



District Court Calculates Award of \$122k in Sanctions for Discovery Abuses

Dec 5, 2014

Reading Time : 1 min

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Over the course of the case, Zest filed a motion for spoliation and discovery abuse sanctions against Implant, seeking reimbursement of \$224,711.68. Defendants argued that the requested fees were unreasonable and excessive. Although the court found that Implant acted in bad faith, it nonetheless reduced the award down to \$122,486.95.

To calculate a reasonable amount for sanctions, the court used the lodestar method, multiplying the number of hours Zest reasonably expended on the litigation by a reasonable hourly rate. The court noted that the burden to demonstrate the reasonableness of the number of hours spent was on Zest, and included a good faith effort to exclude hours that were excessive, redundant, or otherwise unnecessary. Implant had the burden of rebuttal, which required evidence challenging the accuracy and reasonableness of the hours charged or the facts asserted by Zest. The court also explained that once calculated, the lodestar amount is presumptively the reasonable fee amount and could be adjusted only in “rare and exceptional” cases.

The court analyzed the fees in some detail and made findings. It concluded Zest’s hourly rates for attorneys were reasonable but found that the paralegal rate was not. The court also granted Implant’s objection to costs incurred in preparing the statement of costs—a sum of about \$26k. The court also reduced the amount because of duplicative attorney time and criticized Zest’s attorneys for billing by the quarterhour. Based on the various reductions, the court determined that a reasonable amount of sanctions to be awarded to Zest was \$122,486.95.

Zest IP Holdings, LLC v. Implant Direct Mfg., LLC, No. 10cv0541GPCWVG (S.D. Cal. Dec. 3, 2014).

Categories

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