To: Honorable Anthony J. Scirica, Chair, Committee on Rules of Practice and Procedure

From: Paul V. Niemeyer, Chair, Advisory Committee on the Federal Rules of Civil Procedure

Date: May 2000

Re: Report of the Civil Rules Advisory Committee

Introduction

The Civil Rules Advisory Committee met on April 10 and 11, 2000, at the Administrative Office of the United States Courts in Washington, D.C. It voted to recommend adoption of rules amendments that were published for comment in August 1999, with some modifications in response to the public comments. Part I of this report details these recommendations with respect to two packages. The first package, covering electronic service of papers after initial process, includes changes in Rules 5(b), 6(e), and 77(d). The second package, covering abrogation of the obsolete Copyright Rules of Practice, includes abrogation of those rules, a new Rule 65(f), and a corresponding change in Rule 81(a)(1). A third proposal for adoption included in this package would make an overdue technical correction to Rule 82; it is recommended that it be adopted without publication for comment.

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I Action Items: Amendments Proposed for Adoption

The Advisory Committee recommends that each of the amendments discussed in this section be transmitted to the Judicial Conference with recommendations for adoption. The electronic service and copyright proposals were published for comment in August 1999. The changes made in response to the public comments are described with each package. [The Advisory Committee and Standing Committee did not consider several comments submitted after the expiration of the 6-month public comment period. The comments are summarized at the end of this section. There is little new in these comments, and the Advisory Committee had considered all of the issues raised in them in its earlier deliberations.] The technical conforming change to Rule 82 has not been published for comment, but is recommended for adoption without publication.

A. Electronic and Other Service: Rules 5(b), 6(e), and 77(d)

The proposed amendments to Rules 5(b) and 77(d) were published for comment in August 1999. The Advisory Committee had voted not to recommend any change in Rule 6(e), but also published as an "alternative proposal" the change that it now recommends for adoption.

Rule 5(b) is restyled. Rule 5(b)(1) is clarified by expressly limiting it to service under Rules 5(a) and 77(d). The restyling of Rule 5(b)(2)(A), (B), and (C) is intended to make no change in the meaning of the present rule.

Rule 5(b)(2)(D) is new. Although the proposal emerged from the work of the Standing Committee's Technology Subcommittee and was designed to authorize electronic service, it also reaches service by other means. Written consent of the person served is required.

Rule 6(e) would be amended to allow an additional 3 days to respond when service is made under Rule 5(b)(2)(C) by leaving a copy with the clerk of the court, or by any means consented to under Rule 5(b)(2)(D). This amendment extends the present provision that adds 3 days when service is made by mail.

Rule 77(d) is amended to allow the clerk of court to serve notice of an order or judgment in any manner provided for in Rule 5(b). The immediate purpose is to support notice by facsimile or computer.

The public comments suggested drafting changes that were adopted by the Advisory Committee. These changes are described in the Gap report.

The Advisory Committee deliberations are summarized at pages 4 to 9 of the draft Minutes.

PROPOSED AMENDMENTS TO THE FEDERAL RULES OF CIVIL PROCEDURE*

Rule 5. Service and Filing of Pleadings and Other Papers

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~~**(b) Same: How Made.** Whenever under these rules service is required or permitted to be made upon a party represented by an attorney the service shall be made upon the attorney unless service upon the party is ordered by the court. Service upon the attorney or upon a party shall be made by delivering a copy to the party or attorney or by mailing it to the party or attorney at the attorney's or party's last known address or, if no address is known, by leaving it with the clerk of the court. Delivery of a copy within this rule means: handing it to the attorney or to the party; or leaving it at the attorney's or party's office with a clerk or other person in charge thereof; or, if there is no one in charge, leaving it in~~

*New matter is underlined; matter to be omitted is lined through.

~~a conspicuous place therein; or, if the office is closed or the person to be served has no office, leaving it at the person's dwelling house or usual place of abode with some person of suitable age and discretion then residing therein. Service by mail is complete upon mailing.~~

(b) Making Service.

(1) Service under Rules 5(a) and 77(d) on a party represented by an attorney is made on the attorney unless the court orders service on the party.

(2) Service under Rule 5(a) is made by:

(A) Delivering a copy to the person served by:

(i) handing it to the person;

(ii) leaving it at the person's office with a clerk or other person in charge, or if no one is in charge leaving it in a conspicuous place in the office; or

(iii) if the person has no office or the office is closed, leaving it at the person's dwelling house or usual place of abode with someone of suitable age and discretion residing there.

(B) Mailing a copy to the last known address of the person served. Service by mail is complete on mailing.

(C) If the person served has no known address, leaving a copy with the clerk of the court.

(D) Delivering a copy by any other means, including electronic means, consented to in writing by the person served. Service by electronic means is complete on transmission; service by other consented means is complete when the person making service delivers the copy to the agency designated to make delivery. If authorized by local rule, a party may make service

under this subparagraph (D) through the court's transmission facilities.

(3) Service by electronic means under Rule 5(b)(2)(D) is not effective if the party making service learns that the attempted service did not reach the person to be served.

Committee Note

Rule 5(b) is restyled.

Rule 5(b)(1) makes it clear that the provision for service on a party's attorney applies only to service made under Rules 5(a) and 77(d). Service under Rules 4, 4.1, 45(b), and 71A(d)(3) — as well as rules that invoke those rules — must be made as provided in those rules.

Subparagraphs (A), (B), and (C) of Rule 5(b)(2) carry forward the method-of-service provisions of former Rule 5(b).

Subparagraph (D) of Rule 5(b)(2) is new. It authorizes service by electronic means or any other means, but only if consent is obtained from the person served. The consent must be express, and cannot be implied from conduct. Early experience with electronic filing as authorized by Rule 5(d) is positive, supporting service by electronic means as well. Consent is required, however, because it is not yet possible to assume universal entry into the world of electronic communication. Subparagraph (D) also authorizes service by

nonelectronic means. The Rule 5(b)(2)(B) provision making mail service complete on mailing is extended in subparagraph (D) to make service by electronic means complete on transmission; transmission is effected when the sender does the last act that must be performed by the sender. Service by other agencies is complete on delivery to the designated agency.

Finally, subparagraph (D) authorizes adoption of local rules providing for service through the court. Electronic case filing systems will come to include the capacity to make service by using the court's facilities to transmit all documents filed in the case. It may prove most efficient to establish an environment in which a party can file with the court, making use of the court's transmission facilities to serve the filed paper on all other parties. Transmission might be by such means as direct transmission of the paper, or by transmission of a notice of filing that includes an electronic link for direct access to the paper. Because service is under subparagraph (D), consent must be obtained from the persons served.

Consent to service under Rule 5(b)(2)(D) must be in writing, which can be provided by electronic means. Parties are encouraged to specify the scope and duration of the consent. The specification should include at least the persons to whom service should be made, the appropriate address or location for such service — such as the e-mail address or facsimile machine number, and the format to be used for attachments. A district court may establish a registry or other facility that allows advance consent to service by specified means for future actions.

Rule 6(e) is amended to allow additional time to respond when service is made under Rule 5(b)(2)(D). The additional time does not relieve a party who consents to service under Rule 5(b)(2)(D) of the

responsibilities to monitor the facility designated for receiving service and to provide prompt notice of any address change.

Paragraph (3) addresses a question that may arise from a literal reading of the provision that service by electronic means is complete on transmission. Electronic communication is rapidly improving, but lawyers report continuing failures of transmission, particularly with respect to attachments. Ordinarily the risk of non-receipt falls on the person being served, who has consented to this form of service. But the risk should not extend to situations in which the person attempting service learns that the attempted service in fact did not reach the person to be served. Given actual knowledge that the attempt failed, service is not effected. The person attempting service must either try again or show circumstances that justify dispensing with service.

Paragraph (3) does not address the similar questions that may arise when a person attempting service learns that service by means other than electronic means in fact did not reach the person to be served. Case law provides few illustrations of circumstances in which a person attempting service actually knows that the attempt failed but seeks to act as if service had been made. This negative history suggests there is no need to address these problems in Rule 5(b)(3). This silence does not imply any view on these issues, nor on the circumstances that justify various forms of judicial action even though service has not been made.

Summary of Comments

Hurshal C. Tummelson, Esq., 99-CV-002: Addressing his comments to Rules 5(b), 65, 77(d), and 81, focuses on the "consented to by the person served" element of proposed Rule 5(b)(2)(D). Suggests "some specific clarification with reference to this form of service" because

"there are so many possible means of service electronically or otherwise which might be used that the end result could be very confusing."

Jack E. Horsley, Esq., 99-CV-004 (Nov. 2, 1999 installment): "[E]lectronic means" may not be clear to all readers. It might be expanded to read: "Internet, fax, computer transmittal or other electronic means." The November 11 installment concludes that "authorizing service by electronic means is consistent with current developments."

Joseph W. Phebus, Esq., 99-CV-006: Relays information from the firm's computer specialist. The e-mail system used by the firm provides date and time stamping for incoming and outgoing mail. It also automatically provides notice that a message is not delivered. If the address is not valid, notice is provided immediately. If the address is valid, the system attempts delivery every 20 minutes for four hours, then every four hours for the next 48 hours; at the end of that period, notice is given if delivery could not be accomplished.

David E. Romine, Esq., 99-CV-007: Strongly favors the "complete on transmission" rule. This rule is clear. Clarity prevents doubts and ensuing disputes about the time for responding. If service were made complete only on receipt, every party would need to consult every other party to confirm the time of receipt, and then would feel compelled to send a written memorial of the understanding to every other party. "What a waste." The ambiguity will be even worse when—as often happens—electronic service is made on a Friday afternoon. "[T]here will be a four-day window of plausibility," and the window "would be extended by holidays, vacations, or even business trips * * *." Resolution of disputes, finally, would turn on fact disputes that will be burdensome to litigate.

Charles L. Schlumberger, Esq., 99-CV-008: Opposes electronic service, even with consent. Notes that he had difficulty transmitting these comments to the Administrative Office. Electronic service will be abused — as it is, attorneys often fax papers late in the evening. Is round-the-clock monitoring of fax and e-mail to be required? Even from out-of-town? Must an attorney defeat the security system that prevents even staff from reading the attorney's e-mail? If papers contain sensitive or protected information, the e-mail system offers no reliable security unless the information is encrypted. There should be express provisions detailing whether consent can be open-ended for an entire action, specific for particular papers, or revoked. Filing by electronic means is proper, notice under Rule 77(d) by electronic means is proper, but not service by attorneys — "I trust the clerks but not the lawyers."

Hon. Susan Pierson Sonderby, 99-CV-010: Service by electronic means or fax "should be valid, irrespective of consent, where available to the recipient." If the recipient is not equipped to receive such messages, the person responsible for making service can resort to mail or personal service. At the least, Rule 5(b) should authorize local district rules that permit electronic service without consent of the person served. And the provision for "other means" is puzzling: commercial express carrier service is routine now, on the theory that delivery constitutes hand delivery.

J. Michael Schaefer, Esq., 99-CV-011: There should be a page limit on fax transmissions: "I have had 50 pages faxes dumped into my machine, creating a burden to deal with unattached bulk paper and dissipating a toner supply." And seems to urge that "any pleading exceeding 10 pages" should be permitted only with the specific consent of the recipient no matter what method of service is used.

Joanne Fitzgerald Ross, Esq., for State Bar of Michigan Committee of the United States Courts, 99-CV-012: Approves proposed Rule 5(b), but would amend the proposal to require simultaneous mailing of a clean copy of any document served by fax.

Committees of the Association of the Bar of the City of New York, 99-CV-013: Supports the basic proposal; the requirement of consent, and the exclusion of initial service of process, "provide adequate safeguards of due process rights." Something should be done to make it clear that consent can be given either for all service during an action or only for service of specified papers. Some recipients may be reluctant to commit to the obligation to monitor continually for electronic receipt, which "may require a technical office capacity that is currently unavailable to some practitioners." It would help to prepare a Consent Form that accommodates various forms of service, provides specific address information, and is filed with the court. The Consent Form would specify whether consent is for all purposes of the action or is more limited. It is proper to make service complete on transmission, but some additional time should be provided to respond because messages often "must travel through multiple servers, compounding the risk of technical failures." See the comment on Rule 6(e).

David W. Ogden, Acting Assistant Attorney General, Civil Division, United States Department of Justice, 99-CV-014: Fully supports use of electronic service with consent of the person served. But there is a risk that implied consent will be found, even from such simple acts as listing a fax or e-mail address on a letterhead. Rule 5(b)(2)(D) should be amended to refer to "other means, including electronic means, consented to in writing by the person served." And the Committee Note should include this added language:

> To be valid under subparagraph (D), consent must be explicit and in writing, and may not be implied. Parties are encouraged to specify the scope and duration of the consent, including, at a minimum, the persons to whom service should be made, the appropriate address or location for such service (e.g., for electronic service, the e-mail address or fax machine number), the format to be used for attachments, and the filings within a lawsuit to which the consent applies (e.g., the consent applies to all filings, only certain filings, or all non-jurisdictional filings). Such written consent may be provided through electronic communication.

Ralph W. Brenner, Esq., David H. Marion, Esq., and Stephen A. Madva, Esq., 99-CV-015: Support Rule 5 and 77 proposals. The "increase in efficiency will allow for our office to provide for more prompt and less costly service for our clients."

Francis Patrick Newell, Esq., 99-CV-016: Supports the Rule 5 and 77 proposals in terms similar to 99-CV-015.

William A. Fenwick, Esq.; David M. Lisi, Esq.; David C. McIntyre, Esq.; Mitchell Zimmerman, Esq. for Fenwick & West, 99-CV-017: (1) As a matter of style, urges that in 5(b)(1) and 5(b)(2) the expression "service is made" be changed to "service shall be made"; the change eliminates ambiguity and indicates clearly "that this provision is mandatory." (2) The reference to "address" in 5(b)(2)(B) and (C) should specify home address, office address, or either [present Rule 5(b) does not provide this specification]. (3) The provision that service is complete on "transmission" is ambiguous. The rule or the Committee Note should state that "service is complete upon successfully serving the document from the sender's server to the e-mail address designated in court papers by recipient." And it

should make clear that the proper e-mail address is the one specified in the consent or in court papers.

Mark D. Reed, Esq., 99-BK-005: Wholeheartedly approves electronic service "(i.e. facsimile)"; "this manner of service is more effective than ordinary mail."

Hon. Dean Whipple, 99-CV-019 : Chief Judge Whipple reports on experience in W.D.Mo. as a prototype CM/ECF court. A lawyer who agrees to participate in the CM/ECF system signs a statement agreeing to receive service of electronic filing on behalf of the client by hand, facsimile, authorized e-mail, or first-class mail. The party served in this way can read or download the paper from the court's system. An electronic notice of filing apparently includes a hyperlink to the paper, facilitating prompt access. Chief Judge Whipple suggests this change in the language proposed for Rule 5(b)(2)(D): "Delivering a copy by any other means, including electronic ~~means~~ notice, consented to * * *."

Gap Report

Rule 5(b)(2)(D) was changed to require that consent be "in writing."

Rule 5(b)(3) is new. The published proposal did not address the question of failed service in the text of the rule. Instead, the Committee Note included this statement: "As with other modes of service, however, actual notice that the transmission was not received defeats the presumption of receipt that arises from the provision that service is complete on transmission. The sender must take additional steps to effect service. Service by other agencies is complete on delivery to the designated agency." The addition of paragraph (3) was prompted by consideration of the draft Appellate Rule 25(c) that

was prepared for the meeting of the Appellate Rules Advisory Committee. This draft provided: "Service by electronic means is complete on transmission, unless the party making service is notified that the paper was not received." Although Appellate Rule 25(c) is being prepared for publication and comment, while Civil Rule 5(b) has been published and otherwise is ready to recommend for adoption, it seemed desirable to achieve some parallel between the two rules.

The draft Rule 5(b)(3) submitted for consideration by the Advisory Committee covered all means of service except for leaving a copy with the clerk of the court when the person to be served has no known address. It was not limited to electronic service for fear that a provision limited to electronic service might generate unintended negative implications as to service by other means, particularly mail. This concern was strengthened by a small number of opinions that say that service by mail is effective, because complete on mailing, even when the person making service has prompt actual notice that the mail was not delivered. The Advisory Committee voted to limit Rule 5(b)(3) to service by electronic means because this means of service is relatively new, and seems likely to miscarry more frequently than service by post. It was suggested during the Advisory Committee meeting that the question of negative implication could be addressed in the Committee Note. There was little discussion of this possibility. The Committee Note submitted above includes a "no negative implications" paragraph prepared by the Reporter for consideration by the Standing Committee.

The Advisory Committee did not consider at all a question that was framed during the later meeting of the Appellate Rules Advisory Committee. As approved by the Advisory Committee, Rule 5(b)(3) defeats service by electronic means "if the party making service learns that the attempted service did not reach the person to be

served." It says nothing about the time relevant to learning of the failure. The omission may seem glaring. Curing the omission, however, requires selection of a time. As revised, proposed Appellate Rule 25(c) requires that the party making service learn of the failure within three calendar days. The Appellate Rules Advisory Committee will have the luxury of public comment and another year to consider the desirability of this short period. If Civil Rule 5(b) is to be recommended for adoption now, no such luxury is available. This issue deserves careful consideration by the Standing Committee.

Several changes are made in the Committee Note. (1) It requires that consent "be express, and cannot be implied from conduct." This addition reflects a more general concern stimulated by a reported ruling that an e-mail address on a firm's letterhead implied consent to email service. (2) The paragraph discussing service through the court's facilities is expanded by describing alternative methods, including an "electronic link." (3) There is a new paragraph that states that the requirement of written consent can be satisfied by electronic means, and that suggests matters that should be addressed by the consent. (4) A paragraph is added to note the additional response time provided by amended Rule 6(e). (5) The final two paragraphs address newly added Rule 5(b)(3). The first explains the rule that electronic service is not effective if the person making service learns that it did not reach the person to be served. The second paragraph seeks to defeat any negative implications that might arise from limiting Rule 5(b)(3) to electronic service, not mail, not other means consented to such as commercial express service, and not service on another person on behalf of the person to be served.

Rule 6(e)

The Advisory Committee recommended that no change be made in Civil Rule 6(e) to reflect the provisions of Civil Rule 5(b)(2)(D) that, with the consent of the person to be served, would allow service by electronic or other means. Absent change, service by these means would not affect the time for acting in response to the paper served. Comment was requested, however, on the alternative that would allow an additional 3 days to respond. The alternative Rule 6(e) amendments are cast in a form that permits ready incorporation in the Bankruptcy Rules. Several of the comments suggest that the added three days should be provided. Electronic transmission is not always instantaneous, and may fail for any of a number of reasons. It may take three days to arrange for transmission in readable form. Providing added time to respond will not discourage people from asking for consent to electronic transmission, and may encourage people to give consent. The more who consent, the quicker will come the improvements that will make electronic service ever more attractive. Consistency with the Bankruptcy Rules will be a good thing, and the Bankruptcy Rules Advisory Committee believes the additional three days should be allowed.

Rule 6. Time

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(e) Additional Time After Service ~~by Mail~~ <u>under Rule 5(b)(2)(B), (C), or (D)</u>. Whenever a party has the right or is required to do some act or take some proceedings within a prescribed period after the service of

a notice or other paper upon the party and the notice or paper is served upon the party ~~by mail~~ under Rule 5(b)(2)(B), (C), or (D), 3 days shall be added to the prescribed period.

Committee Note

The additional three days provided by Rule 6(e) is extended to the means of service authorized by the new paragraph (D) added to Rule 5(b), including — with the consent of the person served — service by electronic or other means. The three-day addition is provided as well for service on a person with no known address by leaving a copy with the clerk of the court.

Summary of Comments

Rule 6(e)

Robert F. Baker, Esq., 99-CV-001: Favors extending the 3-day rule to "any method of service other than personal delivery. This would cover those situations where electronic service is made on week-ends or the recipient is away from their home or office for three days or less."

James E. Seibert, Esq., 99-CV-003: The 3-day rule should apply "to all service, other than personal delivery," so "there will be less confusion" and consistency with the bankruptcy rules.

John P. Calandra, Esq., 99-CV-005: Wants 3-days in electronic service cases. Electronic service late Friday might not be seen until

Monday, or after a further week for vacation. "There are enough sources of pressure on our practices without imposing a new one."

Joseph W. Phebus, Esq., 99-CV-006: Relays the responses of the firm's computer specialist. The specialist, focusing on date and time stamping and eventual notice that a message is not delivered, believes there is no need for the extra three days.

David E. Romine, Esq., 99-CV-007: Favors the added three days. E-mail is not yet as reliable as postal delivery. Most firms now have the capacity to make or receive service by electronic means, but few actually do so. The fear stems from continuing experience that some messages arrive in garbled or completely unusable form. It may take a few days to reach the other attorney and arrange for usable delivery. A party who is thinking of resort to electronic service is not likely to be deterred by a rule allowing an additional three days to respond — "[m]y decision as to method of service has never been driven by my opponent's response time," and the desire to shorten response time does not seem to affect other lawyers in deciding between personal service or mail service. The added three days, in short, will not discourage people from asking for consent to electronic service, and will encourage people to give consent.

Charles L. Schlumberger, Esq., 99-CV-008: The three-day rule should be dropped entirely; all current deadlines could be extended by three or five days. "But ultimately, who really cares? If someone needs three days, they're going to get the extension in just about every case, unless they've managed to badly get on the wrong side of the judge."

Hon. Susan Pierson Sonderby: Agrees that Rule 6(e) should not be amended to provide an additional three days following service by electronic means. The three days allowed for service by mail reflects

the typical period required for delivery by mail. Electronic service should "entail the presumption of same day delivery."

Joanne Fitzgerald Ross, Esq., for State Bar of Michigan Committee of the United States Courts, 99-CV-012: Recommends against extending the response time when service is made under Rule 5(b)(2)(D), in part because of the recommendation that Rule 5(b)(2)(D) should be amended to require that service by fax be supplemented by simultaneously mailing a clean copy of the document.

Committees of the Association of the Bar of the City of New York, 99-CV-013: Recommend that one additional day be allowed when service is made by electronic means or by overnight courier, and that three additional days be allowed when service is made by non-overnight courier service. This balances the incentives for the party asking for consent to alternative means of service and for the party asked to give consent.

David W. Ogden, Acting Assistant Attorney General, Civil Division, United States Department of Justice, 99-CV-014: Favors at least one added day. Current e-mail technology "is not always instantaneous and is not uniformly reliable." Few e-mail systems have "return receipt" mechanisms that are as reliable as those available for fax transmission. If large volumes of material are transmitted, the receiving equipment may lack the ability to store or print the material. Additional time also will encourage use of electronic service. Expanded use will encourage more rapid development of legal and technical standards, and will prompt lawyers to develop better methods for dealing with incoming materials. These developments will speed the migration toward electronic service.

Ralph W. Brenner, Esq., David H. Marion, Esq., Stephen A. Madva, Esq., 99-CV-015: Comments at the end that consistency between Civil Rules and Bankruptcy Rules "will enhance speedy and smooth processing of litigation." This comment may be intended to bear on the Rule 6(e) question. (The same comment is made by Francis Patrick Newell, 99-CV-016.)

William A. Fenwick, Esq.; David M. Lisi, Esq.; David C. McIntyre, Esq.; Mitchell Zimmerman, Esq. for Fenwick & West, 99-CV-017: The extra three days should be given. This will encourage consent; it reflects the potential for delay in transmission; and it will avoid any incentive to litigation gamesmanship.

Hon. Louise de Carl Adler, for Conference of Chief Bankruptcy Judges of Ninth Circuit, 99-BK-009: There are good arguments on both sides of the extra three-days question, but "we unanimously concluded that whatever policy is ultimately adopted, it should be the same for both the bankruptcy rules and the civil rules."

Martha L. Davis, Esq., for Executive Office for U.S. Trustees, 99-BK-012: Supports giving the additional three days. E-mail and other means of communication are still infants, and will experience technical difficulties. A transmitted message may be received after significant delay, and may not be intact; attached files may be corrupted and require retransmission; incompatible word-processing programs may create difficulties; offices with many lawyers may need to develop tracking systems. Consent will be encouraged by adding the three days. The three-day rule is familiar for mail service, and has not unduly delayed proceedings. If the three days are not allowed, parties may seek time extensions. And, looking to Civil Rule 6(e), uniformity between the bankruptcy and civil rules is important.

Gap Report

Proposed Rule 6(e) is the same as the "alternative proposal" that was published in August 1999.

Rule 77. District Courts and Clerks

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(d) Notice of Orders or Judgments. Immediately upon the entry of an order or judgment the clerk shall serve a notice of the entry ~~by mail~~ in the manner provided for in Rule 5(b) upon each party who is not in default for failure to appear, and shall make a note in the docket of the ~~mailing~~ service. Any party may in addition serve a notice of such entry in the manner provided in Rule 5(b) for the service of papers.

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Committee Note

Rule 77(d) is amended to reflect changes in Rule 5(b). A few courts have experimented with serving Rule 77(d) notices by electronic means on parties who consent to this procedure. The success of these experiments warrants express authorization. Because

service is made in the manner provided in Rule 5(b), party consent is required for service by electronic or other means described in Rule 5(b)(2)(D). The same provision is made for a party who wishes to ensure actual communication of the Rule 77(d) notice by also serving notice.

Summary of Comments

Rule 77(d)

Jack E. Horsley, Esq., 99-CV-004: Recommends adding these words: "the clerk shall serve a notice of the entry by hand or otherwise in the manner provided for in Rule 5(b) * * *."

Charles L. Schlumberger, Esq., 99-CV-008: Favors electronic notice from the clerk, although not among lawyers. The Eighth Circuit's VIA program seems to work satisfactorily.

Hon. Susan Pierson Sonderby, 99-CV-010: there is a drafting error at the end of the first sentence, to be corrected: "and shall make a note in the docket of the ~~mailing~~ service." (A similar suggestion is made by the Committees of the Association of the Bar of the City of New York, 99-CV-013, except that they would change "mailing" to "transmission." "Service" seems to fit better the general incorporation of Rule 5(b).)

William A. Fenwick, Esq.; David M. Lisi, Esq.; David C. McIntyre, Esq.; Mitchell Zimmerman, Esq. for Fenwick & West, 99-CV-017: They propose deleting the second sentence of present Rule 77(d), which authorizes a party to serve notice of the entry of judgment. This provision is characterized as "excess verbiage." The relationship of this sentence to Appellate Rule 4(a)(6)(A) is not noted.

Michael E. Kunz, Clerk of Court, E.D.Pa., 99-CV-018: Provides extensive statistics on the highly successful use of facsimile transmission to provide Rule 77(d) notice. The program "has been remarkably successful," effecting notice more rapidly and at lower cost than postal delivery. Mr. Kunz is pleased that his recommendation for amendments in Rule 5(b) and 77(d) has been endorsed by the Advisory Committee.

Gap Report

Rule 77(d) was amended to correct an oversight in the published version. The clerk is to note "service," not "mailing," on the docket.

B. Abrogate Copyright Rules; Amend Rules 65(g), 81(a)(1)

The proposals published in August 1999 include a package that would abrogate the obsolete Copyright Rules of Practice adopted under the 1909 Copyright Act. A new Rule 65(f) would be added, confirming the common practice that has substituted Rule 65 preliminary relief procedures for the widely ignored Copyright Rules. Rule 81(a)(1) would be amended to delete the obsolete references to the Copyright Rules, and also to improve the expression of the relationship between the Civil Rules and the Bankruptcy Rules. Such little public comment as was provided on these changes was favorable. The Advisory Committee discussion is summarized at page 9 of the draft Minutes.

Rule 65. Injunctions

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(f) Copyright impoundment. This rule applies to copyright impoundment proceedings.

Committee Note

New subdivision (f) is added in conjunction with abrogation of the antiquated Copyright Rules of Practice adopted for proceedings under the 1909 Copyright Act. Courts have naturally turned to Rule 65 in response to the apparent inconsistency of the former Copyright Rules with the discretionary impoundment procedure adopted in 1976, 17 U.S.C. § 503(a). Rule 65 procedures also have assuaged well-founded doubts whether the Copyright Rules satisfy more contemporary requirements of due process. See, e.g., *Religious Technology Center v. Netcom On-Line Communications Servs., Inc.*,

923 F.Supp. 1231, 1260-1265 (N.D.Cal.1995); *Paramount Pictures Corp. v. Doe*, 821 F.Supp. 82 (E.D.N.Y.1993); *WPOW, Inc. v. MRLJ Enterprises*, 584 F.Supp. 132 (D.D.C.1984).

A common question has arisen from the experience that notice of a proposed impoundment may enable an infringer to defeat the court's capacity to grant effective relief. Impoundment may be ordered on an ex parte basis under subdivision (b) if the applicant makes a strong showing of the reasons why notice is likely to defeat effective relief. Such no-notice procedures are authorized in trademark infringement proceedings, see 15 U.S.C. § 1116(d), and courts have provided clear illustrations of the kinds of showings that support ex parte relief. See *Matter of Vuitton et Fils S.A.*, 606 F.2d 1 (2d Cir.1979); *Vuitton v. White*, 945 F.2d 569 (3d Cir.1991). In applying the tests for no-notice relief, the court should ask whether impoundment is necessary, or whether adequate protection can be had by a less intrusive form of no-notice relief shaped as a temporary restraining order.

This new subdivision (f) does not limit use of trademark procedures in cases that combine trademark and copyright claims. Some observers believe that trademark procedures should be adopted for all copyright cases, a proposal better considered by Congressional processes than by rulemaking processes.

Summary of Comments

The only comments are incidental to the brief comments on the Copyright Rules of Practice, set out below. They approve the proposal.

Gap Report

No change has been made.

Rule 81. Applicability in General

(a) ~~To What~~ Proceedings to which the Rules Apply~~icable~~.

(1) These rules do not apply to prize proceedings in admiralty governed by Title 10, U.S.C., §§ 7651-7681. They do ~~not~~ apply to proceedings in bankruptcy to the extent provided by the Federal Rules of Bankruptcy Procedure ~~or to proceedings in copyright under Title 17, U.S.C., except in so far as they may be made applicable thereto by rules promulgated by the Supreme Court of the United States. They do not apply to mental health proceedings in the United States District Court for the District of Columbia~~.

* * * * *

Committee Note

Former Copyright Rule 1 made the Civil Rules applicable to copyright proceedings except to the extent the Civil Rules were inconsistent with Copyright Rules. Abrogation of the Copyright

Rules leaves the Civil Rules fully applicable to copyright proceedings. Rule 81(a)(1) is amended to reflect this change.

The District of Columbia Court Reform and Criminal Procedure Act of 1970, Pub.L. 91-358, 84 Stat. 473, transferred mental health proceedings formerly held in the United States District Court for the District of Columbia to local District of Columbia courts. The provision that the Civil Rules do not apply to these proceedings is deleted as superfluous.

The reference to incorporation of the Civil Rules in the Federal Rules of Bankruptcy Procedure has been restyled.

Summary of Comments

Prof. Peter Lushing, 99-CV-009: The Committee Note to Rule 81 should say that the amendment deletes the provision that the rules do not apply in D.C. mental health proceedings.

Gap Report

The Committee Note was amended to correct the inadvertent omission of a negative. As revised, it correctly reflects the language that is stricken from the rule.

~~**RULES OF PRACTICE AS AMENDED**~~

~~**Rule 1**~~

~~Proceedings in actions brought under section 25 of the Act of March 4, 1909, entitled "An Act to amend and consolidate the acts respecting copyright", including proceedings relating to the perfecting of appeals, shall be governed by the Rules of Civil Procedure, in so far as they are not inconsistent with these rules.~~

~~**Rule 3**~~

~~Upon the institution of any action, suit or proceeding, or at any time thereafter, and before the entry of final judgment or decree therein, the plaintiff or complainant, or his authorized agent or attorney, may file with the clerk of any court given jurisdiction under section 34 of the Act of March 4, 1909, an affidavit stating upon the best of his knowledge, information and belief, the number and location, as near as may be, of the alleged infringing~~

~~copies, records, plates, molds, matrices, etc., or other means for making the copies alleged to infringe the copyright, and the value of the same, and with such affidavit shall file with the clerk a bond executed by at least two sureties and approved by the court or a commissioner thereof.~~

~~Rule 4~~

~~Such bond shall bind the sureties in a specified sum, to be fixed by the court, but not less than twice the reasonable value of such infringing copies, plates, records, molds, matrices, or other means for making such infringing copies, and be conditioned for the prompt prosecution of the action, suit or proceeding; for the return of said articles to the defendant, if they or any of them are adjudged not to be infringements, or if the action abates, or is discontinued before they are returned to the defendant; and for the payment to the defendant of any~~

~~damages which the court may award to him against the plaintiff or complainant. Upon the filing of said affidavit and bond, and the approval of said bond, the clerk shall issue a writ directed to the marshal of the district where the said infringing copies, plates, records, molds, matrices, etc., or other means of making such infringing copies shall be stated in said affidavit to be located, and generally to any marshal of the United States, directing the said marshal to forthwith seize and hold the same subject to the order of the court issuing said writ, or of the court of the district in which the seizure shall be made.~~

~~Rule 5~~

~~The marshal shall thereupon seize said articles or any smaller or larger part thereof he may then or thereafter find, using such force as may be reasonably necessary in the premises, and serve on the defendant a copy of the affidavit, writ, and bond by delivering the same to him~~

~~personally, if he can be found within the district, or if he can not be found, to his agent, if any, or to the person from whose possession the articles are taken, or if the owner, agent, or such person can not be found within the district, by leaving said copy at the usual place of abode of such owner or agent, with a person of suitable age and discretion, or at the place where said articles are found, and shall make immediate return of such seizure, or attempted seizure, to the court. He shall also attach to said articles a tag or label stating the fact of such seizure and warning all persons from in any manner interfering therewith.~~

~~Rule 6~~

~~A marshal who has seized alleged infringing articles, shall retain them in his possession, keeping them in a secure place, subject to the order of the court.~~

~~**Rule 7**~~

~~Within three days after the articles are seized, and a copy of the affidavit, writ and bond are served as hereinbefore provided, the defendant shall serve upon the clerk a notice that he excepts to the amount of the penalty of the bond, or to the sureties of the plaintiff or complainant, or both, otherwise he shall be deemed to have waived all objection to the amount of the penalty of the bond and the sufficiency of the sureties thereon. If the court sustain the exceptions it may order a new bond to be executed by the plaintiff or complainant, or in default thereof within a time to be named by the court, the property to be returned to the defendant.~~

~~**Rule 8**~~

~~Within ten days after service of such notice, the attorney of the plaintiff or complainant shall serve upon the defendant or his attorney a notice of the justification~~

~~of the sureties, and said sureties shall justify before the court or a judge thereof at the time therein stated.~~

~~Rule 9~~

~~The defendant, if he does not except to the amount of the penalty of the bond or the sufficiency of the sureties of the plaintiff or complainant, may make application to the court for the return to him of the articles seized, upon filing an affidavit stating all material facts and circumstances tending to show that the articles seized are not infringing copies, records, plates, molds, matrices, or means for making the copies alleged to infringe the copyright.~~

~~Rule 10~~

~~Thereupon the court in its discretion, and after such hearing as it may direct, may order such return upon the filing by the defendant of a bond executed by at least two sureties, binding them in a specified sum to be fixed in the~~

~~discretion of the court, and conditioned for the delivery of said specified articles to abide the order of the court. The plaintiff or complainant may require such sureties to justify within ten days of the filing of such bond.~~

~~Rule 11~~

~~Upon the granting of such application and the justification of the sureties on the bond, the marshal shall immediately deliver the articles seized to the defendant.~~

~~Rule 12~~

~~Any service required to be performed by any marshal may be performed by any deputy of such marshal.~~

~~Rule 13~~

~~For services in cases arising under this section the marshal shall be entitled to the same fees as are allowed for similar services in other cases.~~

Summary of Comments

Jack E. Horsley, Esq., 99-CV-004 (Nov. 2 installment): The observation that the Copyright Rules are antiquated is "well taken." But is concerned that perhaps Copyright Rule 13 should be renumbered and preserved in some form because there is "nothing else which would address the matter of service in disputes involving the marshal or their being entitlement to the same fees as those allowed for similar services."

Charles L. Schlumberger, Esq., 99-CV-008: "Wholeheartedly" agrees with abrogation and the corresponding changes in Rules 65(f) and 81. Not only are some lawyers unaware of the Copyright Rules; "there are some judges who fall into that category, too!"

William A. Fenwick, Esq.; David M. Lisi, Esq.; David C. McIntyre, Esq.; Mitchell Zimmerman, Esq. for Fenwick & West, 99-CV-017: The firm specializes in high technology law, including copyright law. They "fully support" abrogation of the copyright rules and the corresponding changes in Rules 65(f) and 81. "[T]he Copyright Rules of Practice are arcane and fundamentally unfair."

Gap Report

No change has been made.

C. Rule 82

Rule 82 concludes by referring to 28 U.S.C. §§ 1391 to 1393. Section 1393 was repealed in 1988. The Advisory Committee recommends correction of the anomaly as a technical conforming change that can be adopted without publication for comment. As revised, the final sentence of Rule 82 would read:

Rule 82. Jurisdiction and Venue Unaffected

These rules shall not be construed to extend or limit the jurisdiction of the United States district courts or the venue of actions therein. An admiralty or maritime claim within the meaning of Rule 9(h) shall not be treated as a civil action for the purposes of Title 28, U.S.C., §§ 1391-~~93~~1392.

Committee Note

The final sentence of Rule 82 is amended to delete the reference to 28 U.S.C. § 1393, which has been repealed.

Style Comment

The recommendation that the change be made without publication carries with it a recommendation that style changes not be made. Styling would carry considerable risks. The first sentence of Rule 82, for example, states that the Civil Rules do not "extend or limit the jurisdiction of the United States district courts." That sentence is a

flat lie if "jurisdiction" includes personal or quasi-in rem jurisdiction. The styling project on this rule requires publication and comment.

Late-Received Comments

The following comments were received well after the close of the comment period and were not considered by the Advisory Committee or by the Standing Committee, apart from Judge Whipple's comments on Rule 5(b), which were noted with the timely comments because of earlier receipt by the Reporter.

Rule 5(b)

Hon. Dennis Beck, for Federal Magistrate Judges Assn.: Supports.

Hon. Dean Whipple: Suggests "electronic notification" and otherwise supports.

Hon. Marilyn Hall Patel: For the Northern District of California, urges that in addition to consent, electronic service be allowed when "provided for by local rule or order." Her court is an "alpha court" in the CM/ECF project. N.D.Cal. General Order 45 provides that when a case is assigned to a judge who is participating in the ECF project, the case is "presumptively designated for participation in the court's ECF program, and the parties shall be deemed to have consented to their assignment to ECF and to their participation in the program." The General Order further provides that "by participating in ECF, parties consent to the electronic service of all documents." Receipt of a message of filing is service. (There are further provisions for service on a party who has not registered as a filing user.) Judge Patel believes that if consent of the person to be served is required, without allowing for local rules or orders that take the place of consent, "the success of the electronic filing program in our district" would be

greatly hindered. She further urges that local variations are appropriate because some districts — as the Northern District of California — have practitioners who have demonstrated "the ability and willingness to utilize this technological innovation."

Rule 6(e)

Hon. Dennis Beck for Federal Magistrate Judges Assn.: Supports allowing an additional 3 days when electronic service is made.

Hon. Dean Whipple: Believes it is not necessary to allow an additional 3 days after electronic service.

Hon. Marilyn Hall Patel: Would not allow an additional 3 days after electronic service. N.D.Cal. General Order 45 provides that "Service by electronic mail does not constitute service by mail pursuant to Federal Rule of Civil Procedure 6(e)."

Rule 65

Hon. Dennis Beck for Federal Magistrate Judges Assn.: Supports the proposal.

Rule 77

Hon. Dennis Beck for Federal Magistrate Judges Assn.: Supports the proposal.

Rule 81

Hon. Dennis Beck for Federal Magistrate Judges Assn.: Summarizes the proposal. The comment on Rule 65 may be intended to approve abrogation of the Copyright Rules of Practice.