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A Guide to Cloned Discovery

Counsel litigating cases involving cloned discovery must understand the many competing arguments and practical concerns to best navigate the complex strategic and legal landscape surrounding this discovery device.



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Cloned discovery or “piggyback” requests refer to discovery requests in a primary litigation that seek copies of certain materials already produced or received in other litigations or investigations (referred to in this article as target cases). While these requests have sparked significant debate in civil litigation for decades, the recent rise of multiple litigations involving similar topics, along with the complexity of electronic discovery, have further ignited the argument. Now, more than ever, cloned discovery raises a number of strategic concerns for both the requesting and receiving parties. One thing that is certain, however, is that there is no clear winner in the cloned discovery wars.

Courts addressing cloned discovery requests are faced with a dilemma. They can allow cloned discovery to be produced and risk expanding the record and causing unduly burdensome case preparation and follow-up requests, or deny these requests and risk limiting the record and relegating the litigation to a quagmire of unique, previously unlitigated discovery requests and related search and review burdens.

Counsel litigating cases in which cloned discovery may be used must be prepared to navigate this complex strategic and legal landscape. This article provides a guide to cloned discovery, highlighting:

- The purpose of cloned discovery.
- The types of cases in which cloned discovery is frequently sought.
- Strategic concerns raised by cloned discovery.
- The Federal Rules of Civil Procedure (FRCP) governing cloned discovery requests.
- How the federal courts have evaluated cloned discovery requests.
- Best practices for counsel seeking or resisting cloned discovery.

CLONED DISCOVERY OBJECTIVES

The main purpose of cloned discovery is to uncover a cache of information that has already been vetted in a prior litigation and may be relevant to the primary suit, without having to propound numerous specific discovery requests. Cloned discovery also may be sought where the fact that particular documents were produced or received by a party is relevant to the primary suit, such as to challenge an assertion of privilege or a claim that a party was not involved in certain of the underlying allegations.

Cloned discovery requests may seek any kind of discovery previously produced or received in a target case, including:

- Documents or electronically stored information.
- Written discovery responses.
- Deposition transcripts.
- Expert reports.
- Joint defense and confidentiality agreements.
- Settlement agreements.
- Privilege logs.

(See, for example, *Eisai Inc. v. Sanofi-Aventis U.S., LLC*, No. 08-4168, 2011 WL 5416334, at *5 (D.N.J. Nov. 7, 2011); *Austin v. Nestle USA, Inc.*, No. 09-3320, 2010 WL 4318815, at *4 (D.S.C. Oct. 26, 2010); *Wyeth v. Impax Labs., Inc.*, 248 F.R.D. 169, 171 (D. Del. 2006); *Oklahoma ex rel. Edmondson v. Tyson Foods, Inc.*, No. 05-329, 2006 WL 2862216, at *1 (N.D. Okla. Oct. 4, 2006); *Snowden v. Connaught Labs., Inc.*, 137 F.R.D. 325, 330 (D. Kan. 1991).)

TYPICAL CASES INVOLVING CLONED DISCOVERY

Although the term cloned discovery was coined more recently, this discovery device has been used for decades in situations where the primary case involves the same opposing party or similar claims, defenses or subject matter as the target case. These circumstances usually include:

- Private litigations and government investigations brought for similar conduct.
- Federal actions in which there are related cases in state court or another federal jurisdiction.
- Civil cases in which there is a related criminal case.

Use of this device has become even more prevalent in recent years as the cost and breadth of conducting discovery has increased and the number of multiple litigations concerning similar topics has grown. Cloned discovery is mostly sought in complex civil litigations, such as antitrust, products liability and patent suits. Additionally, litigation tied to the financial crisis, and mortgage-backed securities specifically, has spawned

considerable cloned discovery activity, where plaintiffs seek materials produced in other similar litigations or to various regulatory agencies or prosecutorial bodies (see *Box, Cloned Discovery in Mortgage-backed Securities Litigation*).

CLONED DISCOVERY STRATEGIC CONCERNS

Seeking cloned discovery initially may seem attractive to plaintiffs where the defendant is defending similar suits on several fronts. Conversely, resisting this type of discovery may be defense counsel's immediate reaction. The decision whether to seek or resist cloned discovery is not straightforward, however, and counsel must weigh the particular strategic concerns involved in each case.

SEEKING CLONED DISCOVERY

As discovery becomes more complicated and expensive in the electronic age, it can be an appealing option for parties to simply reproduce discovery already vetted in a target case, particularly if the party seeking the discovery does not simultaneously pursue new and duplicative requests. This tactic can reduce the costs associated with prolonged discovery, for example, by removing the need to:

- Propound voluminous discovery requests.
- Engage in lengthy negotiations over search terms and custodians.
- Depose the same individuals multiple times on the same subject matter.
- Retain experts to write new expert reports on the same subject matter.

However, before seeking to merely piggyback off prior discovery, counsel should consider the impact of actually receiving this information. Broad discovery requests for all materials produced or received in a target case may open the floodgates of discovery and become unexpectedly burdensome on the requesting party. These burdens may include:

- The need to review millions of additional and potentially irrelevant materials to uncover relevant evidence.
- An expanded evidentiary record that includes documents that are not truly relevant and increases costs on all sides.
- A complex meet and confer process with opposing counsel, and potentially counsel in the target cases, and subsequent motion practice over the propriety of the cloned discovery requests.
- The need to comply with any governing protective orders in the target cases.
- The need to file a motion to vacate or modify a non-waiver or confidentiality agreement or order in the target cases shielding the production of privileged or confidential documents.
- The need to seek production from non-party affiliates in possession of the requested documents.

Additionally, counsel should determine whether to seek cloned discovery before the close of discovery. For example, in *Federal Housing Finance Agency v. HSBC North America*

Cloned Discovery in Mortgage-backed Securities Litigation

Cloned discovery has played a prominent role in cases arising from the alleged manipulation or misrepresentation of complex financial instruments around the time of the financial crisis. Almost every major financial institution is involved in one manner or another in these cases. So too are many of the world's largest and most influential law firms.

There are several factors contributing to the prevalence of cloned discovery disputes in these cases, including:

- **The involvement of the same defendants (and defense counsel) in cases across the country.** Many financial institution defendants face numerous cases across the country concerning mortgage-backed securities practices. Plaintiffs often seek discovery from these target cases to bolster their own case, or to make additional allegations concerning the applicable defendant's or originator's business practices.
- **Similar allegations concerning defendants' mortgage-backed securities business practices across litigations.** Plaintiffs in these cases have taken aim at a variety of business practices that they have grouped together as generally pertaining to the mortgage-backed securities business. By doing so, they have sought cloned discovery based on claimed commonalities in the securitizations, certificates, underwriters, sponsors, originators, loans, underwriting guidelines and due diligence practices at issue.
- **The existence of numerous document-heavy congressional and regulatory investigations.** Because the bodies investigating aspects of the financial crisis were typically not constrained by the FRCP, their investigations were often broad in scope. These investigations present a treasure trove of materials for private litigants to mine for materials useful to their primary case. In fact, many plaintiffs relied on materials

from these investigations to form the basis of their complaints, resulting in similar allegations across different suits.

- **The scope and volume of electronic discovery.** Because these cases typically involve millions of documents, discovery is often exchanged only after lengthy negotiations on search terms, custodians and format, and an extensive search and review process. As a result, parties (usually plaintiffs) attempt to piggyback off discovery efforts from similar, more procedurally advanced cases. Conversely, given the potential for cloned discovery to exponentially expand the evidentiary record in these cases, some parties (usually defendants) have vigorously opposed these requests.

The stakes for winning a cloned discovery dispute in these mortgage-backed securities cases are considerably high and the arguments presented to courts on this issue can be extensive. Some courts appear to have taken a compromise approach in granting plaintiffs' requests but only after narrowing them. (See, for example, *Fort Worth Employees' Ret. Fund v. J.P. Morgan Chase & Co.*, 297 F.R.D. 99, 110-11 (S.D.N.Y. 2013); *Fed. Hous. Fin. Agency v. HSBC N. Am. Holdings Inc.*, No. 11-6189, slip op. at *3-5 (S.D.N.Y. Jan. 8, 2014); *N.J. Carpenters Health Fund v. DLJ Mortg. Capital, Inc.*, No. 08-5653, slip op. at *1-2 (S.D.N.Y. Mar. 3, 2012); but see *Mass. Mut. Life Ins. Co. v. Merrill, Lynch, Pierce, Fenner & Smith, Inc.*, No. 11-30285, slip op. at *4-5 (D. Mass. July 19, 2013) (denying cloned discovery request entirely); *King County v. Merrill Lynch & Co.*, No. 10-1156, 2011 WL 3438491, at *2-3 (W.D. Wash. Aug. 5, 2011) (same).)



Search [Securitization: US Transaction Parties and Documents](#) for information on mortgage-backed security transactions and a detailed explanation of the securitization process.

Holdings Inc. (FHFA), after the conclusion of "substantial" document discovery, the defendants requested permission to use, either in motion practice or at trial, documents in their possession that were produced by the plaintiff in a related case but not produced in the *FHFA* litigation. In denying both the defendants' initial request to use the documents and their later request for reconsideration, the court reasoned that allowing one side to use unproduced documents would undermine the ordinary discovery process and encourage "trial by ambush." (No. 11-6189, 2014 WL 584300, at *1-2 (S.D.N.Y. Feb. 14, 2014).)



Search [Motion to Compel Discovery](#) for information on the local rules and procedures for select US district courts.

OBJECTING TO CLONED DISCOVERY

A party engaged in several similar litigations may be cautious about producing cloned discovery for various reasons. These include, for example:

- A concern that the cloned discovery may be irrelevant to the primary case and should not be provided wholesale merely because the target case is facially similar.
- The continued need to guard sensitive information previously produced in a target case, such as trade secrets or other information protected by confidentiality agreements or agreements under Federal Rule of Evidence 502 (for more information, search [Fed. R. Evid. 502\(d\) Order](#) on our website).
- The desire to force opposing counsel to "do its job" by propounding specific requests aimed at relevant information

in the primary litigation rather than relying on the work done by others in the target case.

- A concern that the cloned discovery will not actually promote efficiency given the significant burdens of collecting and producing cloned discovery, including reviewing any applicable confidentiality designations and protective orders in the target cases and comparing or de-duping reproductions against other productions.

However, blindly resisting cloned discovery requests may not be the best approach and may cause the producing party to forgo certain strategic advantages. For example, if a party resists producing cloned discovery, it may be foreclosed later from relying on any helpful materials that may have surfaced in the target case.

Additionally, if the party resisting cloned discovery agrees to a narrow production, it may have sacrificed the strategic benefit of burdening the requesting party with reviewing volumes of potentially irrelevant documents. Moreover, even if the court accepts the party's objections, that party will likely face additional requests for discovery, with associated obligations to search for and review responsive materials.

For these reasons, counsel may consider entering into agreements with opposing counsel to:

- Reproduce certain specific materials from the target case in a party's possession, where the materials would need to be produced in the primary litigation in any event, permitting both sides to avoid costly and cumulative discovery.
- Hand over prior relevant deposition transcripts in return for an agreement not to call the witnesses in the primary litigation, thereby relieving those witnesses from multiple depositions.

APPLICABLE RULES

The FRCP affords the parties broad leeway in discovery, permitting the parties to "obtain discovery regarding any non-privileged matter that is relevant to any party's claim or defense" (FRCP 26(b)(1)). FRCP 1 mandates that this rule be construed to secure a "just, speedy, and inexpensive determination" (FRCP 1).

However, a court must limit discovery that is otherwise allowable if it determines that:

- The discovery sought is unreasonably cumulative or duplicative, or can be obtained from some other source that is more convenient, less burdensome or less expensive.
- The party seeking discovery has had ample opportunity to obtain the information by discovery in the action.
- 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.

(FRCP 26(b)(2)(C).)

In considering cloned discovery requests, courts have sought to strike a balance between the requesting party's need for full and efficient discovery and the opposing party's objections to the breadth and burden associated with the requests. In light of the competing concerns and fact-intensive nature of cloned discovery disputes, courts have reached a broad spectrum of results.

JUDICIAL APPROACHES TO CLONED DISCOVERY

Federal courts remain divided on whether and to what extent cloned discovery should be allowed. The specific facts and circumstances of each case and the relatedness of target cases frame each court's view on the relevance of cloned discovery and whether it is more or less efficient than traditional discovery. Although an efficient discovery process should be a goal shared by the parties, competing interests and differences in opinion concerning relevance, scope and burden have led to varying outcomes.

DENYING CLONED DISCOVERY

Courts have generally denied requests for cloned discovery on relevance or burden grounds, or because the target case is subject to a confidentiality or protective order.

More specifically, courts denying requests for cloned discovery have held that these requests are:

- **Per se irrelevant.** Several courts view cloned discovery as presumptively irrelevant because there is no method for determining which documents from the target case are actually relevant to the primary case. Under this view, cloned discovery is relevant only if the requesting party can show that the fact of production in the target case is relevant to the subject matter of the primary case. By contrast, if the requesting party is interested in the contents of the documents from the target case, it must "do [its] own work and request the information [it] seek[s] directly." (*Midwest Gas Servs. Inc. v. Ind. Gas Co. Inc.*, 99-0690, 2000 WL 760700, at *1 (S.D. Ind. Mar. 7, 2000); see *King County*, 2011 WL 3438491, at *2-3.)
- **Irrelevant because the target case is not sufficiently similar to the primary case.** Courts have found that surface similarities (for example, involving the same defendants or similar but not identical legal claims) are not enough to require a *carte blanche* production of all documents related to a target case. In evaluating the similarity between the target case and the primary case, courts have typically analyzed:
 - the overlap between the claims and allegations asserted in each case;
 - the similarity of the subject matter and scope of discovery in each case;
 - the time when the critical events in each case took place;
 - the precise involvement of the parties in each case, including whether similar or identical conduct formed the basis of the claims; and
 - whether the target case has concluded or is in a more advanced stage of discovery than the primary case.

(See *Chen v. Ampco Sys. Parking*, No. 08-0422, 2009 WL 2496729, at *2 & n.4 (S.D. Cal. Aug. 14, 2009); *Tyson Foods*, 2006 WL 2862216, at *1; see also *Pegoraro v. Marrero*, 281 F.R.D. 122, 132-33 (S.D.N.Y. 2012); *Bean v. John Wiley & Sons Inc.*, No. 11-8028, 2012 WL 129809, at *2 (D. Ariz. Jan. 17, 2012); *Eisai Inc.*, 2011 WL 5416334, at *8.)

- **Overly broad as written.** Requests seeking “all documents or other discovery” related to a target case are often rejected as overly broad and not reasonably calculated to lead to the discovery of admissible evidence, even where some issues overlap. Courts disfavor these broad requests, particularly where they are grounded on little more than the requesting party’s suspicion that broad discovery may unearth damaging admissions by the opposing party. (See, for example, *Pegoraro*, 281 F.R.D. at 132; *Wollam v. Wright Med. Grp., Inc.*, No. 10-3104, 2011 WL 1899774, at *2 (D. Colo. May 18, 2011); *Am. Eagle Outfitters, Inc. v. Payless Shoesource, Inc.*, No. 07-1675, 2009 WL 152712, at *1 (E.D.N.Y. Jan. 21, 2009).)
- **Unduly burdensome.** Where the discovery sought is voluminous and requires additional and substantial attorney pre-production review time, courts are more likely to find that the associated burden of wholesale discovery outweighs any marginal relevance. This is particularly true where the producing party has already provided the requesting party with the information sought through less formal means. (See, for example, *Chen v. Cincinnati Inc.*, No. 06-3057, 2007 WL 1191342, at *2 (E.D.N.Y. Apr. 20, 2007).)
- **Confidential and shielded by a protective order in the target case.** As a matter of comity, courts will sometimes respect protective orders issued in another court. (See, for example, *Inventio AG v. Thyssenkrupp Elevator Ams. Corp.*, 662 F. Supp. 2d 375, 383-84 (D. Del. 2009); *Dushkin Pub. Grp. v. Kinko’s Serv. Corp.*, 136 F.R.D. 334, 335 (D.D.C. 1991).) This reluctance to meddle with confidentiality concerns may be heightened where the requesting party seeks cloned discovery from a receiving party in a target case, rather than from the direct source of the information (see, for example, *Barrella v. Vill. of Freeport*, No. 12-0348, 2012 WL 6103222, at *3-4 (E.D.N.Y. Dec. 8, 2012) (quashing a non-party subpoena seeking discovery from the receiving party in the target case)).

Counsel should be aware that courts do not view confidentiality agreements with the government as a defense to disclosure. Information provided in the context of a Securities and Exchange Commission investigation is not necessarily safe from disclosure in a later private litigation (see, for example, *Baxter v. A.R. Baron & Co.*, No. 94-3913, 1996 WL 709624, at *1 (S.D.N.Y. Dec. 10, 1996)).

PERMITTING CLONED DISCOVERY

Courts typically have allowed production of cloned discovery where the requesting party can demonstrate a sufficient link between the target case and the primary case, and that cloned discovery serves the principles of liberal and cost-efficient discovery.

These courts have permitted cloned discovery by reasoning that the requests:

- **Are relevant, given the similarity between the target and primary cases.** These decisions often emphasize the expansive or liberal nature of relevance in the discovery context to support allowing cloned discovery between similar cases. For example, courts have found different products liability actions to be sufficiently similar where they concerned the same device or vaccine and alleged common injuries (see, for example, *Peterson v. Wright Med. Tech., Inc.*, No. 11-1330, 2013 WL 655527, at *5-6 (C.D. Ill. Feb. 21, 2013); *Snowden*, 137 F.R.D. at 330; see also *Waters v. Earthlink, Inc.*, No. 01-11887, 2004 WL 6000237, at *3 (D. Mass. Dec. 1, 2004) (describing the relevance threshold as “low”).
- **Make discovery more efficient and cost-effective.** These decisions focus on the principles of efficient and cost-effective litigation embodied in FRCP 1. Courts consider whether denying requests for cloned discovery may frustrate these goals by requiring the parties to proceed “laboriously, and possibly at the cost of several years’ delay, to duplicate the document selection process conducted by the plaintiffs in the [target cases].” (*United States v. Am. Tel. & Tel. Co.*, 461 F. Supp. 1314, 1339 (D.D.C. 1978); *Wauchop v. Domino’s Pizza, Inc.*, 138 F.R.D. 539, 546-47 (N.D. Ind. 1991) (“the sharing of discovery materials ultimately may further the goals of Rule 1 by eliminating the time and expense involved in ‘re-discovery’”).)
- **Serve a practical need that outweighs confidentiality concerns.** Whether confidentiality concerns in the target case are outweighed by the need for fulsome discovery in the primary litigation may depend on:
 - the nature of the protective order issued by the first court, for example, whether the order was “really an agreement by counsel approved, almost as a ministerial act, by the court,” as opposed to “an action directed by the court after a full consideration of the merits of a fully briefed dispute”;
 - the identity of the party from whom discovery is sought, for example, whether that party is bound by the protective order or whether the documents are sought from the source;
 - whether the case in which the original protective order was issued is still pending and, if not, the burden and expense to the requesting party if they are required to file a new action in the court that issued the order to seek modification of the order; and
 - whether it is possible for the court to incorporate terms in its own order which will further the protections originally ordered by the court in the target case.

(*Tucker v. Ohtsu Tire & Rubber Co.*, 191 F.R.D. 495, 501-502 (D. Md. 2000); accord *Abel v. Mylan, Inc.*, No. 09-0650, 2010 WL 3910141, at *4 (N.D. Okla. Oct. 4, 2010); *Melea Ltd. v. Comm’r of Internal Revenue*, 118 T.C. 218 (2002); see also *Carter-Wallace, Inc. v. Hartz Mountain Indus., Inc.*, 92 F.R.D. 67, 69 (S.D.N.Y. 1981); *LeBlanc v. Broyhill*, 123 F.R.D. 527, 531 (W.D.N.C. 1988).)

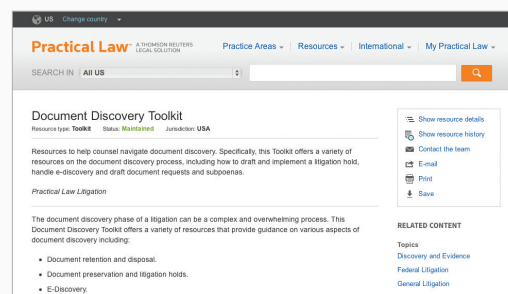
NARROWING THE SCOPE OF CLONED DISCOVERY

Some courts have balanced the need for efficient litigation against concerns about the breadth and burden of cloned

DOCUMENT DISCOVERY TOOLKIT

The Document Discovery Toolkit available on practicallaw.com offers a collection of resources designed to assist counsel with navigating the document discovery process in federal court, including handling electronic discovery and drafting document requests and subpoenas. It features a range of continuously maintained resources, including:

- [Document Requests: Common Problems with an RFP Response](#)
- [Document Responses: First Steps in Responding to an RFP](#)
- [Discovery Deficiency Letter](#)
- [Privilege Log](#)
- [Document Discovery Planning Tree](#)
- [Rule 26\(f\) Conference Checklist](#)



discovery requests by narrowing, but not completely overruling, the requests. Courts often narrow cloned discovery requests to encompass only materials from the target case that have direct relevance to the primary case, such as by limiting the scope of production to include only:

- Specific, defined categories, such as overlapping transactions, issues, products or procedures (see, for example, *Fort Worth Employees' Ret. Fund*, 297 F.R.D. at 110-11; see also *Apple Inc. v. Samsung Elecs. Co.*, No. 11-1846, 2012 WL 1232267, at *5 (N.D. Cal. Apr. 12, 2012) (limiting target cases for cloned discovery to "cases having a 'technological nexus' to this suit")).
- Common custodians or deponents (see *Austin*, 2010 WL 4318815, at *4 (ordering production of deposition transcripts from the target case, but limiting scope to those witnesses who will be deposed in the primary case)).

BEST PRACTICES FOR CLONED DISCOVERY

Because there is no clear answer as to whether cloned discovery confers a strategic advantage or how a court will view cloned discovery requests, counsel should approach these requests cautiously. Counsel litigating cloned discovery disputes should be prepared to articulate exactly why the cloned material is or is not relevant to the primary litigation and how it will make discovery more or less efficient.

In particular, counsel for the requesting party should:

- Research whether there are any confidentiality orders in place in the target case before requesting the material and, if there are, demonstrate why those confidentiality concerns do not outweigh the need for cloned discovery in the primary litigation.
- Tailor specific cloned discovery requests detailing the precise discovery requested, rather than merely seeking all related discovery from any target cases.
- Articulate how the target case is sufficiently similar to the primary litigation and why information discovered in the target case is relevant, including, at a minimum:

- the similarity between the claims, including the alleged causes and nature of the wrongdoing;
- the similarity in the subject matter of the cases;
- the involvement of the same opposing party; and
- the overlapping time periods for the cases.

- Articulate exactly how the cloned material will save time and expense without undue burden.

Counsel contemplating resisting cloned discovery requests should:

- Articulate how the target case is different from the primary litigation and why those differences render the discovery irrelevant.
- Understand the precise contours of any confidentiality agreements reached in the target case and why the requested material should remain protected.
- Avoid relying on boilerplate objections based on burden, and instead be prepared to describe the exact burden based on the applicable facts.
- Consider agreeing to provide a portion of the discovery in exchange for limiting other discovery requests in the primary litigation.

The author, Dorothy J. Spenner, represented the defendants in the Fort Worth case discussed in this article.