



## Newegg and e-Stet Build Relationship Across Matters to Reduce Data Volume

In-house legal departments often struggle when overseeing every aspect of a litigation matter internally. They must juggle many disparate functions—determining case strategy, managing outside counsel, ascertaining case facts, and supervising multiple contract review attorneys. Managing work overflow often requires hiring multiple law firms, at substantial additional cost. By partnering with the right service providers, however, in-house legal departments may significantly reduce their burden, thereby allowing in-house counsel to focus on high-level case strategy.

That has been the case for Newegg Inc. As one of the most recognizable names in e-retail, the California-based company has been on the receiving end of several frivolous lawsuits. By retaining e-Stet, a specialized electronic litigation support service provider, Newegg has substantially decreased the amount of non-responsive data reviewed during discovery. This has allowed Newegg to slash costs and maintain solid defensibility in cases involving high volume document review.

“Partnering with e-Stet has proven very valuable in our e-discovery document review projects. We manage all national litigation for Newegg and our General Counsel and legal team recently decided to bring the review process in-house. This is a relatively new idea for us and e-Stet helped us with the platform, trained reviewers and ultimately made it cost-effective,” stated Scott Hampton, senior litigation counsel at Newegg.

Two recent litigation matters illustrate why a corporate partnership with a service provider, rather than a one-off approach, should be the route of choice for corporations facing repeat litigation. While the specifics and challenges of each matter were different, Newegg worked closely with e-Stet’s attorneys and computer scientists to create well-crafted strategies.

### **The Trademark Infringement Case**

In one recent matter involving a trademark infringement claim, e-Stet and Newegg used search terms negotiated by counsel and utilized contract attorneys working in tandem with e-Stet to review the potentially responsive documents for privilege.

This process led to an initial cull rate of 47%. Through electronic processing and application of well-crafted search terms to sort potentially privileged material first, Newegg’s contract attorneys were able to complete their detailed review much more quickly and efficiently.

“e-Stet culled our documents in a highly defensible way by removing documents that were privileged or irrelevant and really helped us keep costs down,” stated Annette Kazmerski, litigation counsel at Newegg. “e-Stet was extremely flexible when working with our in-house IT department and adapted to what we were dealing with on a day-to-day and minute-by-minute basis.” This ultimately resulted in a cull rate of over 89%.

“We make ourselves available to our clients, early in the morning, and late into the night. The only way to achieve maximum results is to become a part of our client’s team operation,” added Yoeli Barag, Esq., president of e-Stet.

### **The Patent Infringement Matter**

A recent intellectual property matter involved a substantial amount of electronic data review. The Newegg and e-Stet teams set out to develop a strategy for reducing volume while maintaining a high level of defensibility. e-Stet helped craft search terms and devise a procedure for segregating duplicate, non-relevant and potentially privileged communications from the outset, resulting in an initial cull rate of over 85%.

However, the teams determined that reviewing the remaining documents was still overly burdensome given the dollar value of the lawsuit, and given the plaintiff's low likelihood of prevailing. Hampton and Barag sought to narrow the scope of review, identifying patterns in documents marked "responsive" and "non-responsive."

Upon further review, they discovered that a substantial portion of documents contained product pricing communications with Newegg's vendors. The team determined that this information should be withheld as protected trade secrets. Barag consulted with e-Stet's senior technical project manager and they concluded that by identifying and eliminating certain emails from specific domains (i.e., @vendor.com), Newegg could substantially limit the total number of documents requiring further manual review.

Hampton spent several days going through a list of over 4,000 domain names provided by e-Stet. He ultimately identified several hundred domains to be eliminated from review. This exercise resulted in a further reduction of the dataset, leading to a revised cull rate of nearly 93%.

"Late in the game during this project, there was one more major twist. Opposing counsel belatedly agreed to a proposal made at the outset of the case, which resulted in different review parameters. e-Stet turned on a dime and helped us change the format of our platform and made the review much simpler and more cost-effective," stated Hampton.

Over the course of these engagements, the team members at Newegg and e-Stet developed a close working relationship, allowing for the efficient exchange of ideas and the building of trust. "e-Stet was extremely reliable. The team was very flexible and each time they gave us timeline estimates, they never disappointed. They were always on time or early, and they regularly kept us up-to-date and apprised of where we were in the process," added Kazmerski.

"At e-Stet, it has always been our goal to simplify the burden of discovery for our clients, both corporations and law firms. Furthering their interests—whether by reducing costs or otherwise—is our first priority," commented Barag.

However, these two cases did not represent the end of the learning cycle for Newegg and e-Stet. At the close of discovery, Barag and the e-Stet team crafted a "post-mortem" presentation that analyzed each step taken in the cases, in an attempt to further enhance future case strategy.

"The personal touch we received from e-Stet is unparalleled," stated Hampton. "They were always available and very willing to help in any way they could. In addition, they are the only vendor we have ever worked with that came to our offices after the projects were complete and spent a half-day talking about lessons learned and what we can do even better in the future. e-Stet is a great partner to have."