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# Discovery on Behalf of Plaintiffs in Trade Secret Misappropriation and Breach of Restrictive Covenant Actions

This article discusses both written discovery and depositions in misappropriation of trade secret and restrictive covenant actions. Specifically, the article addresses the following topics: expedited discovery, written discovery requests, and best practices for restrictive covenant and trade secret depositions.

## Expedited Discovery

Expedited discovery is an important tool in trade secret misappropriation and breach of restrictive covenant cases. A motion for expedited discovery allows you to exert pressure on the defendant at the outset of the litigation and may be essential to protect and obtain important documents.

### Expedited Discovery Standards

Motions for expedited discovery in federal courts are governed by Rule 26(d) of the Federal Rules of Civil Procedure,<sup>1</sup> which dictates when and how parties may engage in discovery. Courts grant these motions where “the request for expedited discovery is reasonable under the circumstances and good cause exists for granting the motion.”<sup>2</sup>

In making this decision, courts consider a variety of factors, including “(1) whether a preliminary injunction is pending; (2) the breadth of the discovery requests; (3) the purpose for requesting the expedited discovery; (4) the burden on the defendants to comply with the requests; and (5) how far in advance of typical discovery process the request was made.”<sup>3</sup> Further, courts permit expedited discovery where “a fuller



record for the court” is necessary “when deciding whether to issue a preliminary injunction.”<sup>4</sup>

1. *Fed. R. Civ. P. 26*. 2. See *JTH Tax, Inc. v. M&M Income Tax Serv.*, 2013 U.S. Dist. LEXIS 15843, at \*5 (D.S.C. Feb. 6, 2013) (granting motion for expedited discovery to aid the court in making a determination at the preliminary injunction hearing). 3. *Id.* at \*5 (internal citation omitted). 4. *Nobel Biocare USA, Inc. v. Lynch*, 1999 U.S. Dist. LEXIS 23252, at \*10 (N.D. Ill. Sept. 16, 1999).

## Timing, Drafting, and Filing of Expedited Discovery Motion

### *Timing of Expedited Discovery Motion*

Consider making a motion for expedited discovery very early in the litigation, either immediately after filing the complaint or contemporaneously with a motion for injunctive relief. Further, if at any time you feel as though relevant evidence is at risk for loss or destruction, and you have evidence to support the motion, consider filing a motion for expedited discovery on an emergency basis.

### *Drafting of Expedited Discovery Motion: Background Facts*

When making the motion, carefully consider why you need expedited discovery and be prepared to defend those reasons in front of a judge. Motions for expedited discovery must be narrowly tailored, straightforward, and to the point. You are essentially asking the court to take action it otherwise would not and must provide a compelling reason to do so. Also, if you are practicing in state court, it is important to closely review the local rules as some courts use specific criteria in determining expedited or emergency motions.

Set forth the background facts, emphasizing the factual circumstances necessitating a motion for expedited discovery. For example, if there is a preliminary injunction hearing pending, you should highlight that a fuller record is necessary for the hearing. You should explain that the discovery you are seeking is narrowly tailored and not overly broad. Avoid drafting a lengthy motion and instead focus on the practical reasons why the court should grant your motion.

You should consider attaching the tailored discovery requests you intend to propound in the event your motion is granted. Some courts and/or judges require a party to attach the discovery requests for review prior to ruling on the motion itself. Ensure that you attach only limited and pointed discovery requests. Avoid including unnecessary or overreaching interrogatories or overly burdensome requests for production. You want to show the judge that your motion and related requests are reasonable and practical and thus it is not unreasonable to require the other side to respond in an expedited period of time.

Also consider whether a supporting declaration may be useful. For example, in a trade secrets case, you may be able to obtain a statement from an IT professional or computer forensic investigator setting forth the possibility that without expedited discovery, the employer risks destruction or loss of evidence. Or, if you have evidence that trade secret or other confidential information has already been taken, consider including a declaration supporting these facts to persuade the judge to

... consider whether there are third parties from whom you need to obtain expedited discovery. You may need to request permission to issue a third-party subpoena in an expedited timeframe.

allow expedited discovery to recover stolen information and/or determine the extent of the theft.

### *What to Request in a Motion for Expedited Discovery*

After concisely setting forth the background facts and reasons why expedited discovery is necessary, you should request an order requiring the defendant to respond to a limited number of interrogatories, document requests, and requests for admission in a shorter time period than provided for under Rules 33<sup>5</sup>, 34,<sup>6</sup> and 36<sup>7</sup> of the Federal Rules of Civil Procedure (or any applicable local rules). Again, it is important to keep in mind that many courts will request to review the proposed interrogatories, document requests, and requests for admission in considering whether to grant your motion. Accordingly, you should draft limited and strategic written requests that are narrowly tailored to the issues that must be addressed on an expedited basis.

For example, depending on the timing of a temporary restraining order and the pendency of a preliminary injunction hearing, you could move for a response and/or production date within 10 or 14 days of service instead of the 30 days provided for under Rules 33 and 34.

Additionally, you could request an order requiring the defendant, and any other witnesses relevant to the expedited discovery, to appear for a deposition within a period of days after production of written discovery.

Finally, consider whether there are third parties from whom you need to obtain expedited discovery. You may need to request permission to issue a third-party subpoena in an expedited timeframe.

### **Attach a Proposed Order**

You should also attach a proposed order setting forth each expedited discovery request and a provision stating that the court grants each request, if doing so is appropriate in the jurisdiction. You can attach a proposed order as an exhibit to

5. [Fed. R. Civ. P. 33](#). 6. [Fed. R. Civ. P. 34](#). 7. [Fed. R. Civ. P. 36](#).

the motion itself (and refer to the order within the body of the motion). Also, be sure to check the local rules to determine whether the judge requires parties to submit proposed orders to a certain email address or other mailboxes for consideration. By attaching a proposed order, you are reducing the work for the court, and the judge may be more likely to sign (or slightly modify) your proposal following a hearing or even based on the papers.

### Consider Moving for a Protective Order

Always keep in mind that a motion for a protective order early in the litigation is another litigation tool available, especially in trade secret misappropriation cases. Rule 26(c) of the Federal Rules of Civil Procedure governs protective orders in federal court. Specifically, as it relates to trade secrets, Rule 26(c)(1)(G) provides for a protective order “requiring that a trade secret or other confidential research, development, or commercial information not be revealed or be revealed only in a specified way.”<sup>8</sup>

Even if your case does not involve trade secrets, you should still consider filing a motion for a protective order to protect other confidential or proprietary information of the plaintiff’s business disclosed during discovery. That is, if you allege a restrictive covenant is necessary to protect confidential information or trade secrets, then you should expect defendant will test such an assertion in discovery. A protective order will help protect against disclosure in such circumstances. To the extent the defendant will agree, you should consider filing a joint motion for a protective order.

### Opposing Requests for Expedited Discovery

As discussed above, motions for expedited discovery under Rule 26(d) require a showing that the request is reasonable. Accordingly, an opposition to a request for expedited discovery should focus on the reasonableness of the motion and/or the actual requests.

Consider the following questions when opposing requests for expedited discovery:

- Is there a motion for preliminary injunction pending?
- Are these requests overbroad?
- How burdensome is compliance with the requests?
- Could these requests have been made earlier in the litigation?
- Would the defendant be prejudiced if the motion is not granted?

These questions should set forth legitimate grounds for opposing a motion for expedited discovery and explain why

the requests are unreasonable. Your response should highlight why expedited discovery is unnecessary and impractical at the particular time in the litigation. A judge may appreciate an argument in favor of practicality more than an attack on the defendant’s requests generally. Any opposition should be short and to the point. As a final note, you should file your response as soon as practicable to avoid any semblance of delay.

### Written Discovery

There are competing interests in drafting and responding to written discovery in trade secret misappropriation and restrictive covenant cases. You want to exert pressure on the defendant and obtain as much information as possible, but also protect your client’s proprietary information in the process. This is especially true in a case of trade secret misappropriation where your claims hinge on potential disclosure of trade secrets and other extremely confidential and proprietary information during discovery. You need to balance your desire to seek broad discovery with the possibility that your client’s trade secrets may be disclosed in the process.

### Identifying Trade Secrets

You may not consider the actual identification of trade secrets as part of the discovery process, but many jurisdictions (e.g., California and Delaware) require a plaintiff to identify the trade secrets at issue to guide the discovery process very early in the litigation.

#### *Initial Identification of the Trade Secrets at Issue*

When do you first need to identify the trade secrets at issue? Of course, you must identify what you believe are trade secrets in your complaint, but at what point do you need to identify trade secrets beyond a general statement? Many jurisdictions require a plaintiff to “identify with reasonable particularity the matter which it claims constitutes a trade secret, before it will be allowed (given a proper showing of need) to compel discovery of its adversary’s secrets.”<sup>9</sup> In fact, in California, a plaintiff is statutorily required to identify the trade secrets at issue with “reasonable particularity” prior to “commencing discovery.”<sup>10</sup>

Even in jurisdictions without statutory or case law regarding this specific point, it is possible that a defendant will object to responding to any written discovery absent sufficient identification of the alleged trade secrets at issue. Because a defendant may refuse to answer discovery based on insufficient identification or notice of the alleged trade secrets, you should consider identifying the trade secrets with enough specificity to avoid discovery disputes that will only delay the proceedings.

8. Fed. R. Civ. P. 26(c)(1)(G). 9. *Engelhard Corp. v. Savin Corp.*, 505 A.2d 30, 33 (Del. Ch. 1986). 10. See Cal. Civ. Proc. Code § 2019.210.



### *Reasonable Particularity*

So, what does reasonable particularity mean? Unfortunately, reasonable particularity will differ depending on the type of trade secret at issue. As one court stated:

“Reasonable particularity” . . . does not mean that the party alleging misappropriation has to define every minute detail of its claimed trade secret at the outset of the litigation. Nor does it require a discovery referee or a trial court to conduct a miniature trial on the merits of a misappropriation claim before discovery may commence. Rather, it means that the plaintiff must make some showing that is reasonable, i.e., fair, proper, just and rational . . . under all of the circumstances to identify its alleged trade secret in a manner that will allow the trial court to control the scope of subsequent discovery, protect all parties’ proprietary information, and allow them a fair opportunity to prepare and present their best case or defense at a trial on the merits.<sup>11</sup>

### *Best Practices*

As the court in *Brescia* advised, a plaintiff must provide enough information regarding the trade secrets at issue to allow the court to control the scope of discovery and protect information. Courts address this issue on a case-by-case basis.

As a best practice, you should begin with a broad identification of the trade secrets in the complaint. As discovery commences, you should carefully define trade secrets in your written discovery requests to sufficiently identify the trade secrets at issue. Avoid using generalizations such as formula, plans, or

drawings, and instead use as much detail as possible without disclosing truly confidential or proprietary information. Also, consider entering a protective order or even filing documents under seal for further protection.

### **Drafting Interrogatories, Document Requests, and Requests for Admission**

As an initial matter, if you are seeking discovery in conjunction with a motion for expedited discovery, many courts will request to review the proposed document requests, interrogatories, and requests for admission in considering whether to grant the motions. You should draft limited and strategic written requests for discovery. As discussed above, courts grant motions for expedited discovery based on necessity and reasonableness. If your requests are overbroad or do not address the issues essential to an emergency motion for injunctive relief, a court may be less likely to grant the motion and permit your requests. Importantly, if your case will continue beyond a hearing on preliminary injunction or other emergency relief, be sure to keep in mind the limitations on interrogatories, document requests, and requests for admission under the applicable federal and local rules. You do not want to exhaust all of your discovery power too early in the litigation.

Even if you are not seeking expedited discovery, you should tailor your written discovery requests to obtain the most relevant evidence as early as possible in the litigation. In trade secret misappropriation cases, you are seeking discovery that will prove the defendant accessed, used, or disclosed the employer’s trade secrets without authorization.

<sup>11</sup> [Brescia v. Angelin](#), 90 Cal. Rptr.3d 842, 849 (Cal. Ct. App. 2009).



For breach of restrictive covenant actions, you are seeking discovery that will prove the defendant violated a contractual term of an employment agreement by working for a competitor, by disclosing confidential information, or by soliciting customers, clients, or employees. Also, you want to avoid serving discovery that is vague, overbroad, or otherwise objectionable, which will only delay the process and lead to unnecessary discovery disputes.

#### *Interrogatories*

In federal court, Rule 33 of the Federal Rules of Civil Procedure governs interrogatory requests. Under Rule 33, you are limited to serving 25 interrogatories on the defendant and must ask the court for permission to serve more. Also, remember to check your local rules to ensure the court in which you are practicing does not have any additional rules regarding interrogatory requests. For example, Texas state courts allow a party to serve unlimited interrogatories, which may give a party a crucial advantage as discovery continues.

You should use interrogatories to obtain information about the defendant's past conduct, actions in leaving plaintiff's employ, recruitment by his or her new employer, current employment, employee and customer contacts, and knowledge of your trade secrets. Interrogatories also serve to identify the witnesses the defendant believes have information relevant to his or her defense. Additionally, you should ask the defendant to identify any current or former employees, or current customers with whom he or she has had contact since leaving his or her former employer.

Your interrogatory requests should request, at a minimum, the following types of information (where applicable):

- Identification of witnesses the defendant expects to call at trial
- A description of the defendant's current employment or job position, including identification of the defendant's current employer, job duties, and whether or not the defendant entered into an employment contract or restrictive covenant
- Identification of the trade secret or confidential information that the defendant accessed while working for the plaintiff
- Identification of the trade secret or confidential information still in the defendant's possession
- Identification of all the plaintiff's current or former employees with whom the defendant has contacted or communicated (in any format) since leaving the plaintiff's employment
- Identification of all of the plaintiff's current or former customers or clients with whom the defendant has contacted or communicated (in any format) since leaving the plaintiff's employment
- Identification and description of the recruitment process by the defendant's new employer
- Identification and description of any training provided by the defendant's new employer
- Identification of the defendant's current customers or clients
- Identification of the defendant's LinkedIn or other professional networking pages

## Document Requests

In federal court, [Rule 34 of the Federal Rules of Civil Procedure](#) governs document requests. Rule 34 does not impose a limit on document requests. Remember to check your local rules to ensure the court in which you are practicing does not have any additional rules regarding document requests. For example, Arizona state courts limit parties to only 10 document requests without leave of court.

Your document requests should request, at a minimum, the following types of documents (where applicable):

- Any and all employment contracts or agreements entered into with a new employer or business entity
- Any and all emails sent to or from the defendant regarding trade secret or confidential information
- Any and all emails and/or documents sent from the defendant's company email address to his or her personal email address (when working for the plaintiff)
- Any and all offer letters
- Any and all documents that contain trade secret or confidential information
- Communications (in any format) with current or former employees of the plaintiff
- Communications (in any format) with current or former customer or clients of the plaintiff
- Copies of social media messages, chat programs, or postings regarding the defendant's employment with the plaintiff, termination or resignation of employment, and/or new employment
- Copies of any LinkedIn or other professional networking pages
- Any documents regarding the formation of a new corporation or other business entity, including bank statements, corporate documents, and communications regarding the formation of the entity

It is important to keep in mind that your requests should be as broad as possible concerning different types of communications and new technology. For example, you should request copies of text messages, instant messages, chat programs, emails, SMS messages, LinkedIn or Facebook messages, or any other form of electronic communication.

## Requests for Admission

In federal court, Rule 36 of the Federal Rules of Civil Procedure governs requests for admission. Requests for admission are a set of statements served from one party to an adversary for the purpose of having the adversary admit or deny the specific statements or allegations therein. You should draft

requests for admission as statements or allegations that require a simple admission or denial. The requests for admission should not require any explanation. If admitted, the statement is considered to be true for all purposes of the litigation. Remember to check your local rules to ensure the court in which you are practicing does not have any additional rules regarding requests for admission.

You should use requests for admission somewhat sparingly and very strategically. Consider using requests for admission to ask very specific questions for denial or admission, for example:

- Admit that you signed an employment contract with Plaintiff that prohibits you from “[insert restrictive covenants].”
- Admit that you had access to Plaintiff's trade secret and confidential information during your employment.
- Admit that you received training [identify training] from Plaintiff.
- Admit that you worked for Plaintiff in the capacity of [insert title and duties].
- Admit that you are now employed by [new employer].
- Admit that you now work for [new employer] in the capacity of [insert title and duties].
- Admit that [new employer] and Plaintiff are competitors.

Requests for admission should be used to narrow down the critical issues in discovery and tie the defendant to an admission or denial that can later be refuted.

## Drafting Responses to Defendant's Discovery Requests

A plaintiff's discovery responses may serve to support its position if it has evidence of trade secret misappropriation, breach of a restrictive covenant, or incriminating emails or communications recovered from the defendant's company file. You may be able to exert pressure on the defendant by producing inflammatory documents, emails, or other communications in response to discovery requests.

Respond to discovery requests as fully as possible and only object where appropriate. Many judges frown upon unnecessary or unfounded objections in discovery. In cases where plaintiffs are seeking emergency or other injunctive relief, unnecessary discovery motions only slow or impede the process. Of course, where discovery requests are truly overbroad or are not reasonably calculated to lead to the discovery of admissible evidence, you should object to the request and be prepared to defend your objection in the face of a motion to compel.

The written discovery process is a critical component to winning a trade secrets misappropriation or breach of restrictive covenant case. Thus, it is in your best interest

to comply with all federal or local rules and avoid creating unnecessary discovery disputes in the process.

## Best Practices for Restrictive Covenant and Trade Secret Depositions

This section addresses best deposition practices and strategies in trade secret and restrictive covenant cases. It discusses both taking and defending depositions in these types of cases. It also addresses depositions of different types of witnesses, including (1) individual defendants, (2) employer representatives, and (3) expert witnesses.

### Preparing for and Taking Depositions of Individual Defendants

#### *Preliminary Issues*

In federal court, Federal Rules of Civil Procedure Rule 30<sup>12</sup> governs depositions of individual witnesses. Remember to check your local rules to ensure the court in which you are practicing does not have any additional rules regarding depositions. Also, remember to review any discovery-related orders issued by the court in the event depositions are limited in some capacity (e.g., duration, location, etc.).

#### **Protective Order**

As noted above, before beginning discovery and depositions, be sure to consider whether a protective order is appropriate for your case. Cases involving trade secret misappropriation will necessitate discussion of confidential, proprietary, and other trade secret information on the record during depositions. The parties may use exhibits that you may wish to protect as trade secrets or confidential documents. Propose a joint motion for a protective order to opposing counsel that protects any testimony or other information either side wishes to designate

“Confidential.” For particularly sensitive information, you can also create an “Attorneys’ Eyes Only” designation.

#### **Reasonable Written Notice to Defendant**

You must provide reasonable written notice to the defendant prior to scheduling the deposition, setting forth the date, time, and location of the deposition, as well as whether a stenographer and/or videographer will record the deposition. While Rule 30 does not define what constitutes a reasonable amount of time, avoid giving such short notice that it would be impossible for the witness to comply.

#### **Videotaping Depositions**

Videotaping a deposition is a strategic decision you should consider as some witnesses present well on video while others do not. It is difficult to capture tone, evasiveness, silence, and other nonverbal cues in a written record. A videotaped deposition may serve an important purpose in your litigation depending on the situation.

#### *Preparing to Take the Individual Defendant's Deposition*

When taking a deposition, you are in control and can take as much time on any area of inquiry or document you choose. You must take the time to carefully review all facts, documents, declarations, or other information at your disposal and plot out a strategy for using your time wisely at the deposition.

In trade secret and restrictive covenant cases, depending on the procedural posture of your case, it is possible that your first deposition of the individual defendant will not be your only bite at the apple, and you may have another opportunity to depose the same witness later in the case.

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12. [Fed. R. Civ. P. 30.](#)



You should take a nuanced approach to building a record question-by-question. This is not to say that direct questions are not effective and useful, but consider using various strategies to obtain as much information as possible depending on both the witness and your personal deposition style.

For example, courts often grant motions for expedited discovery which include expedited depositions conducted for the purpose of obtaining testimony to prepare for a preliminary injunction hearing. This means that you will likely have another opportunity to depose the same witness and can thus mostly focus on issues that relate to the preliminary injunction hearing.

#### Draft an Outline of Key Topics and Questions

When preparing for a deposition, you should first draft a general outline of topics you wish to cover during the deposition. Your outline will ultimately serve as your guide throughout the deposition. Your topics can start broadly, such as employment with plaintiff, knowledge and misappropriation of trade secrets, employment with competitor, solicitation of customers, and any other big picture topics relevant to your trade secret and/or restrictive covenant case. Listing comprehensive topics can help frame the major issues in the case as well as help you identify exactly what facts you need on the record to support your case and generate strategic questions aimed at eliciting key testimony.

Once you have identified your key topics and goals for the deposition, outline specific questions you plan to ask, or at least the facts about which you want to inquire, to guide the deposition. You can organize your questions by topic, in chronological order, or whatever way makes the most sense for your case. The goal is not to list every single possible question you want to ask about a certain topic, but instead you should brainstorm about how to elicit the key testimony you need on the record to establish the elements of your causes of action.

**Example—Breach of contract: Non-compete provision.** If you are litigating a breach of contract case based on the defendant's breach of his or her non-compete agreement, you must generally establish all of the following:

- There is a valid contract.
- The plaintiff performed its obligations under the contract.

- The defendant breached the contract.
- The plaintiff was damaged as a result of the defendant's breach of the contract (e.g., plaintiff lost an account because of the breach).

Even though you need to establish each of these elements in your case, you do not necessarily have to ask direct questions such as "Did you breach your contract?" or "Did the plaintiff perform its obligations under your employment agreement?" Rather, you should elicit testimony concerning all of the following key issues:

- The defendant entered into a non-compete agreement with the plaintiff company.
- The plaintiff employed defendant for a period of time.
- There are protectable interests supporting enforcement of the non-compete agreement.
- The defendant understood the terms of the non-compete agreement.
- The defendant is now working for a competitor.

Taken together, this testimony will help establish three of the four elements necessary to prove a breach of contract claim based on a breach of a non-compete agreement. You should take a nuanced approach to building a record question-by-question. This is not to say that direct questions are not effective and useful, but consider using various strategies to obtain as much information as possible depending on both the witness and your personal deposition style.

#### Review All Relevant Documents

When building your outline, be sure to review all relevant documents that will aid in preparing questions or serve as exhibits in the deposition. Having an exhaustive knowledge of relevant documents, particularly applicable agreements and emails demonstrating contract formation, underlying protectable interests, and breach is essential. Refer directly to the document in your outline to remind yourself to use it as an exhibit.

**Example—Breach of restrictive covenant action.** In a restrictive covenant case, the defendant’s employment agreements (or separately signed restrictive covenants) will be key exhibits that you will want to enter into the record. You should be prepared to ask questions regarding the creation of the employment relationship, entering into the agreements, the defendant’s understanding of the terms, and the specifics of the terms therein. You can also plan to ask the witness to read relevant provisions directly into the record during the deposition to avoid missing any specific provision or detail.

#### *Taking the Individual Defendant’s Deposition*

In the deposition itself, remember that you are in control of the situation, the tempo of the deposition, and the topics at issue. Be sure to listen to the answer the witness provides to determine (1) whether he or she actually answered the question asked or (2) whether he or she disclosed information that leads to another line of questioning. Do not be afraid to deviate from your outline. Take your time when moving on from one line of questioning to another and feel free to jump around topics in an effort to keep the witness on his or her toes.

At the end of your questioning, take a few minutes to review your outline and notes very carefully. Ask yourself whether you covered everything you wanted to cover concerning the trade secret(s) and/or restrictive covenant(s) at issue, whether there are any questions or answers on which you wanted to follow up, and whether there are any documents you want to enter into the record during the deposition. Taking your time at the end of a deposition may save you from later stress when realizing that you may have forgotten to ask a certain question or introduce a specific document.

#### **Taking Depositions of Representatives of Defendant’s Employer**

Depositions of corporate representatives are governed by Rule 30(b)(6) and are often referred to as a Rule 30(b)(6) deposition. Rule 30(b)(6) provides:

Notice or Subpoena Directed to an Organization. In its notice or subpoena, a party may name as the deponent a public or private corporation, a partnership, an association, a governmental agency, or other entity and must describe with reasonable particularity the matters for examination. The named organization must then designate one or more officers, directors, or managing agents, or designate other persons who consent to testify on its behalf; and it may set out the matters on which each person designated will testify. A subpoena must advise a nonparty organization of its duty to make this designation. The persons designated must testify about information known or reasonably available to the organization. This paragraph (6) does not preclude a deposition by any other procedure allowed by these rules.<sup>13</sup>

Be sure to review your local jurisdiction’s rules and case law regarding Rule 30(b)(6) depositions as well.

The most important points to note from Rule 30(b)(6) are the following:

- The noticing party must “describe with reasonable particularity the matters for examination” during the deposition.
- The organization must identify witnesses for each designated topic on the organization’s behalf.
- And, most importantly, “[t]he persons designated must testify about information known or reasonably available to the organization.”

As set forth in Rule 30(b)(6), if you are noticing the Rule 30(b)(6) deposition, you must “describe with reasonable particularity the matters for examination,” or designate specific topics on which you wish to depose a corporate representative.<sup>14</sup>

#### *Taking Rule 30(b)(6) Depositions in Restrictive Covenant and Trade Secret Misappropriation Cases*

In trade secret and restrictive covenant cases, competing employers are frequently named as parties in the litigation on tortious interference with contract and/or misappropriation of trade secrets grounds. You should request leave to depose a corporate representative witness of the defendant’s new employer, whether or not the new employer is a party to the lawsuit. A corporate witness speaks for the company and is very different than a regular witness who testifies solely on his or her personal knowledge.

You will likely want to depose a Rule 30(b)(6) witness on the circumstances regarding the defendant’s employment with the company, which would include when the new employer hired the defendant, in what position, whether the defendant disclosed any confidential or trade secret information, and whether the defendant signed a restrictive covenant. Or, you may want to depose a witness with company knowledge regarding the company’s business, its client base, its pricing, and other company-specific information. You can designate as many topics as you choose, but be prepared for the other side to object to the scope or breadth of your proposed topics. If possible, try to resolve issues regarding the topics prior to the deposition to avoid unnecessary disputes and delay during the deposition itself.

<sup>13</sup> Fed. R. Civ. P. 30(b)(6). <sup>14</sup> *Id.*

### *Taking a Rule 30(b)(6) Deposition to Prepare for a Preliminary Injunction Hearing*

If you are conducting a Rule 30(b)(6) deposition on an expedited basis to prepare for a preliminary injunction hearing, be sure to tailor your topics to what is necessary for the hearing to avoid unnecessary disputes with opposing counsel. However, do not overly limit your topics and risk missing important testimony. Again, it is important to consider what facts you need established on the record to prove your case. Tailor your topics around obtaining that testimony.

### *Best Practices for Preparing for and Taking Rule 30(b)(6) Depositions*

You should be prepared to depose a number of different witnesses designated for different topics. An employer is not obligated to produce one witness for all topics but instead the person most knowledgeable for that topic.

Also, be prepared for more objections from the attorney defending the Rule 30(b)(6) deposition. Because a Rule 30(b)(6) deposition is limited to certain topics, the witness does not have to answer questions that fall outside that topic. Take some time to think through why a certain line of questioning relates to the designated topic so that you are prepared to respond to an objection.

You should prepare for a Rule 30(b)(6) deposition as you would any other deposition, thoroughly and thoughtfully. Create outlines for each designated topic to keep your questioning clean and concise. Organize your documents according to topic for ease of reference and use during the deposition. During the deposition, remember that you are in control of the proceeding and can take as much time as you need to work through the topics with each witness.

### **Deposing Defendant's Expert Witnesses**

Expert witness disclosures and reports are governed by Federal Rule of Civil Procedure 26.<sup>15</sup> Assuming the defendant has already disclosed its expert witness in accordance with Rule 26(a)(2)(A), and there is no court order or stipulation otherwise, the expert will likely be required to submit an extensive written report that must contain:

- A complete statement of all opinions the witness will express and the basis and reasons for them
- The facts or data considered by the witness in forming his or her opinions
- Any exhibits that will be used to summarize or support the witness's opinions

- The witness's qualifications, including a list of all publications authored in the previous 10 years
- A list of all other cases in which, during the previous four years, the witness testified as an expert at trial or by deposition
- A statement of the compensation to be paid for the study and testimony in the case<sup>16</sup>

This report will serve as a starting point for your deposition preparation and will guide you through the deposition itself. Remember to check your local rules, which may set forth different requirements for expert reports.

### *Types of Experts in Trade Secret and Restrictive Covenant Litigations*

Expert witness depositions are common in restrictive covenant and trade secret misappropriation cases. Below are some examples of potential types of expert testimony in these cases:

- **Technical issues concerning trade secrets.** Parties often hire experts to testify on technical issues as to whether a trade secret exists (e.g., whether the employer took sufficient steps to keep the information secret or whether the information was readily ascertainable).
- **Computer forensics.** There may be a dispute about whether, when, and/or how the defendant accessed the former employer's confidential electronic data. The parties may hire computer forensic experts to provide their input on this issue.
- **Irreparable harm.** To obtain a preliminary injunction in restrictive covenant and trade secret misappropriation litigations, a plaintiff employer must show irreparable harm to its business. Often the parties will engage experts to provide their input on whether or not the employer will incur irreparable harm due to a breach of a restrictive covenant or the misappropriation of trade secrets.
- **Reasonableness of restrictive covenants.** The parties may engage experts to address why the restrictive covenant at issue is reasonable or unreasonable in light of the type of work defendant performs and available positions in relevant job markets.
- **Damages calculations.** It is often complicated to calculate damages in restrictive covenant and trade secret misappropriation cases. The parties frequently hire experts to assist them with these complex damages calculations.

<sup>15</sup> Fed. R. Civ. P. 26. <sup>16</sup> Fed. R. Civ. P. (26)(a)(2)(B).



#### *Conduct Research on Defendant's Expert*

As with any other witness, you will want to prepare a thorough outline and review relevant documents. However, there are additional key steps in the preparation process for an expert witness. For example, be sure to thoroughly research the expert. This may include studying the expert's publications, previous trial testimony (if available), credentials, and other publicly available information. The expert's report as required by Rule 26(a)(2)(B) should provide a list of the expert's publications, but you should conduct your own research as well to determine whether the expert has published additional material. Previous testimony can also serve as a very valuable resource and provide insight into how the expert presents at deposition or trial and the substance of his or her testimony.

#### *Scrutinize the Expert's Report*

Next, analyze the expert's report as it relates to your specific case. Consider whether this report is inconsistent with other publications issued by the expert, or whether the report is based on inaccurate information. Or, is the expert deviating from testimony in a previous case on similar facts? Is this expert even qualified to opine on the subject matter? It is important to identify specific areas or conclusions in the report that you can challenge during the deposition.

#### *Consider Hiring Your Own Expert to Help You Prepare*

Consider retaining your own expert as well. Not only will your own expert be able to educate you on the issues at hand, but an expert can also help you identify flaws or other inconsistencies

in the defendant's expert's report. Compare your expert's report to the defendant's expert's report to identify areas of disconnect for further questioning at the deposition.

#### *Best Strategies at Deposition*

At deposition, you may want to use the expert's testimony to tie the expert to certain admissions that create inconsistencies in his or her report and ultimately undermine the expert's conclusion. Or, you may be eliciting testimony to make a *Daubert* motion—named after *Daubert v. Merrell Dow Pharmaceuticals, Inc.*—which is a specific type of motion *in limine* in federal court and most state courts to exclude the testimony of the expert witness who either (1) does not possess the requisite level of expertise or (2) used questionable methods to obtain data.<sup>17</sup> Beware that *Daubert* motions have a high standard. Pursuant to Rule 702 of the Federal Rules of Evidence—which codifies *Daubert* and its progeny—the motion *in limine* must show at least one of the following:

- The expert's specialized knowledge will not assist the trier of fact in determining a fact at issue in the case.
- The expert's testimony is not based on sufficient facts or data.
- The expert's testimony is not the product of reliable principles and methods.
- The expert has not applied reliable principles and methods to the facts of the case.<sup>18</sup>

Note that many judges dislike *Daubert* motions *in limine*.

<sup>17</sup>. 509 U.S. 579 (1993). <sup>18</sup>. Fed R. Evid. 702.

Expert witnesses are often experienced witnesses who have been deposed numerous times. Ask direct questions and do not hesitate to repeat questions if the witness is evasive, vague, or circular. Remember, you are in control of the deposition and can wait out a reluctant witness. As with any other deposition, take time to review your outline at the end of each section and at the end of the deposition. Take your time to ensure that you ask all pertinent questions and spend enough time dissecting the expert's report, previous testimony, and other publications. Evaluate whether you have fulfilled your goal during the deposition, whether it was to obtain enough information to sustain a *Daubert* challenge or simply to point out inconsistencies in the expert's report.

### Defending Depositions of Your Client's Corporate Witness(es)

Defendants sometimes choose to move for expedited discovery in trade secret and restrictive covenant cases. For instance, the defendant may seek expedited discovery on the employer's policies concerning the preservation of electronic information. In another example, the defendant may seek expedited discovery concerning the company's procedures for ensuring that it keeps information confidential. Furthermore, the defendant may seek expedited discovery concerning the employer's record of enforcing its restrictive covenants and/or other relevant employment policies.

Thus, it is possible that you will find yourself in a situation where you need to (1) prepare a corporate, or Rule 30(b)(6), witness to testify about company policies and (2) defend a deposition in a very short period of time. Because you must prepare a witness (or witnesses) to testify on designated topics that may encompass broad timeframes, complicated processes, and the knowledge of many current and former employees, there are many potential pitfalls in preparing Rule 30(b)(6) witnesses to testify. You should take the following steps in defending employer representative witnesses in trade secret and restrictive covenant cases.

### Review the Designated Topics and Try to Narrow Them

Before the deposition, you should scrutinize the designated topics and make objections where appropriate. For example, suppose defendant's counsel states one of the designated topics as: "All employment policies **including but not limited to** policies on protection of confidential information and trade secrets." (Emphasis added.) Here you should object on the grounds that you cannot reasonably be expected to prepare a witness on a topic if the topic is not sufficiently specific about the issues that it covers. Narrow the topics as much as possible and confirm your understanding of the topics, in writing, with opposing counsel to avoid potential issues during the deposition.

## Related Content

For sample annotated document requests, see

### > [DOCUMENT REQUESTS \(TRADE SECRET MISAPPROPRIATION AND BREACH OF RESTRICTIVE COVENANT ACTION\) \(PLAINTIFF EMPLOYER TO DEFENDANT\)](#)



**RESEARCH PATH:** [Labor & Employment > Non-competes and Trade Secret Protection > Restrictive Covenants > Forms](#)

For information on defending expert witness depositions in an employment litigation, see

### > [DEFENDING DEPOSITIONS OF EMPLOYER WITNESSES IN AN EMPLOYMENT LITIGATION](#)



**RESEARCH PATH:** [Labor & Employment > Employment Litigation > Other Employment Litigation > Practice Notes](#)

For examples of essential deposition questions to ask in restrictive covenant and trade secret misappropriation cases, see

### > [DEPOSITION QUESTIONS \(TRADE SECRET MISAPPROPRIATION AND BREACH OF RESTRICTIVE COVENANT ACTION\) \(PLAINTIFF EMPLOYER TO DEFENDANT\)](#)



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For assistance in drafting interrogatories for trade secret misappropriation and breach of restrictive covenant actions, see

### > [INTERROGATORIES \(TRADE SECRET MISAPPROPRIATION AND BREACH OF RESTRICTIVE COVENANT ACTION\) \(PLAINTIFF EMPLOYER TO DEFENDANT\)](#)



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For further detail on preparing for and defending depositions of employer witnesses, see

### > [DEFENDING DEPOSITIONS OF EMPLOYER WITNESSES IN AN EMPLOYMENT LITIGATION](#)



**RESEARCH PATH:** [Labor & Employment > Employment Litigation > Discrimination, Harassment, and Retaliation > Practice Notes](#)

## Select the Appropriate Witnesses for Each Topic and Thoroughly Prepare Them

As Rule 30(b)(6) witness testimony is binding on the employer, it is essential that you designate the appropriate witness for a topic and thoroughly prepare the witness for the deposition. This does not mean that you must produce the witness with the most personal knowledge on a topic or the person who has spent the most time in a certain position within the company. Although there are certainly situations where it makes sense to produce a Rule 30(b)(6) witness with the most extensive knowledge of a specific topic or even of the case itself, it is not necessary, and may not be advisable.

**Example:** A witness with extensive knowledge concerning the employer's restrictive covenant agreements with its employees, but who is unprepared to testify on the employer's policies concerning protection of its proprietary and confidential information, may easily fall prey to questioning by an attorney strategically trying to obtain certain admissions from him or her. Or that particular witness may not present well and may be unnecessarily aggressive or cagey, which could lead to credibility issues.

You need to produce the best witness, even if that means you must take additional time to adequately prepare someone with less personal or institutional knowledge on a matter. Your ideal witness will be someone who is knowledgeable, adequately prepared to testify on his or her designated topic, and will answer the question asked without providing unnecessary or additional information.

Preparation of your employer representative witness(es) is essential. Rule 30(b)(6) obligates counsel to adequately prepare the designated witness. While a party is not required to take extreme measures to obtain all possible information relevant to a topic and educate the witness on such information, it is "required to educate an appropriate Rule 30(b)(6) designee to provide knowledgeable answers . . . which includes information ascertainable from claims files, documents produced in this case, information from past employees, witness testimony and exhibits, or any other sources available to the corporation."<sup>19</sup> A court may order you to produce another witness if it determines your witness was not adequately prepared and you could face sanctions for blatant violations of Rule 30(b)(6).

## Do Not Allow Opposing Counsel to Deviate from the Designated Topics When Defending the Deposition

When defending the deposition, take a hard line on the designated topics and do not let opposing counsel stray from them. You may have to be prepared to call the judge or



arbitrator overseeing your matter to resolve an issue during the deposition. Be prepared to stand your ground on why a question or line of questioning is outside the designated topic and thus improper.

## Consider Asking Follow-Up Questions to Your Witness

At the end of opposing counsel's questioning, consider whether there are any points on which you want to follow up with your own questioning. It is often advisable to refrain from asking any additional questions that may confuse the witness, muddy the testimony, or create inconsistent testimony. Assess whether there were any blatant issues in the deposition that require attention, but note that it is frequently cleaner to end the deposition without further questioning. **L**

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<sup>19</sup> [Kelly v. Provident Life & Accident Ins. Co., 2011 U.S. Dist. LEXIS 66066, at \\*17 \(S.D. Cal. June 20, 2011\)](#).