Discovery and electronically stored documents

By Susan Cirillo

It is trite to say that evolving technology changes the discovery process. This article highlights some issues to consider when giving discovery via electronic means and when discovering documents that are electronically stored.[1]

What types of documents are discoverable?

The broad definition of 'document' in the dictionary to the *Evidence Act 1995* is also reflected in the dictionaries of the *Uniform Civil Procedure Rules 2005* (NSW) and the *Federal Court Rules 2011*.

In *Sony Music Entertainment (Australia) Limited v University of Tasmania*, Sony sought preliminary discovery and inspection of records held on backup tapes, disks and CD-ROMs for proposed copyright proceedings. The university argued that discovery could only be ordered in respect of the relevant discrete items of information recorded in those devices. In rejecting this argument, Tamberlin J held that the tapes, disks and CD-ROMs were records of information from which writings can be reproduced, even if only part of them may have related to relevant issues – therefore, they were 'documents' within the meaning of the court's rules and the court had power to order their discovery.[2]

Metadata[3] is also discoverable.[4] It is information about electronic data indicating the identification, origin or history of the file but which is not visible on a print out of the file document itself.[5]

Giving discovery and compliance with agreed protocols

The relevant Supreme Court practice note provides that where parties are required to discover what is known as 'discoverable electronically stored information' (ESI),[6] such discovery should be given electronically without converting the documents into a paper format. The relevant Federal Court practice note usefully remonstrates that to print such documents 'will generally be a waste of time and money'.[7]

Documents that are not stored electronically should only be discovered electronically if it is more cost effective to do so.[8] In this context, 'cost effectiveness' refers to that of the overall discovery process, including the benefits to be gained later in the trial, otherwise it would always be cheaper for a party to provide discovery in the traditional manner.[9] Such benefits include the ability to produce tender bundles and court books more quickly from an electronic database, easier search capacity and allowing counsel to access the entire discovery remotely.[10]

In the Supreme Court, parties are required to reach agreement early in the proceedings on a protocol for discovery dealing with matters such as the format for production, costs and the type and scope of the electronic documents to be discovered.[11] In the Federal Court, the parties may adopt, or be ordered to adopt, the default protocols set out by the relevant practice note.[12]

Litigants need to be aware that such protocols for discovery constitute an agreement between the parties, and the terms of such agreement, or any variation thereto, will need to be proved.[13]

In *Taylor v Burgess* Barrett J said that evidence obtained in breach of contract may be evidence that is obtained 'improperly' within the meaning of s 138(1) of the *Evidence Act 1995*.[14] That section provides that such evidence is not to be admitted unless the desirability of admitting the evidence outweighs the undesirability of admitting the improperly obtained evidence.

In *Australian Securities and Investments Commission v Macdonald* (No 5), ASIC's tender of documents obtained by searching a defendant's laptop, where ASIC incorrectly believed that it had permission to do so under the terms of an amended search protocol, was rejected. Gzell J, after citing Barrett J in *Taylor v Burgess,* said that the admission of such improperly obtained evidence is undesirable because 'essential privileges against self-incrimination, client legal privilege and privilege against exposure to penalties are at risk.'[15]

Privilege

In the Supreme Court, parties are required to consider whether, pursuant to a discovery protocol, ESI is to be discovered on an agreed without prejudice basis, that is:

- without the need to go through the information in detail to categorise it into privileged and non-privileged information; and

- without prejudice to an entitlement subsequently to maintain a claim for privilege over any information that has been discovered and is claimed to be privileged under s 118 and/or s 119 of the *Evidence Act 1995* and/or at common law.[16]

This is known to allow 'quick peeks' or 'clawback discovery'.[17]

An agreement as to such a regime may have prevented the problem in the recent High Court decision of *Expense Reduction Analysts Group Pty Ltd v Armstrong Strategic Management and Marketing Pty Limited*[18] (which is discussed in the Recent Developments section of this issue of *Bar News*).

Relevance and scope

Discovery is ordered in respect of documents that are 'relevant to a fact in issue'[19] or are 'directly relevant to the issues raised by the pleadings or in the affidavits'.[20]

When making an order for discovery of electronically stored information, the court will be required to balance the time, effort and expense of providing discovery (especially when there is some suggestion that discovery of electronically stored information would require the restoration or reorganisation of electronic data) against the possibility that discovery will yield relevant documents.[21]

Where the proposed discovery is burdensome, parties might need to demonstrate that the proposed discovery is necessary to prove a particular matter, such as a company's solvency or insolvency, because of the absence of any other means of proving that matter.[22]

Parties should consider whether a court might be inclined to order that an applicant for further discovery should examine the documents that have already been discovered and re-apply at a later stage if further documents or metadata is necessary.[23]

Further discovery and inspection may be allowed where, for example, a party proposes to tender a 'snapshot' of a computer and the other side ought to have an opportunity to at least verify that the 'snapshot' is an accurate one, and/or to obtain alternative information and evidence from the computer in question.[24]

Before seeking to oppose an order for discovery, a party should consider whether the discovery sought actually requires them to search 'all' of their documents, when in fact, a party is only required to demonstrate that it has conducted a reasonable search.[25]

Endnotes

1. See generally and for more information, M. Jackson and M. Shelly, Electronic Information and the Law, Lawbook Co. 2012, Chapter 3; Allison Stanfield, Computer Forensics, Electronic Discovery and Electronic Evidence, LexisNexis Butterworths, 2009 and M. Legg and L. Dopson, 'Discovery in the Information Age – The Interaction of ESI, Cloud Computing and Social Media with Discovery, Depositions and Privilege' [2012] UNSWLRS 11.
2. [2003] FCA 532 at [48] and [54]. See also Council of the *NSW Bar Association v Archer* [2008] NSWCA 164; (2008) 72 NSWLR 236 at [55] per Campbell JA.
3. See *Commonwealth Bank of Australia v Mohamad Saleh and Ors* [2007] NSWSC 903 at [236] for an example of how metadata was used to reject a contention by a person that certain computer documents were not created by him.
4. *Jarra Creek Central Packing Shed Pty Ltd v Amcor Limited* [2006] FCA 1802 at [16] per Tamberlin J.
5. For the full description, see ibid at [11]-[13].
6. In Practice Note SC Gen 7 ESI is defined to mean electronically stored information and includes emails, webpages, word processing files, images, sound recordings, videos and databases stored in any device. See also Practice Note SC Eq 3. These practice notes need to be read in light of Practice Note SC Eq 11 'Disclosure in the Equity Division' which provides that the court will not make an order for disclosure of documents until the parties to the proceedings have served their evidence, unless there are exceptional circumstances necessitating disclosure. See also *Armstrong Strategic Management and Marketing Pty Limited & Ors v Expense Reduction Analysts Group Pty Ltd & Ors* [2012] NSWSC 393 at [65] per Bergin J on the operation of PN SC Eq 11.
7. Practice Note CM 6, 'Electronic technology in litigation' at 5.1(c).
8. Practice Note SC Eq 3 at [28].
9. *Richard Crookes Constructions Pty Limited v F Hannan (Properties) Pty Limited* [2009] NSWSC 142 at [12] per Einstein J.
10. Ibid at [18]-[19].
11. Practice Note SC Gen 7 at [15].
12. Practice Note CM 6. A Default Document Management Protocol is available where the number of discoverable documents is anticipated to be between 200 and 5,000 and an Advanced Document Management Protocol is available where the number of discoverable documents will exceed 5,000.
13. See generally *Australian Securities and Investments Commission v Macdonald (No 5)* [2008] NSWSC 1169. See also *Schutz DSL (Australia) Pty Ltd v VIP Plastic Packaging Pty Ltd (No 14)* [2011] FCA 1159 at [3] where the party giving

discovery accepted that its discovery was not in accordance with the agreed protocol and consented to re-serve its discovery.

14. [2002] NSWSC 676 at [34].
15. [2008] NSWSC 1169 at [23].
16. Practice Note SC Gen 7 at [15]. In the Federal Court, parties may agree on a regime regarding privileged documents within the default protocols.
17. M. Legg and L. Dopson (cited above at i) at 29.
18. Expense Reduction Analysts Group Pty Ltd v Armstrong Strategic Management and Marketing Pty Limited [2013] HCA 46.
19. Rules 21.2(2) and 21.2(4) of the *Uniform Civil Procedure Rules 2005*.
20. Rule 20.14(1)(a) of the *Federal Court Rules 2011*.
21. *NT Power Generation Pty Ltd v Power & Water Authority* [1999] FCA 1669 at [2] and [17]; *Slick v Westpac Banking Corporation (ACN 007 457 141)(No 2)* [2006] FCA 1712 at [41] and [43]; and *Leighton Contractors Pty Ltd v Public Transport Authority of Western Australia* [2007] WASC 65 at [29].
22. *New Cap Reinsurance Corporation Ltd (In Liq) and 1 Or v Renaissance Reinsurance Ltd* [2007] NSWSC 258 at [67].
23. This was the effect of the order made in *Jarra Creek Central Packing Shed Pty Ltd v Amcor Limited* [2006] FCA 1802. See also *Leighton Contractors Pty Ltd v Public Transport Authority of Western Australia* [2007] WASC 65 at [29].
24. *NAK Australia Pty Ltd v Starkey* [2008] NSWSC 1142 at [12]-[13] per Brereton J.
25. *Galati v Potato Marketing Corporation of Western Australia (No 2)* [2007] FCA 919 at [59]-[60].

Websites, social media and a barrister's practice

By Kathryn Millist-Spendlove

The bar prides itself on its traditions and history so it is unsurprising that the take up of social media and the use of websites by members of the profession has been slow. The reticence to participate appears to be driven by several forces including concerns about advertising restrictions, the possibilities of misconduct and mostly, the vague notion that using a website or social media for professional purposes is just simply something that barristers do not, or should not, do. But in an age where social media and websites have ceased to be for the technologically advanced and become the norm, is it time that the bar started welcoming the use of these mediums?

Many years ago, barristers were governed by unspoken codes of conduct, one of which was that 'gentlemen did not spruik their wares'. Therefore, even with no specific rule to that effect, it was seen to be unbecoming for a barrister to seek any particular name for himself or to publicise his practice. Advertising was limited to a name plaque at chambers or purely to word of mouth amongst solicitors. To advertise in the manner of a business would be the antithesis of the calling that was a life at the bar. This same principle is still alive and well at that bar in the twenty-first century.

The advent of the *New South Wales Barristers' Rules* saw these traditional values turned into express codes of conduct, which remained in place for some time. In 1982, the NSW Law Reform Commission

(NSWLRC) undertook a consideration of the rules surrounding the rights of barristers and solicitors to advertise. In the *Third Report on the Legal Profession: Advertising and Specialisation*, the NSWLRC recommended that the rules surrounding advertising be relaxed significantly.[1]

At that stage, the Barristers' Rules provided that:

> 72. A barrister shall not directly or indirectly do or cause or allow to be done anything for the purpose of soliciting employment as a barrister or which is likely to lead to the reasonable inference that it is done for that purpose.
>
> 73. A barrister shall not directly or indirectly do or cause or allow to be done anything for the purpose of or with the primary motive of personal advertisement of himself as a barrister or which is likely to lead to the reasonable inference that it is done for that purpose.

As well as the general prohibition on advertising contained in Rules 72 and 73, there were also