7 Annotated Patent Digest § 41:86.25

Annotated Patent Digest (Matthews) | July 2017 Update
Robert A. Matthews, Jr.

Chapter 41. Discovery
VI. Party Depositions
A. General Aspects of Depositions

§ 41:86.25. 30(b)(6) deposition of corporation —Knowledge held mostly by former employees

Correlation Table | References

The fact that much of the factual information may only be known by former employees does not relieve the corporation from preparing and providing someone competent to testify.

> [I]t is not uncommon to have a situation, as in the instant case, where a corporation indicates that it no longer employs individuals who have memory of a distant event or that such individuals are deceased. These problems do not relieve a corporation from preparing its Rule 30(b)(6) designee to the extent matters are reasonably available, whether from documents, past employees, or other sources. Of course, just like in the instance of an individual deponent, the corporation may plead lack of memory. However, if it wishes to assert a position based on testimony from third parties, or their documents, the designee must still present an opinion as to why the corporation believes the facts should be so construed. The attorney for the corporation is not at liberty to manufacture the corporations contentions. Rather, the corporation may designate a person to speak on its behalf and it is this position which the attorney must advocate.

United Technologies Motor Systems, Inc. v. Borg-Warner Automotive, Inc., 50 U.S.P.Q.2d 1060, 1061–62, 1998 WL 1796257 (E.D. Mich. 1998) (*quoting* United States v. J.M. Taylor, 166 F.R.D. 356, 361–62 (M.D.N.C. 1996)).

See also

Elan Microelectronics Corp. v. Pixcir Microelectronics Co. Ltd., 2013 WL 4101811, *5-*7 (D. Nev. 2013) (precluding accused infringer from presenting at trial or in motion practice any evidence of costs that would deducted from its gross profits of sales of the accused products as a sanction for failing to produce a 30(b)(6) deponent who was competent to testify as to that topic, while denying sanctions for other deposition topics as the deponent provided sufficient testimony—"The testimony of a Rule 30(b)(6) designee 'represents the knowledge of the corporation, not of the individual deponents.' A Rule 30(b)(6) designee presents the corporation's position on the noticed topics. A corporation has a duty under Rule 30(b)(6) to provide a witness who is knowledgeable in order to provide 'binding answers on behalf of the corporation'. A Rule 30(b)(6) designee is not required to have personal knowledge on the designated subject matter. The designating party has a duty to designate more than one deponent if necessary to respond to relevant areas of inquiry on the noticed topics. Rule 30(b)(6) is not designed to be a memory contest. However, a corporation has 'a duty to make a conscientious, good-faith effort to designate knowledgeable persons for Rule 30(b)(6) depositions and to prepare them to fully and unevasively answer questions about the designated subject matter.' The duty to prepare a Rule 30(b)(6) designee goes beyond matters personally known to the witness or to matters in which the designated witness was personally involved. The duty to produce a prepared witness on designated topics extends to matters not only within the personal knowledge of the witness but on matters reasonably known by the responding party. 'By its very nature, a Rule 30(b)(6) deposition notice requires the responding party to prepare a designated representative so that he or she can testify on matters not only within his or her personal knowledge, but also on matters reasonably known by the responding entity.' The fact that an organization no longer has a person with knowledge on the designated topics does not relieve the organization of the duty to prepare a Rule 30(b)(6) designee. [I]t is not uncommon to find that a corporation no longer employs individuals who have memory of distant events, or to find that individuals with knowledge are deceased. 'These problems do not relieve a corporation from preparing its Rule 30(b)(6) designee to the extent matters are reasonably available, whether from documents, past employees, or other sources.' A party producing a Rule 30(b)(6) witness 'must prepare deponents by having them review prior fact witness deposition testimony as well as documents and deposition exhibits.' The Federal Rules of Civil Procedure do not permit a party served with a Rule 30(b)(6) deposition notice

or subpoena request 'to elect to supply the answers in a written response to an interrogatory' in response to a Rule 30(b)(6) deposition notice or subpoena request. 'Because of its nature, the deposition process provides a means to obtain more complete information and is, therefore, favored.' Similarly, in responding to a Rule 30(b)(6) notice or subpoena, a corporation may not take the position that its documents state the company's position. … Several courts have recognized that preparing a Rule 30(b)(6) designee may be an onerous task and that it is not uncommon for a corporation to claim: '… that it no longer employs individuals who have memory of a distant event or that such individuals are deceased…. These problems do not relieve a corporation from preparing its Rule 30(b)(6) designee to the extent matters are reasonably available, whether from documents, past employees, or other sources.' Although adequately preparing a Rule 30(b)(6) deposition can be burdensome, '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.' Finally, if an organization designates a witness it believes in good faith would be able to provide knowledgeable responsive testimony and it becomes apparent during the deposition that the designee produced is unable to respond to relevant areas of inquiry, the responding party has a duty to designate an additional knowledgeable deponent."—citations omitted)

MedImmune, LLC v. PDL Biopharma, Inc., 2009 WL 5069142, *2 (N.D. Cal. 2009) (denying defendant patentee's motion for a protective order to preclude the plaintiff-licensee from taking a 30(b)(6) deposition of the defendant, and rejecting the argument that the deposition would create an undue burden since the company only had seven employees, none of whom had personal knowledge of the prior events underlying the litigation for which the deposition was sought—"As other courts have noted, 'it is not uncommon' for a company to claim that a Rule 30(b)(6) deposition would cause an undue burden because it no longer employs anyone with personal knowledge of the events at issue. Yet PDL is not relieved of its obligation to prepare one or more designees on this ground alone. The court is unpersuaded that PDL does not have information reasonably available to it, such as information from its former employees and current directors, to aid in this preparation. Nor has PDL convinced the court that this effort would be so great as to support a blanket protective order."—citations omitted)

Sprint Communications Co., L.P. v. Theglobe.com, _ F.R.D. _, _, 2006 WL 931549, *3 (D. Kan. April 10, 2006) (denying patentee's motion for a protective order to preclude a 30(b)(6) deposition for the topic of prosecution

of the asserted patents and the preparation and filing of amendments made to the claims during prosecution, and rejecting the patentee's argument that because the inventor had died the only possible designees were the in-house counsel who prosecuted the patent application, and since those attorneys were intimately involved in the litigation they should not be subject to deposition, the court finding that the patentee had the right to designate nonattorneys and prepare them to testify—"… Sprint argues that, because they [the in-house attorneys] are the only corporate employees with knowledge regarding the subjects listed in the Notice, Sprint attorneys are the only possible designees for the deposition. Based on the facts presented and the applicable law, the Court simply is not persuaded by this argument. As discussed, *supra,* personal knowledge of the designated subject matter by the selected deponent is of no consequence. Sprint is obligated to produce a deponent who has been competently prepared by the company to give complete, knowledgeable and binding answers on behalf of the corporation." It is Sprint's decision who to designate as its representative in the deposition. Sprint is under no obligation to choose an attorney as its 30(b)(6) designee. To that end, Sprint may adequately comply with the Rule 30(b)(6) deposition notice by choosing one or more non-attorney deponents-regardless of prior and/or personal knowledge regarding the subject matter-and having them review memoranda, notes, applications, documents and all other matters 'reasonably available' to the corporation that are related to preparing, filing and revising each Patent. Considering Sprint's desire to protect disclosure of privileged information and materials, counsel may wish to exercise caution in preparing the witness or witnesses with privileged information or documents, otherwise the privilege may be waived."—footnotes with citations omitted)

Wilson v. Lakner, 228 F.R.D. 524, 528–30 (D. Md. 2005) ("There can be no question that the rule imposes a duty to prepare the designee that goes beyond matters personally known to the designee or to matters in which that designee was personally involved. The designee must be prepared to the extent that matters are reasonably available, whether from documents, present or past employees, or other sources. Contrary to the Magistrate Judge's ruling in this case, the organization *is* expected to create a witness or witnesses with responsive knowledge. In no sense is a 30(b)(6) deposition limited to a witness or witnesses who can authenticate documents or identify other possible fact witnesses. The more difficult issue is how extensively the designee or designees must prepare. One widely cited standard suggests that the corporation must make a conscientious good-faith endeavor to designate the persons having knowledge of the matters sought by the requesting party and to prepare those

persons in order that they can answer fully, completely, and unevasively, the questions posed as to the relevant subject matters. 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 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. Wilson is not obliged to depose a string of hospital employees, none of whom is able to speak for the hospital as to how the incident or incidents in question occurred, nor indeed is a 30(b)(6) requesting party limited to conducting her factual inquiry via interrogatories. … Rule 30(b)(6) means what it says. Corporations must act responsively; they are not entitled to declare themselves mere document-gatherers. They must produce live witnesses who know or who can reasonably find out what happened in given circumstances."—emphasis in original, citations, quotations, and footnotes omitted—ruling that magistrate judge erred in ruling that defendant hospital did not have to provide a 30(b)(6) witness regarding topics directed to hospital's investigation of surgical error despite hospital's argument that the investigation it performed was protected under state law)

Paul Revere Life Ins. Co. v. Jafari, 206 F.R.D. 126, 127–28 (D. Md. 2002) ("Rule 30(b)(6) … implicitly requires [designees] to review all matters known or reasonably available to it in preparation for the Rule 30(b)(6) deposition.")

Cf.

OKI America, Inc. v. Advanced Micro Devices, Inc., 2006 WL 2547464, *2 (N.D. Cal. 2006) (denying accused infringer's motion to compel patentee to produce 30(b)(6) witnesses to testify with more detail as to conception, reduction to practice, and diligence in reducing the invention to practice and filing a patent application where the asserted patents were filed between 1983 and 1988, and therefore many documents relating to the subject were no longer available and the patentee had provided all the information it had on the subject, including permitting the depositions of all named inventors, and was willing to give a declaration that it had no further information —"AMD responds that the three AMD patents (Allen '678, Dixit '732 and Patel '830) were filed between 1983 and 1988 and very few of the people who were involved are still at AMD. AMD made available to OKI all who were currently at AMD and even some who were not and some were deposed. AMD also provided last known addresses for those who were former employees.

Likewise, many of the documents which would inform AMD's corporate knowledge are no longer available. AMD has produced all documents that it still has relating to the topics. AMD is willing to provide a declaration to the effect that has provided OKI with the full extent of its knowledge on the 30(b)(6) topics. AMD says it has no additional information on Topic 37 beyond that already provided to OKI and it would be burdensome for AMD to provide a witness to state this. … AMD questioned all inventors still employed by AMD and provided last known addresses for all inventors no longer employed by AMD and produced all documents on this topic. Landon Allen, sole inventor on the Allen '678 patent, was deposed on this topic and Richard Klein, an inventor on the Dixit '32 patent, was deposed and questioned on this topic. AMD has no additional information on Topic 39 beyond that already given to OKI. OKI seeks a sworn declaration by a witness authorized to bind the corporation to the effect that AMD has no further knowledge on the 30(b)(6) topics. The Court hereby orders AMD to provide such a sworn declaration from a witness authorized to bind the corporation, but denies the motion to compel AMD to produce such a witness for questioning. AMD is advised that it may be precluded at trial from introducing evidence on these topics which was not provided to OKI.")

Medtronic Xomed, Inc. v. Gyrus ENT LLC, 2006 WL 786425, *6 (M.D. Fla. 2006) ("In this case, Plaintiff attempted to prepare Mr. Fletcher as best as it could in light of the broad topic requested. Specifically, to prepare for questions related to prior art of the '957 Patent, Mr. Fletcher spoke with several individuals, including individuals inside and outside the company and counsel. Mr. Fletcher also reviewed various documents, totaling fourteen binders, which included a prior deposition by Plaintiff's employee who was responsible for interacting with outside patent counsel, Plaintiff's expert's report, and the contested document. The Court finds that this was sufficient preparation and that Plaintiff, as an institution, had little, if any, knowledge relating to the prior art references."—denying accused infringer's motion seeking to compel patentee to produce a document containing litigation counsel's analysis of prior art and reviewed by the patentee's 30(b)(6) designee on the topic relating to prior art known to the company for purposes of inequitable conduct because the document was protected work product and ruling that F.R.E. Rule 612 did not require its production because the accused infringer failed to prove the requisites for applying the rule where it failed to show that the deponent used the document refresh his recollection and the deponent used the document to learn for the first time of prior art so that he

could testify as a 30(b)(6) witness, and the accused infringer failed to show that the document impacted the deponent's testimony)

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