

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

PROCAPS S.A.,)
)
Plaintiff,)
)
v.) Case No. 1:12-cv-24356-JG
)
PATHEON INC.,)
)
Defendant.)
_____)

**MEMORANDUM IN SUPPORT OF DEFENDANT'S MOTION TO COMPEL
PLAINTIFF TO PROPOSE ADEQUATE SEARCH TERMS**

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INTRODUCTION

This Court ordered the parties to generate a “preliminary list of proposed search terms.” The law *expressly prohibits* Carlton Fields from creating search terms without input from Procaps’ ESI custodians. Yet Carlton Fields refuses this obligation, and instead created *eight* basic search terms without any input from Procaps’ ESI custodians. Procaps is improperly relying solely on outside counsel to generate search terms.¹ Moreover, these eight basic search terms are not adequate to enable Procaps to locate the relevant documents. Thus, the Court should order Carlton Fields to: (1) explain to each of Procaps’ custodians the scope of relevant issues in this case; (2) ask them for input on how to locate relevant documents using search terms or other criteria (*e.g.*, specific words, phrases, acronyms, company files, date ranges, etc.); and (3) promptly propose to Patheon search terms or other criteria that are reasonably calculated to uncover relevant information. The Court also should award Patheon attorney’s fees under Rule 37 because Procaps’ refusal to provide adequate search terms is not substantially justified.²

FACTS

On February 24, Procaps proposed an “initial list of proposed search terms” to Patheon that Kroll would use to search Procaps’ documents. *Exhibit 1*. The list was comprised of eight search terms, all in English: (1) “Patheon”; (2) “p-gel”; (3) “Collaboration Agreement”; (4) “Banner”; (5) “Stock Purchase Agreement”; (6) “Notice of Request for Dispute Resolution”; (7) “Steering Committee”; and (8) “Letter of Intent.” *Id.* These basic search terms were created by Carlton Fields’ lawyers without input from the ESI custodians listed in the Court’s order granting

¹ This is particularly problematic because, while admitting he lacks experience in this area, Procaps’ lead counsel insists on micromanaging the process on Procaps’ behalf.

² So as not to burden the Court with additional briefing on fees, Patheon requests a flat fee award of \$5,000, which is significantly less than the fees incurred by Patheon in connection with this Motion.

the forensic analysis (“Order”).³ See *Exhibits 1-2*; Dkt. 341, ¶¶ 2-3. Carlton Fields wrote that it would *only* confer with Procaps “as to appropriate Spanish translation of those terms, if any.”

Exhibit 1.

On February 25, we explained to Carlton Fields that its eight proposed search terms were inadequate and that it didn’t “appear [Procaps’] terms were discussed with Procaps employees in order to determine what words and phrases they use.” *Id.* Patheon gave Procaps 63 proposed search terms. *Exhibit 3.*⁴ Patheon’s ability to craft search terms for Procaps to use is limited because, in Carlton Fields’ own words, it is “difficult to guess how the opposing party would have described the key terms in the case.” *Exhibit 4.* That is especially true here because virtually all of Procaps’ internal communications produced so far are in Spanish.

On February 28, the Court entered the Order, which requires that, by March 11, the parties agree to “a preliminary list of proposed search terms.” Dkt. No. 341, ¶ 4. If the parties are unable to agree, the Court ordered them to “immediately” raise the issue with the Court. *Id.* Patheon is doing that now.

On March 3-5, the parties discussed search terms on the telephone and exchanged more emails on the subject. *Exhibits 2, 5.* Carlton Fields refused to propose any search terms other than its original eight search terms, and stuck to its position that its only obligation to get client

³ Carlton Fields’ failure to get input from Procaps also is evident by the fact that its search terms: (1) are very basic, general legal-type terms; (2) do not include obvious terms such as the names of Patheon employees or Procaps customers with whom Procaps communicated; (3) do not use abbreviations or acronyms used internally by Procaps as, for example, Procaps testified that “CBG” is the Spanish acronym for softgels (Dkt. No. 301, p. 4); and (4) do not include Spanish terms.

⁴ Procaps has forced Patheon to file all 63 of its search terms under seal because Procaps claims that all of them are “Confidential.” We disagree with Procaps, but are constrained to file these terms under seal given the terms of the Protective Order.

input was to “confer with Procaps as to the appropriate Spanish translation” of the proposed search terms. *Exhibit 2*.

ARGUMENT

As Carlton Fields’ own publication makes clear, there are several problems with using search terms to search for documents: (1) “[i]t can be difficult to conjure up every conceivable synonym to describe a keyword in the litigation”; (2) “[i]t can also be difficult to guess how the opposing party would have described the key terms in the case,” as it “may have used acronyms or slang terms”; and (3) search terms may not account for misspellings. *Exhibit 4*.

The law has identified these problems, and done its best to solve them. Federal courts thus hold that, “at a minimum,” outside counsel “***must carefully craft*** the appropriate keywords, with ***input from the ESI’s custodians as to the words and abbreviations they use.***” *William A. Gross Constr. Assocs., Inc. v. Am. Mfrs. Mut. Ins. Co.*, 256 F.R.D. 134, 136 (S.D.N.Y. 2009) (emphasis added); e.g., *In re Seroquel Prods. Liab. Litig.*, 244 F.R.D. 650, 662 (M.D. Fla. 2007) (holding that where a party’s employees “had nothing to do with developing the key word search,” the search terms were “plainly inadequate”).⁵ This duty exists because effective search terms cannot be identified in an information vacuum. *See Sedona Conference Best Practices Commentary on the Use of Search & Information Retrieval Methods in E-Discovery*, 8 Sedona Conf. J. 189, 209 (Fall 2007).⁶

⁵ On February 25 and March 4, we reminded Procaps’ lead counsel of this obligation. *Exhibits 1-2*. In response, he refused to agree that Carlton Fields had such an obligation and instead took the position that Carlton Fields does not have to get input from Procaps’ ESI custodians because the Court’s Order does not require that it do so. *Exhibit 2*.

⁶ Patheon’s papers supporting its motion for forensic analysis detailed these obligations and cited *William A. Gross* and *In re Seroquel*. Dkt. Nos. 301, 318. Courts addressing electronic discovery often cite to the *Sedona Conference Best Practices Commentary on the Use of Search & Information Retrieval Methods in E-Discovery*. We attach the relevant pages of these *Best Practices* as *Exhibit 6*.

In addition to client input, search terms are adequate only if they are reasonably calculated to locate relevant information. *In re Seroquel*, 244 F.R.D. at 662. Several techniques have been developed to increase the chance that search terms locate relevant information: (1) “Boolean” operators (*e.g.*, U.S. or US or “United States”); (2) proximity relationships between words (*e.g.*, a search for “United States” within fifteen words of “market” (“United States” w/15 “market”)); and (3) including “common or inadvertently misspelled” words.⁷ *Best Practices*, 8 Sedona Conf. J. at 202. Search terms made up of single words or phrases are of limited use. *Id.*

Applied here, there can be no question that Carlton Fields has breached its clear duty to carefully craft appropriate search terms, which means there is a real danger that the search terms may not locate all relevant information.

First, Carlton Fields breached its duty to get input from knowledgeable ESI custodians as the law obligates it to do. *William A. Gross*, 256 F.R.D. at 136; *In re Seroquel*, 244 F.R.D. at 662. Accordingly, its eight proposed search terms are “plainly inadequate.” *In re Seroquel*, 244 F.R.D. at 662.

Second, the eight search terms proposed by Procaps are not reasonably calculated to collect all relevant information. Patheon has served more than 60 document requests which ask for documents relating to numerous issues, such as Procaps’ softgels and nutritional and non-prescription products (No. 4), the market allocation between Procaps and Patheon (No. 12), Procaps’ sales of softgel products and services (No. 16), Procaps’ loss of customers (No. 23), and the performance of Procaps’ business units (No. 44). *Exhibits 7-8*. Procaps cannot credibly claim that its eight terms are reasonably calculated to capture documents relevant to these topics, let alone all other “relevant information” in this \$380 million antitrust case. Dkt. No. 341, ¶ 4.

⁷ Patheon’s proposed search terms use these techniques.

Third, while we have suggested our own search terms to try to overcome these obvious deficiencies, that does not absolve Procaps of its failure to propose carefully crafted search terms. *See supra*, p. 3. As even Carlton Fields recognizes, Patheon cannot do this on its own because Patheon doesn't know what acronyms, key words or slang terms Procaps uses internally, especially considering its pervasive use of Spanish. *Exhibit 4*.

RELIEF REQUESTED

To remedy Procaps' failure to submit adequate search terms, Patheon respectfully requests that the Court order Carlton Fields to: (1) explain to Procaps' custodians the scope of relevant issues in this case; (2) ask the custodians for input on how to locate relevant documents using search terms or other criteria (*e.g.*, specific words, phrases, acronyms, company files, date ranges, etc.); and (3) promptly propose to Patheon the search terms or other criteria that are reasonably calculated to uncover relevant information. Pursuant to Rule 37(a), the Court also should award Patheon attorney's fees in connection with this Motion.

Dated: March 6, 2014

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on March 6, 2014, I filed the foregoing with the Clerk of Court through the CM/ECF system, which will send a notice of electronic filing to:

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