1. An order from the U.S. District Court for the Northern District of Illinois declining to permit discovery into the Defendants' collection of documents for discovery purposes, where the Plaintiff did not demonstrate a specific and material failure by Defendants to conduct a reasonable inquiry during the discovery process.

In *LKQ Corporation v. Kia Motors America, Inc.*, No. 21 C 3166, 2023 WL 4365899 (N.D. Ill. July 6, 2023), U.S. Magistrate Judge Sunil R. Harjani addressed the circumstances in which "discovery on discovery" is properly authorized in the federal courts.

Plaintiff initiated this litigation seeking a declaratory judgment of noninfringement and patent invalidity in response to a letter from Defendants alleging that 15 of Plaintiff's automotive replacement parts infringed on Defendants' patents. 2022 WL 1092119, at *2. In discovery, Magistrate Judge Harjani ordered the parties to file separate electronically stored information (ESI) disclosures describing their ESI search process up to that point in the case. 2023 WL 4365899 at *2. After Defendants filed their disclosure, Plaintiff served a deposition notice on Defendants specifying 13 topics, 11 of which were directed at Defendants' document collection efforts. This set of requests, Magistrate Judge Harjani noted, "concerns discovery directed toward the information gathering and production process, what this and many other courts refer to as discovery on discovery." Magistrate Judge Harjani informed Plaintiff that such a request must proceed by motion, resulting in Plaintiff's motion to compel. *Id.* at *1.

In ruling on the motion, Magistrate Judge Harjani first noted that normally a motion to compel would proceed under the standard of Federal Rule of Civil Procedure 26(b), which provides that "parties are entitled to obtain discovery regarding 'any nonprivileged matter that is relevant to any party's *claim or defense* and proportional to the needs of the case.' " *Id.* at *2 (quoting Fed. R. Civ. P. 26(b)(1)) (emphasis in original). But he explained that discovery on discovery does not seek information about a party's "claim or defense" as Rule 26(b) lays out. And Rule 37, authorizing sanctions, deals with "the *consequences* of a failure to preserve and/or disclose and does not necessarily address a party's *initial* concern that an opponent's discovery production process was inadequate." *Id.* at *4 (emphasis in original). As such, Magistrate Judge Harjani reasoned, another source of authority for a court's ability to order discovery on discovery would need to be located because "the Federal Rules of Civil Procedure do *not* explicitly permit this type of discovery" and "[n]othing in the Federal Rules directly enables a party to serve interrogatories, document requests, or conduct depositions about a party's procedures to comply with its discovery obligations." *Id.* at *3 (emphasis in original). He further stated that although "courts have broad authority to manage discovery," the Federal Rules of Civil Procedure govern what courts are permitted to do, and so "without an applicable rule, discovery on discovery should not be permitted."

Magistrate Judge Harjani found the applicable rule in Rule 26(g), which "requires counsel and the client to make a reasonable inquiry in responding to discovery, and by signing the response to a document request has certified as much." *Id.* at *3-4. He noted that under this rule "counsel must be diligent, make a careful inquiry, and act in good faith," and courts and parties properly rely on the certifications to that effect. *Id.* at *4. A violation of Rule 26(g) requires a court to impose "an appropriate sanction." *Id.* (citing Fed. R. Civ. P. 26(g)(3)). Magistrate Judge Harjani held that a court may, as a sanction for a Rule 26(g) violation, "order additional discovery to get to the bottom of whether additional responsive documents were not produced because of a failure

to conduct a reasonable inquiry in the initial production process." *Id.* at *5. He also clarified that "[c]ourt authorization should be sought via motion before a party is allowed to conduct discovery on discovery." *Id.* at *7.

Magistrate Judge Harjani explained that Rule 26(g) does not provide a standard under which discovery on discovery might be authorized under the rule. Noting some disagreement on the precise standard among the courts, he explained that all such existing standards "necessitate[] that concrete evidence be presented to the court to support the requesting party's request." *Id.* at *6. Magistrate Judge Harjani then turned to the Sedona Principles for establishing the required showing in the ESI context, noting that the principles provide that "a party bears the burden of providing tangible evidence of a material failure in the discovery process." That is, there must be a "specific discovery deficiency" and that deficiency must be "material." In evaluating such a showing, he emphasized that discovery on discovery should be "the exception, not the norm" and that "mere speculation of discovery misconduct" would be insufficient to authorize discovery on discovery. *Id.* at *5.

Magistrate Judge Harjani next turned to the facts of the case and held that Plaintiff had not demonstrated a specific and material failure by Defendants to conduct a reasonable inquiry in the discovery process. He first rejected Plaintiff's argument that Defendants' failure to individually list each custodian or each search string performed was evidence of a failure of a reasonable inquiry, holding that specifying custodians by group within Defendant companies' organization and "describing when searches were conducted, who conducted them, how they searched for documents, and what documents were collected" was sufficient under the text of the court's order for an ESI disclosure, especially as Defendants were corporate organizations and the discovery had taken place some time ago. *Id.* at *8-9.

Magistrate Judge Harjani also rejected Plaintiff's argument that the lack of a reasonable inquiry could be shown by the absence of any responsive documents in the possession, custody, or control of several of Defendants' inventors for the automotive parts at issue. *Id.* at *9-11. He held that no inference of spoliation could be drawn because the documents Plaintiff sought far predated the litigation and so would not be subject to any legal obligation for document preservation, and the documents Plaintiff sought were produced by Defendants' other custodians. Accordingly, there was no failure of a reasonable inquiry to authorize discovery on discovery. He also noted that Defendants' Rule 11 certification that they had "completed a reasonable inquiry" into the presence of these documents was sufficient to dispel any doubts, noting "Kia is well aware of its duty of candor and the sanctions that it could face in the event that evidence is later presented that it misled the Court." *Id.* at *11. Finally, Magistrate Judge Harjani held that Plaintiff had not demonstrated cause to order discovery of Defendants' litigation hold notices, finding that there was no "tangible evidence of a material discovery violation" because nothing indicated the lack of a litigation hold by Defendants, and deposition evidence indicated that they had put such a hold in place. *Id.* at *12.

Last, Magistrate Judge Harjani denied both parties' request for fees. He found that the rule generally authorizing the recovery of fees for responding to a motion to compel was Rule 37(a)(5)(B). But because a request for discovery on discovery is, on Magistrate Judge Harjani's view, a motion under Rule 26(g) and not Rule 37, Rule 37 was "inapplicable to the present dispute." Instead, the request for discovery on discovery was itself a request for sanctions under

Rule 26(g). Still, Magistrate Judge Harjani stated, “the Court hopes that there are some lessons learned here for the parties and counsel in future litigation in this and other cases.”