

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

YELLOW PAGES PHOTOS, INC.,

Plaintiff,

v.

Case No.: 8:08-CV-0930-T-23EAJ

YELLOW BOOK USA, INC., et al.,

Defendants.

ORDER

Before the court are Plaintiff's **Motion to Compel** (Dkt. 23), Plaintiff's **Declaration of W. Trent Moore** (Dkt. 24), and Defendants' **Joint Response in Opposition** (Dkt. 29). On February 4, 2009, the court heard oral argument.

Background

Plaintiff is a manufacturer of digital images which it licenses for use in phonebook directories. Defendant Yellow Book USA ("Yellow Book") is a leading independent publisher of Yellow Pages directories, both in print and online. Defendant Pindar Set, Inc. ("Pindar") creates advertisements which Yellow Book uses in its publications.

Plaintiff alleges that it licensed the use of approximately 3,250 copyrighted electronic images ("the Works") to three companies later acquired by Yellow Book. Plaintiff submits that Defendants are publishing advertisements incorporating the Works without permission. The parties dispute whether Yellow Book's publication of advertisements obtained via the acquisitions is proper. Nevertheless, Plaintiff asserts that, subsequent to those acquisitions, Yellow Pages continued to create new advertisements using the Works. Consequently, Plaintiff asks the court to compel

Defendants to produce their electronic image files for Plaintiff's inspection.

Plaintiff seeks to determine whether copies of the Works exist within two electronic databases possessed by Defendants: (1) a database of image files ("the Library") which stores approximately 90,000 images used to create new customer advertisements; and (2) a database of advertisement files ("Clipper") which contains more than five million finished advertisements. According to Pindar's information technology manager, these advertisements generally consist of Adobe Illustrator files which may incorporate several different files, including image files, into one "merged" file.¹

Defendants have agreed to permit a search of the Library by a third-party forensic examiner, provided that the search is limited in scope and Plaintiff bears the cost. Defendants insist that Plaintiff be permitted to search for copies of only those images referenced in Plaintiff's complaint, i.e., the Works. Defendants further argue that because Pindar has already conducted a preliminary search of the Library and found no copies of any of the Works therein, they should not have to bear the cost for the forensic examination.

On November 19, 2008, the parties conducted a conference call with consultants from Navigant Consulting ("Navigant") regarding the prospect of determining whether copies of Plaintiff's copyrighted images exist within the Library or Clipper. On December 11, 2008, the consultants proposed a search using image recognition software and emphasized that it would be necessary to copy the files from the Library and Clipper to an external server where Defendants' images would be compared file-by-file with Plaintiff's images. Navigant estimated the cost of the

¹ At oral argument, the parties manifested their intent to work together to achieve a mutually-acceptable solution to searching Clipper. Accordingly, this order resolves only those issues related to a search of the Library.

search at \$20,000 to \$30,000.

Standard of Review

“Parties may obtain discovery regarding any nonprivileged matter that is relevant to any party’s claim or defense.” Rule 26(b)(1), Fed. R. Civ. P. Because electronically stored information (“ESI”) may be relevant to a claim or defense, a party may serve another party with a request to produce and permit inspection of such information, including digital images. Rule 34(a)(1)(A), Fed. R. Civ. P. If the request fails to specify a form for the ESI, it must be produced “in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.” Rule 34(b)(2)(E)(ii), Fed. R. Civ. P.

A party is not required to produce ESI where it shows that the information “is not reasonably accessible because of undue burden or cost.” Rule 26(b)(2)(B), Fed. R. Civ. P. However, despite such a showing, the court may compel production of ESI if “the burden or expense of the proposed discovery outweighs its likely benefit, considering the needs of the case, the amount in controversy, the parties’ resources, the importance of the issues at stake in the action, and the importance of the discovery in resolving the issues.” Rule 26(b)(2)(B) & (b)(2)(C)(iii), Fed. R. Civ. P.; see U & I Corp. v. Advanced Med. Design, Inc., 251 F.R.D. 667, 674 (M.D. Fla. 2008). When doing so, the court “may specify conditions for the discovery.” Rule 26(b)(2)(B), Fed. R. Civ. P.

Typically, the responding party is presumed to bear its costs of complying with discovery requests. Oppenheimer Fund, Inc. v. Sanders, 437 U.S. 340, 358 (1978). However, the court has discretion under Rule 26(c), Fed. R. Civ. P., to protect a responding party from “undue burden or expense” by “conditioning discovery on the requesting party’s payment of the costs of discovery.” Id. (quoting Rule 26(c), Fed. R. Civ. P.).

Undue burden or expense may arise where the production of ESI requires the services of a third-party forensic examiner. Should the parties dispute who shall bear the potentially substantial cost for such services, the court must undertake the following inquiry:

[D]oes the cost of the forensic examination represent to [the responding party] a burden or expense so undue as to justify an exercise of the Court's discretion to break from the traditional presumption and shift some or all of that cost to [the requesting party]?

Peskoff v. Faber, 251 F.R.D. 59, 61 (D. D.C. 2008) (assigning to responding party the \$33,000 cost for forensic examiner to search for e-mails and other ESI). Moreover, where the responding party represents that it does not have the desired information, the court may shift the cost of a forensic examination based on the results. See e.g. Sterle v. Elizabeth Arden, Inc., No. 3:06 CV 01584(DJS), 2008 WL 961216, at *15 (D. Conn. Apr. 9, 2008) (shifting entire cost of ESI search by forensic expert based on results of the search).

Discussion

Plaintiff's case turns on whether Defendants possess copies of the Works. Although the Library is not readily searchable for copies of the Works, the burden or expense of conducting a forensic examination is easily outweighed by its likely benefit. Moreover, because Plaintiff seeks copyright damages of several million dollars, the potentially substantial cost for a forensic examination is dwarfed by the amount in controversy. Finally, the parties each have sufficient resources to support the cost of a forensic examination. Accordingly, pursuant to Rule 26(b)(2)(B) & (b)(2)(C)(iii), the court shall compel a forensic examination of the Library.

I. Scope of Search

Plaintiff asserts that it should be permitted to search for all of its approximately 9,000

copyrighted images, whether or not they are among the Works, because it located one of its non-Works images within one of Yellow Book's advertisements. Plaintiff argues that although its complaint is explicitly limited to a claim for unauthorized use of the Works, this additional image constitutes "good cause" for the court to order a search for non-Works images. See Rule 26(b)(1), Fed. R. Civ. P.

Plaintiff suspects that Defendants acquired the one non-Works image through an additional acquisition of another of Plaintiff's previous clients. Yet Plaintiff itself concedes that it has "not yet been able to adequately confirm its suspicion, and so has not yet sought to amend its Complaint" (Dkt. 23 at 3). Because Plaintiff's complaint explicitly refers to Defendants' use of the Works, Plaintiff's unconfirmed suspicion based on discovery of one non-Works image does not constitute good cause to order a search for non-Works images (estimated to be approximately 5000 images). Accordingly, Plaintiff will be permitted to search the Library only for copies of the Works.

II. Cost of Forensic Examination

Plaintiff contends that as a "one-man operation" it should not have to expend a substantial sum of money to search the files of the leading independent publisher of phone book directories. As the responding parties, Defendants have a presumptive duty to produce copies of the Works within the Library. Defendants' resources are far superior to those of Plaintiff and there is no doubt that Defendants can bear their own costs of production in this matter. The fact that Defendants do not have the in-house software or expertise to search for Plaintiff's Works images does not justify requiring Plaintiff to pay for the search.

Moreover, Plaintiff avers that Defendants have used the Works to create and publish "new" advertisements that were not published by any of the companies acquired by Yellow Book. Given

that the parties do not dispute the presence of Plaintiff's images within at least some of Defendants' advertisements (although Defendants deny any copyright violations), this is not a case where Plaintiff is simply on a "fishing expedition." Indeed, taking Plaintiff's representations as to the new advertisements in good faith, it is highly probable that copies of the Works exist within the Library.

Defendants respond that they should be excused from funding a forensic examination because they conducted "file name" searches and examined sample images to locate copies of the Works within the Library. While this may well have been the best Defendants could do without incurring the expense of a forensic examination, this search was simply inadequate given that the Library contains approximately 90,000 images. See Peskoff, 251 F.R.D. at 61 (weighing inadequacy of responding party's search efforts). Plaintiff is entitled to an adequate search of the Library; the presence of the Works within Defendants' advertisements supports allocating the cost of the search to Defendants.

In light of these considerations, the court declines to shift the cost of the forensic examination from Defendants to Plaintiff.² Each party, however, shall bear its respective expenses to provide the forensic examiner with copies of their images for the search. Although the Library contains approximately 90,000 image files, Defendants have not shown that merely providing the forensic examiner with copies of the image files would be unduly burdensome or costly. Defendants shall provide copies of the images in the Library to the forensic examiner in compliance with Rule 34(b)(2)(E)(ii), Fed. R. Civ. P.

Accordingly, and upon consideration, it is **ORDERED and ADJUDGED** that:

² Upon completion of the search, the court may consider reallocating the cost of the forensic examination if warranted by the results.

- (1) Plaintiff's Motion to Compel (Dkt. 23) is **GRANTED IN PART**;
- (2) Within ten (10) days of this order, the parties shall select a qualified independent third-party forensic examiner to conduct a search of the Library;
- (3) Within twenty (20) days of this order, Plaintiff, at its own expense, shall provide the examiner with copies of the image files identified in its complaint, i.e., the Works, and Defendants, at their own expense, shall provide the examiner with copies of all of the image files within the Library;
- (4) Within thirty (30) days of this order, the examiner shall conduct a search to determine whether copies of any of the Works (as described in this order) exist within the Library³;
- (5) After the search is complete, the examiner shall provide counsel for each of the parties with a report of the examination;
- (6) Defendants shall pay the cost of the forensic examination;
- (7) On Wednesday, March 18, 2009 at 10:00 a.m., the parties shall appear before the undersigned for a status conference regarding any issues in Plaintiff's motion that remain unresolved. The parties shall file a joint notice specifying any remaining issues on or before Friday, March 13, 2009.

DONE and ORDERED in Tampa, Florida on this 10th day of February, 2009.

³ Unless the parties agree otherwise, the examination shall be conducted outside the presence of counsel and the parties.


ELIZABETH A JENKINS
United States Magistrate Judge