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PERSPECTIVE

District amends local patent rules

By Randall E. Kay

The Southern District of California recently enacted a series of new local rules that will impact the administration of patent cases in the district. Litigants — both patentees and accused infringers — should welcome the rule changes. The amendments update the Southern District's Patent Local Rules to accommodate for developments in patent cases in recent years. Changes include specific time to trial in patent cases, a new requirement that the court set a date for substantial completion of document discovery, including electronically stored information (ESI), and new rules regarding disclosures of contentions.

Trial dates in patent cases

The Southern District now targets to hold trial in patent cases within 18-24 months of filing. Patent Local Rule 2.1(a)(3) provides that the case management order shall include "A trial date within eighteen (18) months of the date the complaint was filed, if practicable, for 'standard' cases (defined as typically having one or two defendants and one or two patents); and, within twenty-four (24) months for complex cases, if practicable." This time to trial will require that practitioners prepare their cases without delay.

Litigants — both patentees and accused infringers — should welcome the rule changes.

Substantial completion of document discovery deadline

The amendments also introduce a new case deadline for substantial completion of document discovery that occurs prior to the ultimate fact discovery deadline. Patent Local Rule 2.1(a)(1) provides that the case management order shall include "A discovery schedule, including an initial date for the substantial completion of document discovery including ESI, and a later date for the completion of all fact discovery." Prior to this amendment, the rule simply required "A discovery schedule." Practitioners may recognize this new rule from practice in the District of Delaware and elsewhere. One benefit of this rule is that it allows parties to take depositions at a defined time with the assurance that substantially all document discovery has been completed.

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Changes to disclosures of infringement and invalidity contentions

In the most comprehensive amendments to the rules, the Southern District amended its rules for disclosure of infringement and invalidity contentions. In place of the former rule for amendment of what were known as "Preliminary Infringement Contentions," new Patent Local Rule 3.6(a) allows amendment of Infringement Contentions as a matter of right prior to the filing of the parties' Joint Claim Construction Chart, or if necessitated by the court's Claim Construction Ruling, or upon a timely motion showing good cause. In place of the former rule for amendment of what were known as "Preliminary Invalidity Contentions," new Patent Local Rule 3.6(b) provides for amendment of Invalidity Contentions as a matter of right prior to completion of claim construction discovery, or if Amended Infringement Contentions so require, or if necessitated by the court's Claim Construction Ruling, or upon a timely motion showing good cause.

Additional changes to the requirements for disclosures of contentions include (1) indirect infringement contentions must identify any direct infringement and describe the acts of alleged indirect infringement, including acts of multiple parties; (2) a patentee must disclose the basis for willful infringement allegations; (3) a patentee's disclosures must include documents sufficient to evidence ownership of the patent rights and proof of operation of any device of the patentee that practices the claimed invention; and (4) if obviousness is alleged, the accused infringer must disclose an explanation including identification of any combinations of prior art showing obviousness. See Patent Local Rules 3.1-3.3.

Impact statements for proposed claim constructions

Rules for claim construction briefing are amended to require that the parties explain the significance of their proposed construction to the case itself. Patent Local Rule 4.2(b) now pro-

vides a new requirement for the parties' Joint Claim Construction Chart: "For every claim with a disputed term, each party shall identify with specificity the impact of the proposed constructions on the merits of the case."

Daubert motions

In recognition of the growing importance of Daubert motions in patent cases, the Southern District now requires the setting of a deadline for filing Daubert motions. Patent Local Rule 2.1(a)(4) requires that the case management order include "A dispositive motion filing cut-off date to include any motions addressing any Daubert issues."

Model orders

With these rule amendments, the Southern District published its first Model Order for ESI. According to Patent Local Rule 2.6, the Model Order for ESI applies to all patent cases in the Southern District unless otherwise ordered by

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a judge assigned to a case. The Model Order for ESI has many similarities to the Model Order Regarding E-Discovery in Patent Cases adopted by the Federal Circuit Advisory Council.

The Southern District also published an amended model Protective Order. Among the amendments to this model order are new provisions regarding the handling of source code material, an optional prosecution bar, and an optional development bar.

The Southern District hosts both of these model orders on its website under the link to Local Rules.

The amendments aid in making the administration of patent cases predictable and efficient, benefiting litigants and practitioners. The complete text of the rule amendments can be located online in General Order No. 625 on the Southern District's home page at <http://www.casd.uscourts.gov> under the heading "What's New." The amendments took effect on Feb. 8.