December 4, 2012

Lisa R. Barton
Acting Secretary
United States International Trade Commission
500 E. Street, SW, Room 112
Washington, DC 20436

Re: Comments on "Notice of Proposed Rulemaking of General Application, Adjudication, and Enforcement," MISC-041, 77 Fed. Reg. 60952 (Oct. 5, 2012)

Dear Acting Secretary Barton:

The American Intellectual Property Law Association ("AIPLA") appreciates the opportunity to comment on the rule revisions proposed by the United States International Trade Commission ("Commission") in the "Notice of Proposed Rulemaking on the Rules of General Application, Adjudication and Enforcement," MISC-041, as set forth in the Federal Register, 77 Fed. Reg. 60952, October 5, 2012.

AIPLA is a national bar association with approximately 14,000 members who are primarily intellectual property lawyers in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property.

AIPLA commends the Commission for proposing these revisions in an effort to update and streamline the procedural aspects of intellectual property-based investigations under Section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337. While we support most of the clarifying amendments for their beneficial effect on procedure, we are concerned that some of the amendments do not adequately reflect the unique circumstances of conducting an action before the Commission.

I. PART 210

A. Subpart E – Discovery and Compulsory Process

The Commission proposes to amend Subpart E of 19 C.F.R. § 210, and specifically Rule 210.27. In particular, the Commission would add one sentence to the end of § 210.27(b); renumber previous sections (c) and (d) to be paragraphs (f) and (g); and add new paragraphs (c), (d), and (e). These proposed changes are each addressed below.

1. Proposed Rule 210.27(b)

The Commission proposes to add the following sentence to the last paragraph of 19 C.F.R. § 210.27(b): "All discovery is subject to the limitations of § 210.27(d)."

Comments: AIPLA supports the amendment to Rule 210.27(b), subject to its comments below concerning Rule 210.27(d).

2. Proposed Rule 210.27(c)

The Commission proposes to add Rule 210.27(c) concerning electronically stored information that is not reasonably accessible due to undue burden or cost.

Comments: AIPLA supports Rule 210.27(c) to the extent that it is consistent with Federal Rule of Civil Procedure 26(b)(2)(B).

3. Proposed Rule 210.27(d)

The Commission proposes to add Rule 210.27(d) imposing limits on the scope of discovery. In particular, Rule 210.27(d)(3) would require the administrative law judge to limit discovery where the responding person waived the legal position justifying the discovery or "stipulated to facts" on the issue to which the discovery is directed.

Comments: With respected to Rule 210.27(d)(3), AIPLA believes that the Commission should clarify or provide examples of situations in which stipulations to certain facts would limit the scope or extent of discovery. By way of example, a party's stipulation to an early invention date should not preclude discovery related to other circumstances of invention. However, a party's stipulation that a product had been imported into the United States should eliminate any need for discovery on that issue. This rule should thus be clarified or, alternatively, narrowed as follows:

> (3) the responding person has waived the legal position that justified the discovery or has stipulated to the particular facts ~~pertaining to the issue~~ to which the discovery is directed;

The proposed modification would clarify that a stipulation will obviate the need for discovery of a particular fact (i.e., that a product has been imported), but it will not obviate the need for discovery of all facts pertaining to a disputed issue (i.e., whether a patent is entitled to an earlier invention date).

Proposed Rule 210.27(d)(4) would require the administrative law judge to limit discovery where the burden or expense of the proposed discovery outweighs its benefits, considering the needs of the investigation, the importance of the discovery to the issues to be decided, and "the public interest."

Comments: AIPLA suggests that the Commission clarify the reference to "public interest" in Rule 210.27(d)(4). It is unclear whether the reference invokes the public interest factors identified in 19 U.S.C. § 1337(d) and (e). And it is unclear what evidence of public interest that administrative law judge would consider. In other words, would the proposed rule require the administrative law judge to consider the statements of public interest submitted under Rule 210.8(b) and (c), or evidence of public interest that the administrative law judge has been ordered to take under Rule 210.10(b), or both? If

the Commission intended that the administrative law judge would only consider evidence taken under Rule 210.10(b), then the proposed rule should be so qualified.

4. Proposed Rule 210.27(e)

The Commission proposes to add Rule 210.27(e) concerning privileged information.

a) Proposed Subsection 210.27(e)(1)

In particular, proposed Rule 210.27(e)(1)(i) would require an attorney work product privilege be expressly claimed when responding to a relevant request, and proposed Rule 210.27(e)(1)(ii) would require the responding party, within 10 days of "making the claim," to produce a "privilege log" describing the information not produced.

Comments: Proposed Subsection 210.27(e)(1)(ii) requires production of a privilege log within 10 days after "making the claim" of privilege or protection. AIPLA finds the phrase "making the claim" of privilege potentially unclear. AIPLA recommends the following change:

> (ii) within 10 days of the date on which the document is withheld or provided in redacted form~~making the claim~~ produce to the requester a privilege log….

b) Proposed Subsection 210.27(e)(2)

Proposed Rule 210.27(e)(2) concerns a procedure for addressing a claim of inadvertent production of privileged and/or attorney work product information. The proposed rule seeks, in part, to mitigate litigation costs and delays that may be incurred from the time and effort expended on protecting against every conceivable waiver risk resulting from document production, including document production of electronically-stored information.

Specifically, the proposed rule states that the person claiming privilege or work product protection for material inadvertently produced may notify the recipient of the information of the claim and of its basis. That notice must identify the information subject to the claim "using a privilege log as defined under section (1) of this paragraph."

Comments: While AIPLA generally supports the proposed rule, we believe that the requirement that a party use a privilege log as defined under section (1) may not always be practical at the time when the privilege and/or work product issue is first discovered (e.g., in a deposition) and notice is sought to be provided. AIPLA agrees that the notice should be as specific as possible in stating such a claim and the bases for that claim. AIPLA also agrees that the notice should be of at least the same detail as that called for in paragraph (1) of the proposed rule. Or, put another way, the notice should be sufficiently detailed so as to enable the person or party who received the privileged or work product information at the time of the notice (and ultimately the ALJ if a motion is filed) to fully understand the basis for the claim and the facts that surround whether waiver occurred. Such specificity is needed so the party who received the information may fairly

determine whether the cost and effort of a challenge is appropriate under the circumstances. The notice in most circumstances should be in writing.

As a result, AIPLA proposes the following revisions to this portion of the proposed rule (which are underlined below):

> (2) If information produced in discovery is subject to a claim of privilege or of protection as attorney work product, the person making the claim may notify, preferably in writing when the circumstances permit, any person that received the information of the claim and the basis for it. The notice shall identify the information subject to the claim using a privilege log as defined under section (1) of this paragraph, or if the circumstances do not permit use of a privilege log as defined under section of (1) of this paragraph, the notice shall provide a reasonably detailed description of the information subject to the claim in sufficient detail to allow the person(s) who received the information to understand the basis for the claim and facts surrounding whether waiver occurred.

In addition, the proposal imposes certain obligations on the recipient of the information and requires the claimant and the parties to confer in good faith to resolve the privilege or protection claim within five days of the notice. Within five days of that conference, the claimant may move to compel production of the information, and "may, in the motion to compel, use a description of the information from a privilege log produced under this paragraph."

> *Comment:* AIPLA believes that the language quoted above unduly limits the use of the challenged information in the administrative law judge's determination of the privileged claim, which may impede a just resolution of the claim. AIPLA does agree, however, that the person who received the information should not be permitted to use the information for any purpose outside of challenging the claim until the claim is resolved by the administrative law judge. In challenging the claim, however, the party who received the information should be permitted to use the content of the information to the extent permitted by applicable rules and laws of professional responsibility, privilege, and protection for trial preparation material. *See, e.g.*, FED. R. CIV. P. 26(b)(5) advisory committee's note.
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> As such, AIPLA believes that the Proposed Rule should be clarified to permit a party challenging the privilege claim to use the content of the allegedly privileged or work product information in challenging the claim, or, at the very least, be able to submit the pertinent information *in camera* for consideration by the administrative law judge. As a result, AIPLA proposes the following revision to this portion of the Proposed Rule (which is underlined below):
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> > Within five 5 days after the conference, a party may file a motion to compel the production of the information and may, in the motion to compel, use a description of the information from a privilege log produced under this paragraph, and use the content of

> the information to the extent permitted by professional responsibility and applicable law of privilege and protection for trial preparation material. In connection with filing a motion to compel, the party may also submit the information *in camera* for consideration by the administrative law judge.

Further, AIPLA believes that the Commission should also amend the proposed rule's various time limits of "5 days." AIPLA agrees that time limits are needed to address such issues in matters before the Commission. But, given the international character of the proceedings before the Commission, AIPLA believes that domestic and foreign parties need adequate time to address privilege and work product issues – issues of fundamental importance to the proper operation of adversarial proceedings. As a result, AIPLA proposes that the Commission amend each instance of "5 days" to "5 business days" or, if "days" is the preferred measure, to "7 days."

Finally, AIPLA believes that the Commission should adopt an additional provision that encourages the parties to enter agreements, and/or the administrative law judge enter orders, addressing privilege and work product issues in preparing the discovery plan, which may include a modification of the default procedure set forth in the Proposed Rule. Such agreements/orders should be considered when the administrative law judge determines the question of waiver and generally should control the procedure for addressing questions of privilege and waiver if it differs from the Proposed Rule. Such a provision would parallel practice in U.S. federal courts. *See, e.g.*, FED. R. CIV. P. 26(f)(3)(D); 26(b)(5).

c) Proposed Subsection 210.27(e)(3)

Proposed Rule 210.27(e)(3) provides a limited exemption from compliance with requirements for claiming privilege or work product protection under proposed Rule 210.27(e)(1). The exemption would apply where the parties waive compliance in a written agreement for documents, communications and things created or communicated within a time period specified in the agreement.

Comments: AIPLA supports the exemption created by Rule 210.27(e)(3). In particular, AIPLA supports the ability to waive the requirement that the parties must identify on a privilege log documents created or communicated during a specified time frame (*e.g.*, after the filing of the complaint).

However, AIPLA is concerned that this exemption may be too narrow. AIPLA recommends revising the rule to allow parties to agree in writing to exempt from Rule 210.27(e)(1) specified categories of documents. For parties willing to reach such agreements, this would reduce the burden and cost of litigation and would thus further the interests of the Commission. AIPLA recommends the following edits to the first sentence of Rule 210.27(e)(3):

> (3) Parties may also enter into a written agreement to waive compliance with section (1) of this paragraph for specified categories of documents, communications, and things (for example, documents, communications, and things created or communicated within a time period specified in the agreement).

d) Proposed Subsection 210.27(e)(4)

Proposed Rule 210.27(e)(4) states that an administrative law judge may, for good cause, order a different period of time for compliance with any requirement of Rule 210.27(e).

> *Comments*: AIPLA favors flexibility with respect to the time period for compliance with any requirement of this paragraph. However, AIPLA recommends that the rule allow parties to mutually agree in writing to modify the time period for compliance, without having to burden the administrative law judge with a motion and without having to establish "good cause." AIPLA recommends that the rule further provide the option of having the administrative law judge order a different time period for compliance for good cause shown, in the event that not all parties agree to an alternative deadline for compliance with section (1). AIPLA proposes the following addition to Rule 210.27(e)(4):
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> > (4) Parties may enter into a written agreement to waive compliance with the 10-day deadline set forth in section (1) of this paragraph. Alternatively, for good cause, the administrative law judge may order a different period of time for compliance with any requirement of this paragraph.

II. CONCLUSION

AIPLA appreciates the opportunity to provide these comments on the proposed changes to the Rules of General Application, Adjudication, and Enforcement. We would be happy to answer any questions that our comments may raise. We look forward to participating in the continuing development of these rules and procedures.

Sincerely,

Jeffrey I. D. Lewis
President,
American Intellectual Property Law Association