "bound" by his or her testimony. All this means is that the witness has committed to a position at a particular point in time. It does not mean that the witness has made a judicial admission that formally and finally decides an issue. Deposition testimony is simply evidence, nothing more, and evidence may be explained or contradicted.

Use of Rule 30(b)(6) testimony under Rule 32(a)(2) implicates Federal Rule of Evidence 801(d)(2)(A). The corporate designee's testimony is admissible as an admission of party-opponent pursuant to Evidence Rule 801(d)(2)(A) and may be used at trial by an adverse party for any purpose.[39]

Binding Because of Other Rules

In some cases, Rule 30(b)(6) testimony may be binding but not because it is a judicial admission. For example, in *Nike Inc. v. Wolverine World Wide*, a designee's testimony regarding the plaintiff's theory of infringement was held as binding on the plaintiff.[40] The designee testified that the plaintiff was not asserting a claim of infringement under the doctrine of equivalents and never supplemented or altered the answer. Accordingly, the court limited the plaintiff's theory of infringement to literal infringement.

While such rulings are understandable, and a normal part of litigation, they only add confusion to the mix.

Third-Party Deponents Face All the Burdens and Risks

The disparity of the burdens faced by the party taking, as opposed to the party responding to, a Rule 30(b)(6) deposition notice are nowhere more evident than with regard to third-party corporate depositions.

A corporation that is a third party to the litigation must respond to a Rule 30(b)(6) notice. Doing so can be a corporate nightmare, as demonstrated in one early case, *Truswal Systems Corp. v. Hydro-Air Engineering, Inc.*[41] In *Truswal*, a patent holder (Truswal) sought discovery from a third-party competitor (Hydro-Air) in connection with a lawsuit against another entity (Gang-Nails). Prior to serving the Rule 30(b)(6) notice in issue, Truswal gave notice to Hydro-Air accusing it of infringement. In its Rule 30(b)(6) notice, Truswal sought information from Hydro-Air regarding comparative test data and sales information. Hydro-Air resisted the notice, alleging that the information was confidential and would not be adequately protected. Truswal asserted that it needed the information to combat a defense of obviousness in the underlying action.[42]

After reviewing Rule 45(d)(1) and Rule 30(b)(6), the Federal Circuit reversed a lower court order quashing the notice. The Federal Circuit concluded that Hydro-Air's arguments regarding confidentiality and relevance were not well founded. The court then considered Hydro-Air's argument that discovery would severely prejudice its interest in subsequent litigation with Truswal. Concluding that Hydro-air could intervene in the underlying case if it chose to or that a ruling favorable to Truswal would have no binding effect on Hydro-Air if it chose not to intervene, the Federal Circuit dispatched this argument as well.[43] In his dissent, Judge Rich stated, "In all respects the majority is being unrealistic, impractical, and its holding is likely to encourage abuse of the discovery process."[44]

Fortunately, *Truswal* is not the final word from the Federal Circuit on the use of Rule 30(b)(6) against third parties. In a non-Rule 30(b)(6) case decided only a few months after *Truswal*, the Federal Circuit affirmed the entry by a district court of a protective order and adopted less strident rhetoric.[45] This trend continued in two later Rule 30(b)(6) cases. In *Micro Motion, Inc. v. Kane Steel Co., Inc.*, the Federal Circuit provided protection to a third party faced with a Rule 30(b)(6) deposition notice based on the court's analysis of what information was relevant and the extent to which the notice sought confidential information. It also limited the scope of the deposition in order to avoid turning the suit into "an absolute quagmire of proofs."[46] The court reached a similar result in *Katz v. Batavia Marine & Sporting Supplies, Inc.*[47]

Thus, while third parties have hope of being protected from unreasonable discovery, they must go through the time and expense to get to the Federal Circuit to get that protection.

Suggested Remedies

A few discrete changes in Rule 30(b)(6) can address the flaws outlined in this article.

Eliminate Contention Topics

Much of the mischief, time, and expense associated with Rule 30(b)(6) depositions stems from contention topics. Elimination of contention topics would focus use of the device on the efficient discovery of valu-

able factual information. Use of the Rule as a weapon would be significantly limited.

Parties seeking to discover the positions of their opponents would not be left in the dark. Rule 26 disclosures, pre-trial orders, and the use of contention interrogatories can provide the same information with far less contentiousness and expense.

For example, in particularly complex cases, some corporations have experienced success in getting the court to substitute contention interrogatories in lieu of a Rule 30(b)(6) deposition. *Exxon Research and Engineering Co. v. United States*,[48] provides an excellent example of how a corporation used contention interrogatories in lieu of a corporate deposition. Exxon brought suit alleging infringement by the United States of two patents relating to the process for converting natural gas to hydrocarbons. As a part of discovery in advance of the *Markman* hearing, the government served a Rule 30(b)(6) notice on Exxon seeking testimony on the meaning and scope of terms in the asserted claims and specification as well as Exxon's infringement analysis.

Exxon moved for a protective order, arguing that it would have to designate an attorney to testify on the legal issues inherent in claim construction and suggesting that contention interrogatories be used in lieu of a deposition. The court concluded that both methods of discovery (deposition and interrogatories) were available and applied the following test, "[W]hich device would yield most reliably and in the most cost-effective, least burdensome manner information that is sufficiently complete to meet the needs of the parties and the court in a case like this?" Analyzing the facts of the case in light of the test, the court concluded that this test favored use of contention interrogatories as opposed to a Rule 30(b)(6) deposition.

Require Greater Specificity of Topics

In practice, the Rule 30(b)(6) phrase "reasonable particularity" is neither reasonable or particular. Requiring greater specificity of Rule 30(b)(6) topics would begin to balance the load on corporate parties. Forcing the party requesting the deposition to focus on precisely describing the information sought would assist the corporation in preparing for the deposition and the court in ruling on the adequacy of such topics. For example, precluding the use of topics that broadly require "any" or "all" facts, documents, and the like would force the requesting party to identify specific issues.

Use of the following language in lieu of "reasonable particularity" could address some of the current issues:

> and specifically describe each subject and line of inquiry on which examination is requested. If inquiry will be made regarding specific documents, those documents shall be fully identified in the notice or copies provided concurrently with the notice of deposition under this rule. If inquiry will be made of specific facts or events, the date, time and place of the event shall be set out in the notice as well as the persons directly involved in such event. Use of terms such as "all" or "any" and equivalents is not allowed.

If Questions Are Outside the Scope, Give the Deponent the Option to Answer

Allowing the corporate designee the option to choose whether or not to respond to questions outside the scope of the (more specific) deposition topics will limit surprises during corporate depositions. If the witness responds, it will be as the corporate designee, speaking on behalf of the corporation. Of course, refusal to respond to a question will not excuse the corporation from providing the information sought, if it is otherwise discoverable, nor will it excuse the individual from giving his or her own personal deposition. Use of more specific topics may also avoid disputes regarding the scope of questions as a precursor to a choice not to respond.

Establish Proper Timing for Corporate Depositions

Requiring counsel to agree to the timing of Rule 30(b)(6) depositions as a part of any scheduling order will also limit existing problems. For example, use of the Rule early in discovery to obtain factual information is both logical and appropriate. However, early use of the Rule to obtain contentions (should contention topics be allowed) is a recipe for trouble.

Limit Number of Notices and Topics

Limiting the number of 30(b)(6) topics and/or the number of notices will also reduce the costs associated with corporate depositions. Just as there are limits placed on the number of interrogatories and subparts in Rule 33(a), there should be limits on the number of notices and topics.

Prohibit Third-Party Depositions (Except on Leave of Court)

Use of Rule 30(b)(6) to obtain discovery from third parties to the litigation should be precluded, except on leave of court obtained prior to service of the notice. In obtaining leave, the requesting party must establish that the information sought is relevant, necessary to the pending suit, not cumulative, and not available from another party or by another less intrusive means.

Conclusion

The problems with Rule 30(b)(6) are present and growing. Now is the time to take affirmative steps to curb abuse and level the playing field for all parties. Discussion of proposed edits to the Rule is a first step in that direction.

Notes

1. Kent Sinclair & Roger P. Fendrich, "Discovering Corporate Knowledge and Contentions: Rethinking Rule 30(b)(6) and Alternate Mechanisms," 50 *ALA. L.J.* 651, 653 (Spring 1999).
2. Sinclair and Fendrich ran the search "30(b)(6) w/22 deposition" on LEXIS using US District Courts database separately for each year from 1971 to 1996. Using the same search, yielded search results as follows: 1997 (67); 1998 (71); 1999 (77); 2000 (102); 2001 (94); 2002 (132); 2003 (137); 2004 (116); 2005 (190); 2006 (376).
3. In re Regents of the University of California, 101 F.3d 1386, 1390 n. 2 (Fed. Cir. 1996).
4. In re Pioneer Hi-Bred International, 238 F.3d 1370, 1374 (Fed. Cir. 2001) (*citing* In re Regents of the University of California, 101 F.3d 1386, 1390 n. 2 (Fed. Cir. 1996).
5. Micro Motion, Inc. v. Kane Steel Co., Inc., 894 F.2d 1318, 1326, n.8 (Fed. Cir. 1990) (*citing* Truswal Sys. Corp. v. Hydro-Air Eng'g, Inc. 813 F.2d 1207, 1211-1212 (Fed. Cir. 1987).
6. Prokosch v. Catalina Lighting, Inc., 193 F.R.D. 633, 638 (D. Minn. 2000).
7. Scovill Manufacturing Co. v. Sunbeam Corp., 61 F.R.D. 598, 604 (D. Del. 1973). ("The Notice is sufficient to inform [the corporation] of the matters which will be inquired into at the depositions, so that [the corporation] can determine the identity and number of persons whose presence will be necessary to provide an adequate response to any. . .potential questions."). *See* Mitsui & Co. (U.S.A.), Inc. v. Puerto Rico Water Resources Auth., 93 F.R.D. at 62, 67 (D.P.R. 1981) (holding that Rule 30(b)(6) topics met "the reasonable particularity requirements" when they were "sufficient to inform [the corporation] of the matters which will be inquired into at the depositions so that [the corporation] can determine the identity and number of persons whose presence will be necessary to provide an adequate response to any. . .potential questions.").
8. The corporation being deposed "must make a conscientious good-faith endeavor to designate the persons having knowledge of the matters sought by [the party noticing the deposition] and to prepare those persons in order that they can answer fully, completely, unevasively, the questions posed . . . as to the subject matters." *Mitsui & Co.*, 93 F.R.D. at 67; *See, e.g., Prokosc,* 193 F.R.D. at 638; Buycks-Roberson v. Citibank Fed'l Savings Bank, 162 F.R.D. 338, 342 (N.D. Ill. 1995); Dravo Corp. v. Liberty Mut. Ins. Co., 164 F.R.D. 70 (D. Neb. 1995); SEC v. Morelli, 143 F.R.D. 42, 45 (S.D.N.Y. 1992) (*all citing Mitsui*).
9. RTC v. Southern Union. Co., Inc., 985 F.2d 196, 197 (5th Cir. 1993) (burden on corporation designate a witness); Operative Plasterer's & Cement Mason's Int'l Assn. v. Benjamin, 144 F.R.D. 87, 89 (N.D. Ind. 10992) (finding that a Rule 30(b)(6) notice that purported to name the witnesses designated to testify was "defective").
10. *Mitsui & Co.*, 93. F.R.D. at 66.
11. "'The general rule is that a claimed lack of knowledge does not provide sufficient grounds for a protective order; the other side is allowed to test this claim by deposing the witness.'" Ierardi v. Lorillard, Inc., 1991 WL 158911, at *1 (E.D. Pa. Aug. 13, 1991) (*citing* Amherst Leasing Corp. v. Emhart Corp., 65 F.R.D. 121, 122 (D. Conn. 1974)).
12. *Mitsui & Co.*, 93. F.R.D. at 66.
13. U.S. v. Taylor, 166 F.R.D. 356, 362 (M.D. N.C. 1996), *order aff'd*, 166 F.R.D. 367 (M.D. N.C. 1996) (designee's duty to review all matters known or reasonably available to the corporation in preparation for the deposition).
14. Wilson v. Lakner, 228 F.R.D. 524, 528 (D. Md. 2005) ("While the rule may not require absolute perfection in preparation—it speaks after all of matters known or 'reasonably available' to the organization—it nevertheless certainly requires a good faith effort on the party [*sic*] of the designate to find out the relevant facts—to collect information, review documents, and interview employees with personal knowledge just as a corporate party is expected to do in answering interrogatories.").
15. *See, e.g.*, Briddell v. St. Gobain Abrasives Inc., 233 F.R.D. 57, 61 (D. Mass. 2005) (duty to review all employee files notwithstanding burden on corporation); Calzaturficio S.C.A.R.P.A. v. Fabiano Shoe Co., Inc., 201 F.R.D. 33, 37 (D. Mass. 2001) (duty to review prior depositions and deposition exhibits); Alexander v. FBI, 186 F.R.D. 148, 152 (D.D.C. 1999) (implicit duty to interview persons with knowledge); *Buycks-Roberson*, 162 F.R.D. at 343 (duty to review all documents and not a sample as well as duty to investigate old unwritten corporate practices).
16. *Mitsui & Co.*, 93. F.R.D. at 67.
17. *Prokosch*, 193 F.R.D. at 638; *Alexander*, 186 F.R.D. at 152; *Taylor*, 166 F.R.D. at 360; *Dravo Corp.*, 164 F.R.D. at 75; Marker v. Union Fidelity Life Ins. Co., 125 F.R.D. 121, 126 (M.D. N.C. 1989).
18. Securities and Exch. Comm'n v. Thomas, 116 F.R.D. 230, 233 (D. Utah 1987).
19. Charter House Ins. Brokers, Ltd. v. New Hampshire Ins. Co., 667 F.2d 600, 604 (7th Cir. 1981); Guidry v. Continental Oil Co., 640 F.2d 523, 533 (5th Cir.), *cert. denied*, 454 U.S. 818 (1981).
20. *See, e.g.*, RTC v. Southern Union Co., Inc., 985 F.2d 196, 197 (5th Cir. 1993) ("If that agent [the designee] is not knowledgeable about relevant facts, and the principal has failed to designate an available, knowledgeable, and readily identifiable witness, then the appearance is, for all practical purposes, no appearance at all."); *Calzaturficio* 201 F.R.D. at 39 (citations omitted); *Taylor*, 166 F.R.D.at 363 (under Rule 37(d), a failure to prepare is sanctionable); Hudson Transit Lines, Inc. v. Zozichowski, 142 F.R.D. 68, 78 (S.D.N.Y. 1991)

(citing Thomas v. Hoffman-LaRoche, Inc., 126 F.R.D. 522, 524-525 (N.D. Miss. 1989); *See Southern Union Co., Inc.*, 985 F.2d at 198 (affirming a district court award of fees and costs under Rule 37(d), Fed. R. Civ. P.).

21. United States v. Taylor, 166 F.R.D. 356, 363 (M.D. N.C. 1996).
22. *See, e.g., Prokosch*, 193 F.R.D. at 639 ("We understand that the burden upon the responding party, to prepare a knowledgeable Rule 30(b)(6) witness, may be an onerous one, but we are not aware of any less onerous means of assuring that the position of a corporation, that is involved in litigation, can be fully and fairly explored."); *Taylor*, 166 F.R.D. at 362 ("The Court understands that preparing for a Rule 30(b)(6) deposition can be burdensome. However, this is merely the result of the concomitant obligation from the privilege of being able to use the corporate form in order to conduct business."); *Buycks-Roberson*, 162 F.R.D. at 343 (the corporation, "had a duty to provide a witness or witnesses with the requisite knowledge and to prepare those witnesses, despite the difficulty of investigating the subject matter requested by the deposing party.").
23. Katz v. Batavia Marin &Sporting Supplies, Inc., 984 F.2d 422, 424 (Fed. Cir. 1993).
24. *Id.*
25. Omega Patents v. Fortin Auto Radio, 2006 U.S. Dist LEXIS 49650 at *8 (M.D. Fla.).
26. *Taylor*, 166 F.R.D. at 362.
27. Masco Corp. of Indiana v. Price Pfister, Inc., 1994 U.S. Dist. LEXIS 20597, at *4 (E.D.Va. Oct. 7, 1994); *see, e.g.*, Wilson v. Lakner, 228 F.R.D. 524, 529 (D. Md. 2005) (the inquiring party is entitled to discover what the corporation's positions are as to issues in the case).
28. Securities and Exchange Commission v. Morelli, 143 F.R.D. 42, 47 (S.D.N.Y. 1992).
29. In re Pioneer Hi-Brid Int'l, Inc., 238 F.3d 1370, 1376 (Fed. Cir. 2001).
30. King v. Pratt & Whitney, A Div. of United Technologies Corp., 161 F.R.D. 475 (S.D. Fla. 1995).
31. *Id.* at 476; *see* Stone v. Morton Int'l Inc., 170 F.R.D. 498, 500 (D. Utah 1997).
32. Paparelli v. Prudential Ins. Co. of Amer., 108 F.R.D. 727, 730 (D. Mass. 1985); *see, e.g.*, Federal Deposit Ins. Corp. v. Butcher, 116 F.R.D. 196, 202 (E.D. Tenn. 1986); Smith v. Logansport Community Sch. Corp., 139 F.R.D. 637, 643 (N.D. Ind. 1991); Hoechst Celanese Corp. v. Centaur Ins. *Co.*, 623 A.2d 1099 (Del. Super. Ct. 1991).
33. Massey, "Depositions of Corporations: Problems and SolutionsRed—R. Civ. P. 30(b)(6)," 1986 *Ariz. St. L.J.* 81, 94-95 (1986).
34. *See, e.g.*, Sanders v. Circle K Corp., 137 F.R.D. 292 (D. Ariz. 1991); Tower Cranes, Inc. v. Capital Tower Cranes, Inc., 892 F.2d 74 (4th Cir. 1989); Ierardi v. Lorillard, Inc., 1991 WL 158911, at *3 (E.D. Pa. Aug. 13, 1991); McDevitt & Street Co. v. Marriott Corp., 713 F. Supp. 906 (E.D.Va. 1989).
35. Brown & Root, Inc. v. American Home Assur. Co., 353 F.2d 113 (5th Cir. 1965), *cert. denied*, 384 U.S. 943 (1966).
36. 30B, M. Graham, Federal Practice and Procedure: Evidence § 7025, at 326–330 (Fourth Interim Edition 2006).
37. Wilson v. Lakner, 228 F.R.D. 524, 530 (D. Md. 2005) (citations omitted).
38. W.R. Grace & Co. v. Viskase Corp., 1991 WL 211647, *2 (N.D. Ill. Oct. 15, 1991).
39. Rule 32(a)(2).
40. Nike Inc. v. Wolverine World Wide, 43 F.3d 644, 648 (Fed. Cir. 1994).
41. Truswal Systems Corp. v. Hydro-Air Engineering, Inc., 813 F.2d 1207 (Fed. Cir. 1987).
42. *Id.* at 1208.
43. *Id.* at 1211–1213.
44. *Id.* at 1213 (J. Rich, dissenting).
45. American Standard Inc. v. Pfizer Inc., 828 F.2d 734 (Fed. Cir. 1987).
46. Micro Motion, Inc. v. Kane Steel Co., Inc., 894 F.2d 1318, 1322-1324 (Fed. Cir. 1990).
47. Katz v. Batavia Marine & Sporting Supplies, Inc., 984 F.2d 422 (Fed. Cir. 1993).
48. Exxon Research and Engineering Co. v. United States, 44 Fed. Cl. 5907 (Fed. Cl. 1999).

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