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Managing Patent Infringement Discovery in Eastern District of Pennsylvania

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Special to the Legal

The Philadelphia region is rich in innovation—Philadelphia is a city of “meds and eds,” with eight hospitals and research universities among its top 15 employers. The Eastern District of Pennsylvania is also the home of pharmaceutical, telecommunications and technology companies that hold patents and are accused by others of infringing patents; for example, among the top 50 employers in Philadelphia and Montgomery counties, six are pharmaceutical research, development or manufacturing companies. But, despite these many likely local patent litigants, the Eastern District of Pennsylvania is not a popular venue for patent infringement litigation, with an average of only approximately 24 new cases classified as patent cases, per year, during the last three years, according to a search of patent case filings on Pacer—less than 1 percent of total civil cases filed. (By comparison, an average of approximately 240 patent cases per year were filed in the last three years in the Northern District of California, representing an average of approximately 4 percent of its new civil filings; approximately 929 were filed per year in the District of Delaware, representing an average of approximately half of new civil filings; and approximately 1,815 were filed per year in the Eastern District of Texas, representing an average of approximately 8 percent of new civil filings, according to Pacer searches.) Without a

steady stream of patent infringement cases, the Eastern District of Pennsylvania has not developed a systematic approach to these cases, including the imposition of case-management deadlines—beyond the deadlines commonly used in any business litigation—that help move these cases along efficiently.

ACTIVE CASE MANAGEMENT AND PATENT-SPECIFIC SCHEDULING ORDERS

Active case management benefits litigants, as the drafters of the revisions to Federal Rule of Civil Procedure 16 recognized in their 2014 memorandum (goo.gl/Rtz8nV). Revised Rule 16(b) requires the court to issue a scheduling order “as soon as practicable, but unless the judge finds good cause for delay, the judge must issue it within the earlier of 90 days after any defendant has been served with the complaint or 60 days after any defendant has appeared.” Business and commercial litigators and litigation-experienced clients are used to working within the framework of the typical scheduling order in any complex or commercial case; the typical scheduling order includes a discovery end date, deadlines for expert reports, deadlines for dispositive motions, and a trial date.

Patent infringement cases typically call for special deadlines in addition to those common in all civil litigations. Patent local rules and patent-specific scheduling orders, in districts where either exist, often include additional deadlines that have no

counterpart in normal business disputes, and that help to focus the uniquely disputed issues in these cases. Patent local rules, which have proliferated across the country and in forums with many patent litigation matters, such as the Northern District of California and Eastern District of Texas, provide a framework for discovery scheduling in patent infringement cases.

In the context, specifically, of infringement allegations by a patent holder, these unique deadlines imposed prior to claim construction by the court pursuant to *Markman v.*

Patent local rules provide a framework for discovery scheduling in patent infringement cases.

Westview Instruments, 517 U.S. 370 (1996), may include any or all of the following:

- Identification of the accused product(s) by the plaintiff patent holder.
- Production of “core” technical documents sufficient to show the operation of the accused product(s), by the allegedly infringing defendant.
- Disclosure of “infringement contentions”—i.e., production of a chart by the patent holder identifying, for each asserted claim and each accused product, information including “specifically where each limitation of each asserted

claim is found within each [accused product],” according to Northern District of California Patent Local Rule 3-1(c).

- Disclosure of “non-infringement contentions” by the alleged infringer in response to the infringement contentions.

In a court like the Eastern District of Pennsylvania, where there are neither local patent rules nor judge-specific form patent scheduling orders imposing these deadlines as a matter of course, litigants and the court must address two questions at the outset of a case: First, are patent-specific deadlines necessary? Second, if they are, how can they best be incorporated into a matter pending in the Eastern District of Pennsylvania? Having been involved in patent infringement litigations in which these deadlines were, and were not, included in scheduling orders from the outset of the case, I have observed that, at least in complex cases involving sophisticated parties, these additional deadlines are necessary in aid of Federal Rule of Civil Procedure 1’s command “to secure the just, speedy, and inexpensive determination of every action and proceeding.” In the Eastern District of Pennsylvania, in the absence of patent local rules or form patent scheduling orders, the responsibility for including these deadlines falls on the parties and judge, in each case, in accordance with Federal Rules 1 and 16.

AN EXAMPLE OF THE NEED FOR PATENT-SPECIFIC DEADLINES

A common form of discovery in patent litigation is the disclosure of the plaintiff patent holder’s “infringement contentions.” These disclosures have been necessary in the past because of the pleading rules that governed “direct” patent infringement in accordance with Form 18 previously published in the Appendix of Forms accompanying the Federal Rules of Civil Procedure. Although Form 18 was abolished as of Dec. 1, it will be some time before the U.S. Court of Appeals for the Federal Circuit establishes or blesses a more fact-based pleading standard for patent infringement. And even when it does, it is unlikely that, in all cases, that standard will require allegations of how, precisely, the defendant’s accused product or service infringes each element of each claim asserted by the plaintiff to be infringed.

Infringement contentions “require the patentee to specify, among other things, each claim of each patent in suit that is allegedly infringed; each instrumentality that allegedly infringes each asserted claim; and a claim chart detailing where each element of an asserted claim is found in each accused instrumentality,” according to the Patent Case Management Judicial Guide. “These disclosures ... help streamline discovery by mandating the disclosures that are core to patent cases, thus reducing the need for interrogatories, document requests, and contention depositions.” Without them, the accused infringer is left unsure of which aspect of their products or services are accused, which claims of the asserted patent they are accused of infringing, and how, exactly, the plaintiff believes they infringe. Without this information, discovery—including the alleged infringer’s document production—cannot be targeted, leading to inflated costs and inefficiencies for both parties.

Although the alleged infringer could serve interrogatories on the patent holder pursuant to Federal Rule 33 early in the case, seeking the same information typically obtained through infringement contentions, that approach is less direct, less efficient, and therefore more likely to consume the resources of the parties and the court. First, a resistant patent holder will likely argue that these interrogatories are “contention interrogatories” to be served near the end of the discovery period, rather than at the outset. Second, a judge on a court that sees relatively few patent infringement cases may reflexively agree that these interrogatories should await further discovery (which, as noted above, in the absence of answers to these interrogatories, cannot be targeted). Third, when discovery disputes are decided ad hoc in response to particular discovery requests, discovery as a whole is not staged as anticipated by many local patent rules and form patent scheduling orders, and the balanced give-and-take of the parties’ exchanges of documents and contentions is lost. Thus, the outset of a case, during the Rule 26(f) conference of the parties and Rule 16 conference with the court, is an ideal time to reach agreement on staging of discovery and incorporation of patent-specific deadlines into the case management

order. Anticipating and implementing these deadlines from the outset of the case “has the advantage of collapsing into one procedure a major aspect of the ‘after you; no, after you’ discovery impasse that otherwise occurs in patent litigation,” according to the Federal Case Management Judicial Guide.

IMPLEMENTATION IN THE EASTERN DISTRICT OF PA.

Districts with local patent rules or form patent scheduling orders give patent infringement litigants certainty—at least about the schedule under which the case will proceed. They achieve this by imposing a standardized give-and-take between the parties, balancing document productions and disclosure of contentions to narrow the issues in the litigation and move the case toward a “just, speedy, and inexpensive determination” in accordance with the spirit of the Federal Rules. This measure of certainty can be achieved district-wide through the enactment of local patent rules (as in the Northern District of California) or the creation of form scheduling orders by the judges individually (as in Delaware)—both options worth (re)considering by the Eastern District of Pennsylvania. In the meantime, in this district, consistent with the revision of the Federal Rules in favor of more active case management, counsel for patent infringement litigants and the court should strongly consider the inclusion of the patent-specific deadlines into initial scheduling orders. Doing so will benefit all litigants, and consistently doing so may make the Eastern District of Pennsylvania a more attractive forum for its local patent litigants. •



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