

Ten Patent Litigation Questions for Texas District Court Judges

Introduction

What do Texas District Court Judges really think about litigating patent cases? Litigators who know the answer to that question can communicate their arguments more persuasively and avoid employing ineffective tactics that only serve to distract from their arguments. The goal of this article is to provide litigators with specific information that will lead to a better understanding of what they should expect to encounter when trying patent cases in Texas, and how to try those cases more effectively.

The number of patent cases tried in Texas federal courts has exploded over the last fifteen years, forcing an ever-growing number of Federal District Judges and litigators to tackle highly complex legal and technological issues. Lawyers that can communicate highly technical information to an audience while telling an engaging and persuasive story are indispensable, and understanding how the audience thinks is the first step toward communicating persuasively. In this article, several federal district court Judges provide insight into how they process technical information and how best to present that information in a persuasive manner.

In every case, a litigator must navigate a mine-field of strategies that could win the case or could backfire, serving to irritate the Judge or confuse the jury. Employing tactics that ultimately prove ineffective only serves to distract the audience from the message that you are trying to deliver. Litigators that know which tactics will prove ineffective can avoid those pitfalls and are more likely to keep the Judge focused on a winning argument. This article discusses what reactions federal district court Judges are likely to have to some common trial tactics and whether those tactics will be effective or simply distracting.

Through extensive personal interviews with federal judges throughout the state, the Advocacy Department of The University of Texas School of Law has put together questions of lawyers and answers of judges in a unique dialogue which should assist both in obtaining a more effective and efficient system of justice. This project is primarily the work of Meredith Fitzpatrick, then a third year law student at UT and now a patent litigation attorney with DLA Piper US LLP, and Professor Tracy Walters McCormack, Director of Advocacy at UT. Working with patent litigators, patent special masters and judges, the first step was to identify then formulate the questions to be posed to the judges. Judges from each of the federal districts in

Texas were interviewed either in person or otherwise by Ms. Fitzpatrick. With the permission of the judges, those discussions have been distilled into this article. All judges remain anonymous. Responses have been generalized where possible, but are most often grouped by district. No responses pertain specifically to any case and have no advisory or binding effect on any district or judge. Needless to say, this project would be non-existent without the willingness of the federal judges and their court personnel. On behalf of UT and all who share in the benefit of your time and candor, thank you.

This paper is divided into three sections. The introduction and a brief summary of results were written by Tracy Walters McCormack, the body of the interviews were written by Meredith Fitzpatrick and brief discussions of the importance of each question to patent litigators were written by Jay Ellwanger and Andrew DiNovo.¹

Brief Summary of Results

Although patent cases present legal and technological issues not found in other types of litigation, a patent litigators success still hinges on his grasp of the fundamental basics of advocacy applicable to all litigation. The responses of the Judges indicate that patent litigators' advocacy skills are generally improving, but the Judges also agreed that there is still room for improvement with regard to the following fundamentals of advocacy.

1. Know your audience. Satisfying the needs of your audience can only be accomplished if you know who the audience is at each stage of the proceedings and what his, her, or their needs may be. We discovered that there is little uniformity in the way the judges of the different districts approach patent cases. Are you before a judge that uses special masters, technical experts, law clerks or no one? Does it differ depending on the stage of the proceeding? What is the audience's familiarity with patent litigation or the specific technology involved in your case? The answers to these questions, discussed below, will help patent litigators to define their audiences and tailor their arguments to target those listeners.

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2. Speak the language of your audience, or find someone who does. *Δεν βρέθηκαν λέξεις.*² If you had to read the footnote to understand that last sentence, does it mean you are not smart? No, it means that you don't speak Greek. If you knew that your audience spoke French, you would speak in French, if you could, or you would find someone to translate for you. No effective advocate would continue to speak English and either hope that his audience could make the translation or, even worse, not care whether or how his audience understood the message.

Speaking the language of your audience requires you to take critical stock of your style strengths and weaknesses and, when necessary, allow a more effective teacher/translator than yourself to take the reins. You are a teacher and your audience can only find for your client if they learn and agree with your interpretation of the case. This requires more than reducing the use of technical jargon. Truly successful litigators employ a variety of teaching methods to reach their audiences, including auditory, visual and tactile approaches. For instance, if your audience includes visual learners, spend time creating meaningful graphics that accurately convey the information you want them to impart. In patent litigation, an effective and memorable picture is not just worth a thousand words, it can also be worth hundreds of millions of dollars.

3. Tell a story. Finding the story in the midst of prior art and patent litigation is often the most difficult aspect of patent litigation. One of the few uniform comments from the judges was that patent lawyers need to develop themes or stories for their cases. We learn best through stories, not facts. Goldilocks did not proceed in a north-northwesterly direction en route to her maternal grandmother's 2,500 cubic-meter, shared residential dwelling. Developing a theme that unifies the facts and explains why the people involved in the case did what they did is essential to an audience trying to sort through myriad facts and daunting technology. The audience needs to know why they should find for you, or care who wins. They need to be motivated to understand the difficult issues presented. Failure to provide that context makes it easier for the audience to adopt your opponent's story or to create their own, which may not be consistent with yours.

4. Credibility is like currency – easily lost and hard to regain. As counter-intuitive as it may seem, in order to effectively and zealously advocate on behalf of your client, sometimes less is more. Patent litigators have been known to argue endlessly over even the most minor

² "I like your shoes."

issues, exploit every possible angle, and inundate the opposition with mountains of prior art or infringement contentions, all of which run the risk of compromising credibility. The best way to preserve credibility is to abandon this shotgun approach for the more effective sniper-rifle approach. Think through your case early and be prepared to litigate only those claims on which you genuinely believe you can prevail. Resist the urge to fight over every detail – you might lose some battles, but you will ultimately win the war.

5. Always Consult Your Local Rules. Litigators should be aware of and frequently consult the pertinent local patent rules. The Eastern District adopted special patent rules in 2005.³ The Northern District followed suit in 2007, and the Southern District did so recently—its rules became effective January 1, 2008. The Western District of Texas currently has no plans for adopting special patent rules.⁴ Special patent rules provide lawyers and clients something usually lacking in litigation—predictability. Courts that have provided local rules pertaining specifically to patent cases have seen a dramatic increase in patent-related filings. These patent rules have the benefit of assuring trial counsel that the Court, regardless of its experience with patent cases, will take a standardized approach to this highly complex and specialized field of law. As a consequence of adopting patent rules, both parties are more constrained regarding the degree of gamesmanship and nonproductive discovery battles in which they may engage. Such rules often impose serious consequences for dilatory tactics, including the surrendering of one’s infringement or invalidity position.

Most litigators will read the advice given above and think “that is easier said than done,” and of course, they are right. Walking the fine line between arguing too vehemently and being an inadequate advocate is the hardest skill for any litigator to develop. Learning where this line

³ Eastern District Judge Ward was the first Federal Judge in Texas to adopt a set of special patent rules, that truncated the timetable for litigation, and provided strict discovery deadlines and an assuredly shorter time to trial. After these rules took effect, patent litigators across the country began flocking to Judge Ward’s Court in order to receive a quicker trial, creating a “patent rocket docket.” Subsequently Eastern District Judges Davis and Clark, adopted slight variations these patent rules. In 2005, the Eastern District of Texas adopted uniform district-wide special patent rules. See E.D. Tex. P.R., www.txed.uscourts.gov/Rules/LocalRules/Documents/Appendix%20M.pdf

⁴ It is difficult for Western District Judges to agree on special patent rules that would be applicable district-wide, because here is little consensus among them as to how to handle patent cases. Some Judges in the Western District provide very strict rules regarding the number of claims that can be brought and procedure for trial, while others specifically avoid shoehorning every case into a single set of procedures, preferring to approach each patent case adaptively. Also, the Western District of Texas is said to have the second largest docket within the United States, with many more criminal sentencing responsibilities than the Eastern District of Texas, where special patent rules have proven beneficial. This overload in the criminal docket presents significant problems with adopting district-wide patent rules that allow parties to try patent cases on a shorter timetable than other civil suits.

falls often involves a great deal of trial and error. Unfortunately, when litigating a patent case, a lawyer can not simply ask the Judge which particular tactics are likely to fail or succeed or how best to present information to him. This article is the end result of conversations with judges discussing some of those very issues. Some of the specific discussions described below will answer the very type of questions that litigators, given the chance, would themselves ask of Judges. Hopefully, in answering these questions, this article will provide litigators with the information needed to hone their trial advocacy skills and set the stage for a new breed of patent litigators that are equally skilled in technology and advocacy.

1. Do you have any general suggestions on how patent attorneys can present technical information and try cases more effectively? For instance, how can lawyers best present technical information on the field of the invention?

An ever-present challenge for patent litigators is to present difficult technical information to fact finders who may have little or no technical background. Tutorials to the Court and presentations to the jury challenge patent litigators to become teachers as well as advocates. It is often thought best to focus on the *story* of the technology—the inventors, the eureka moment, the blood, sweat and tears of development, or the converse from the defendant’s side, demonstrating the independent provenance of their own technology. Doing so in the face of highly technical subject matter is often easier said than done.

Always remember that Federal District Court Judges overwhelmingly tend to be generalists, while the Federal Circuit Judges are mostly specialists. Do not confuse these audiences. When providing technical information to a District Court Judge, assume that he or she has technical expertise equivalent to any layman on the jury. Patent litigators should focus upon the overarching goal of making the technical information easily understandable.

Begin by defining the basic terms involved with the technology. Most Judges remarked that glossaries of basic terms have proven particularly beneficial. Start with the most basic of terms – Judges will not be insulted if you remind them what a bit or a byte is, regardless of how many patent cases they have heard on that subject matter.

Patent litigators should volunteer to provide the Judge with tutorials on the technology, especially prior to the Markman hearing, when it is customary for patent litigators to provide the Judge with some type of written description of the technology. Most Judges encourage litigators to use visual aids and other demonstrative evidence when trying to explain the basics of the technology involved and how that technology actually works.⁵ Litigators can present this visual information to the Judge most readily by providing the Judge with a graphically-based tutorial on

⁵ One Judge commented that a particularly effective visual aid showed a cross-sectional diagram of the technology where several parts within the diagram were color-coded and linked to particular claims within the patent at issue. In addition to this paper-format visual aid, the litigator also provided a short animation showing the functional movement of the invention, coupled with captions indicating which method claim was associated with that movement.

DVD or CD-ROM several days or even weeks before the Markman hearing, so that he or she can view and digest the information on his or her own time.⁶

Litigators should suppress the desperate urge to use these pre-Markman tutorials as a way to lay the foundation for their infringement and invalidity arguments. This tactic is unhelpful to the Judge and some Judges may give less weight to a tutorial once they see this tactic employed. Litigators should also refrain from providing information on CD-ROM or DVD that could just as easily be conveyed on paper in a written description. The CD-ROM or DVD presentations should be limited to information that can not be presented on paper, such as animations or other visual aids that help the Judge to understand how the technology actually works when it is in action.

Pick your battles. Patent litigators are among the most contentious advocates in the country. Although patent litigators often come to court extremely well-prepared, they often fail to show restraint in using that preparation as a weapon. Patent litigators are notorious for entering into bitter, drawn-out disputes over issues that are ultimately inconsequential to the outcome of the litigation. Suppress the urge to argue a point, even if you're right and you know it, unless you know that that single point has a good chance of winning or losing the case for you.

Tell a story. Every case is capable of being distilled down to a simple theme, whether it does or does not involve technical data. At the root of every patent case, a litigator's primary objective should be to tell a story to which every juror can relate, and then apply the relevant technical data to that overarching story in the least confusing manner possible. Don't think of trial as a formula or a science – trial is an art, and effective communication is a litigator's most powerful tool.

Keeping in mind the importance of effective communication, Judges are split on whether patent litigators should consider bringing seasoned non-patent litigators with them to trial. In the past, patent attorneys have been highly criticized for their perceived inability to communicate effectively and their inevitable tendencies to become bogged down in technicalities and minor details while missing the bigger picture. Judges who have witnessed some of the evolution of patent litigation over the last twenty years indicate that patent litigators have actually become

⁶ However, some Western District Judges will not have the time to view that information, due to their heavier dockets.

much better at communicating effectively. Some Judges recommended that patent litigators bring more seasoned and less technically-minded co-counsel, while other Judges indicated that a general need for this crutch may be a thing of the past.

As with all types of litigation, some advocates communicate more effectively than others. The underlying problem for poor communicators in patent litigation is that the patent attorneys who are poor advocates and need the most outside help don't recognize that they are not good trial attorneys. In addition, the patent attorneys who realize that they do need help and who hire seasoned trial attorneys as co-counsel tend to insist on being lead counsel and doing most of the courtroom work themselves, while the seasoned trial attorney merely assists the less effective communicator. Patent litigators can help themselves by taking a good hard honest look at their trial skills and, where they see a problem, either taking steps to improve those skills or partnering with more experienced trial attorneys who can take the reins in the courtroom.

All patent litigators could benefit from using a sniper-rifle approach as opposed to a shotgun approach. Plaintiff's counsel often asserts infringement of as many claims as can possibly be argued. Defendant's counsel often claims as many defenses as it can possibly imagine. The end result for these tactics is that both sides lose the jury. Pick the infringement claim or defense that will actually work, and drop your weaker arguments. When litigators present every possible claim and every possible defense, the jury can not be expected to digest all of that information and intelligibly distill which arguments were important and which weren't – that is the litigator's job. If plaintiff's counsel has three good claims with strong infringement arguments, she should limit the argument to those three claims and no more. If defense counsel has a weak infringement argument, but a strong invalidity argument, she should focus on invalidity. This will ultimately help keep with the overarching theme or story, and the jury is less likely to get lost in irrelevant minutia of the technology.

2. **Do you have someone helping you with the technology or early proceedings, such as a technical advisor, special master, or a magistrate judge? If so, how is that person chosen?**

Although special masters and technical advisors will likely increase the cost of already costly patent litigation, many patent litigators are of the opinion that the reward of a more informed judiciary often justifies the investment. As a practical matter, some Courts have so many patent cases that they do not have the time to devote to a thorough analysis of patent

litigation issues without outside assistance. Practitioners do not, however, want to brief issues twice. It is inefficient to complete a claim construction process only to follow the recommendations of a special master with a new round of objections.

Federal Judges seem to be conflicted on this issue. Only the Judges in the Eastern and Southern Districts of Texas agree with one another as to what role technical advisors, special masters and magistrate judges should play in patent litigation suits. There is no similar consensus among the Judges in the Northern and Western Districts of Texas.

Northern District of Texas

At least one Judge in the Northern District of Texas is open to the idea of using a technical advisor, but has yet to do so. This same Judge has used Special Masters and has garnered help from Magistrate Judges in the past. The Special Masters in that Court are chosen by agreement among counsel and have primarily participated in the Markman Hearings and in tackling Summary Judgment issues. This Judge has also referred cases to Magistrate Judges to conduct Markman hearings or to make recommendations on Summary Judgment.

At least one other Judge in the Northern District seems strongly opposed to using a technical advisor, special master or Magistrate Judge. This Judge's primary concern in using technical advisors and special masters is that the losing party may claim that the winning party has unduly influenced the expert. However, that Judge would consider using a technical advisor or special master who is impartial and to whom no one other than the Judge has access, although he also recognizes how rarely that situation occurs. Employing the help of a Magistrate Judge would only be a viable option for this Judge if the involvement of an extra Judge would not slow down the litigation process. Ultimately this Judge feels that it is his personal responsibility to decide the case with as little outside help as possible.

Southern District of Texas

At least one Judge in the Southern District of Texas has never used a technical advisor or special master and does not plan to do so in the future. This Judge felt that it was his responsibility to decide the case by himself. Again, this stance seems to be motivated by hopes of avoiding any accusations of impropriety or undue influence.

Eastern District of Texas

All three of the Eastern District Judges interviewed have used technical advisors in the past.⁷ The technical advisors for these Judges are appointed by mutual agreement between the parties.⁸ All three Judges usually appoint attorneys as technical advisors, preferably patent attorneys and attorneys with technical degrees. These Judges showed a clear preference for attorneys to scientists in the field of invention because attorneys have a more clear understanding of the nature of the confidential relationship they share with the Judge, and the duty to be unbiased. Technical advisors working for these three Judges primarily function just as a law clerk would – reading through case materials and advising the Judges on the technology involved in the patents at issue. The Judge usually asks the technical advisor to brief him before the Markman Hearing in order to help the Judge understand the issues more fully and to provide the Judge with pertinent questions that he could ask during the Markman Hearing. The advisor may also be consulted during the drafting of the opinion, but usually will not be asked to prepare an opinion.

None of the three Eastern District Judges interviewed have used a Special Master, and two of these Judges would not consider using a Special Master in the future. One Eastern District Judge chose not to use Special Masters because he felt that the attorneys prefer to have a Judge construing the patent claims. Another Eastern District Judge felt that he shouldn't abrogate his responsibilities to a Special Master who is not a judicial officer, echoing the reasoning of one of the Southern District Judges.

At least one of the Eastern District Judges has appointed a Magistrate Judge to hear cases and to conduct Markman hearings in the past, but only with both parties' consent. When this Judge employs the help of a Magistrate Judge, he usually creates a team including himself and two Magistrate Judges, allowing the team to tackle the cases quicker and more efficiently. To illustrate, when the Judge is not available, one of the Magistrate Judges may hear a discovery dispute so that it can be resolved as quickly as possible. In order for this teamwork approach to succeed, both the District Court Judge and the Magistrate Judges must be familiar with the case.

⁷ The Judge may also require the parties to bring their own technical experts with them to the Markman hearing to provide any information or technical background that the Judge may need in order to fully understand the underlying concepts and issues involved in the patent.

⁸ If the parties can not choose a technical advisor and agree, then the Judge may make his own selection and ask the parties to agree to use the court's suggested advisor. However, the Judge will most likely only use the technical advisor that he or she has suggested if the parties will agree to do so.

One law clerk is assigned to work with all three Judges on the team in order to track which Judge is dealing with which issue and when. That clerk is responsible for ensuring that work is not duplicated.

Western District of Texas

The three Western District Judges interviewed had highly disparate opinions on this issue. One of the Western District Judges almost always has a Special Master conduct the Markman Hearing, and he almost always uses the same person as his Special Master. This Judge tends to take a very strict approach to the Markman hearing, if not patent litigation as a whole.

Another Western District Judge takes a far more flexible approach to the Markman hearing, preferring to do most of the work himself in order to learn everything he can about the individual cases. He has yet to use a technical advisor, special master or Magistrate Judge, but, of these three options, he would be far more likely to use a technical advisor in the future. Ultimately, this Judge feels that an additional law clerk, dedicated to patent cases and shared among the Western District Judges would benefit him the most.

The third Western District Judge with whom I spoke took a middle of the road approach. He has used Special Masters in the past, but not always the same special master and not religiously.⁹ He tends to use the Special Master only when the technology is complex, and has only previously used a Special Master during the Markman Hearing.¹⁰ This Judge has not used a technical advisor or a Magistrate Judge, and did not express intent to do so in the future.

3. Should lawyers limit the number of claim term constructions in Markman hearings? If so, how many claims should be construed, and how should lawyers choose which claims to construe?

One of a patent litigator's key pre-trial considerations is the number of terms to place in dispute at a *Markman* hearing. Although there is an incentive from the defendant's standpoint to place as large a number of potentially dispositive claim terms in dispute, that incentive is counterbalanced by the tendency of the Court to follow the side that has proffered generally more credible constructions. In short, sometimes less is more.

⁹ This Judge uses a Special Master in roughly one out of every five patent cases.

¹⁰ However, he would consider using a Special Master after the claims construction and during the remainder of the trial.

The Federal Judges interviewed answered this question with a resounding yes, lawyers should *absolutely* limit the number of claim constructions in Markman hearings. Only one Judge, in the Western District of Texas, places an absolute cap on the number of claims that can be construed in a Markman hearing for each case. Most Judges approach the cases more flexibly, understanding that the number of claims that need to be construed depends heavily on the number of patents involved in the case and the complexity of the underlying technology. Patent litigators should choose to construe the claims that are most critical to the case, and only those claims.¹¹

Don't play the reversal game. The Federal Circuit reverses about half of Federal District Court claims constructions. Many patent litigators request that the court construe as many claims as possible, knowing that the more claims the district court construes, the better chance they have for reversing that decision on appeal if the district court ruling doesn't go their way. Litigators should keep in mind that appellate briefs have a page limit, and that the Federal Circuit will likely only allow fifteen to twenty minutes for oral argument. As a result, litigators can achieve only so much at the appellate level. Ultimately, litigators need to focus their arguments at every stage of the game – from the Markman hearing through the appellate process. If you can't convince the jury that you're right on five points, you certainly won't be able to convince them that you're right on fifty. Similarly, if you don't have time to effectively argue every one of your points during a week-long trial, you certainly won't have time to argue those points effectively to the Federal Circuit during a twenty minute oral argument.

Playing the reversal game can have severe downstream effects. Discovery becomes more complicated and contentious; both sides spend a great deal of time and money preparing their expert witnesses to testify regarding each disputed claim term. The formula is simple: the more claims are construed, the more money the client spends, the more quickly you lose the judge and the jury. In the end, the litigators get bogged down in the technical details and minutia of each claim during trial and the overarching message to the jury is lost. Judges and juries value quality over quantity. Focusing the jury's attention on the story at hand begins with the claims construction. If you can't distill your argument down to a single concept at that point, you probably won't be able to do so later in the game.

¹¹ Note, however, that you probably do not want to limit the claims construction to one or two claims – don't put all your eggs in one basket.

4. **How early in the litigation does the Markman Hearing occur, and to what extent do you allow discovery before the Markman hearing?**

Generally, the most important pre-trial event in a patent litigation is the claim construction hearing. An early hearing allows for dispositive motions on the issues of noninfringement and invalidity to be filed sooner in the proceeding, thus potentially saving hundreds of thousands of dollars in attorneys' fees and the time and energy required to engage in complex discovery and other pretrial matters. More problematically, at the earliest stages of the case, the parties may not have fleshed out all the claim terms that *should* be disputed, since they may not have identified all of the accused instrumentalities. Courts may be reluctant to consider new theories based on claim terms that were not the subject of the early hearing. Thus, the parties may be locked into a single defense or liability theory. Moreover, claim construction hearings are expensive, comprising a significant portion of the total cost of the litigation—if early settlement is a possibility, conducting such a hearing early may be unnecessary.

The timing of the hearing also impacts the amount of immediate post-filing work which must be undertaken by both plaintiff and defense counsel. Given the variance of when different Courts schedule the *Markman* hearing, it is important for patent litigators to effectively plan their immediate post-filing and post-answer litigation strategy to allow for efficient discovery to assist with claim construction.

All of the Judges try to schedule the Markman Hearing early enough to leave a substantial period of time between the Markman Hearing and the possibility of trial. The Eastern District of Texas Judges are the most likely to place hard restrictions on how late the Markman Hearing can occur. At least one Eastern District Judge pushes to schedule the Markman Hearing within 100 days of the pre-trial management conference. The Eastern District of Texas local Patent Rules are designed to frontload the activity and push the litigation forward as quickly as possible in order to hold down expenses and try cases in a fairly prompt manner. As a result, the schedule may be less flexible or open to suggestion from the parties. This approach also gives experts plenty of time to digest claims construction rulings before forming expert opinions on invalidity and infringement.

The Judges outside of the Eastern District also tend to push for early Markman Hearings for the same reasons given above, but aren't necessarily as apt to enforce a short deadline for the Markman hearing. Judges in the Northern, Southern and Western Districts seem to be more

open to suggestions from the parties as to when the Markman Hearing should be scheduled. One Judge in the Northern District tries to schedule the Markman Hearing at least six to eight months before trial. One Judge in the Southern District of Texas usually schedules the Markman Hearing within five months of the initial pretrial conference. One of the Western District Judges requires that the Markman Hearing occur within six months of the answer.

There are two camps of thought on the issue of Pre-Markman discovery. The majority of Judges believe that the parties need to conduct at least some discovery before the Markman Hearing, so that they know where they're going with their claims construction arguments. Other Judges believe that discovery should be either not allowed or extremely limited before the Markman Hearing.

At least one Judge in the Southern District of Texas subscribes to the latter view, believing that the Markman Hearing is meant to frame the issues about which there will be later discovery. This Judge rarely allows discovery before the Markman Hearing. One of the Western District Judges believes that discovery should be limited before the Markman Hearing, because the Patentee should know, before the complaint is filed, how the patent is being infringed and how the terms need to be construed in order to sustain the allegations of infringement. However, this Western District Judge still allows the parties to agree on limits to discovery before the Markman hearing.

The Judges interviewed in the Northern, Eastern and Western Districts of Texas will all allow the lawyers to decide how much discovery should be completed before the Markman hearing, within reason and with a few exceptions.¹² The Northern District Judges interviewed allow some discovery before the Markman Hearing, but feel that lawyers should not need to do extensive discovery before that time.

The Eastern District of Texas Local Patent Rules require the parties to discuss and agree upon the need for any specific limits on discovery relating to claim construction, including depositions of witnesses and expert witnesses.¹³ The Eastern District Judges will not impose

¹² Note, however, that all discovery, both pre and post-Markman is constrained by the applicable District Court local rules generally, even though those rules usually do not differentiate between pre-and post Markman discovery.

¹³ E.D. Tex P.R. 2-1(a)(3).

restrictions on the amount of discovery that occurs before the Markman Hearing,¹⁴ unless the parties agree to do so, with one exception – at least one Judge in the Eastern District limits discovery on damages before the Markman hearing.

All three Western District Judges will discuss with attorneys how much discovery is needed before the Markman hearing. One of these Judges is very open to discussing the issue and working with attorneys to reach an agreement. One of these Judges will discuss the issue with the parties during the pretrial conference, but will try to get the parties to agree to limit discovery as much as possible while still ensuring that the lawyers can argue the Markman Hearing effectively. The third of these Judges allows the parties to agree on limits to discovery, but if the parties can not agree, this Judge will limit discovery to the depositions of the inventor and any testifying experts.

5. What requirements do you have for infringement contentions and prior art contentions?

When I interviewed attorneys throughout the state, they were more interested, by far, in the answer to this question, than any other. The primary recurring issues for these attorneys included the following questions: what level of detail do the Judges require for prior art and infringement contentions? When do the parties have to provide this information? Can attorneys modify or supplement the contentions after the Markman hearing?

The Judges showed two different approaches to the deadline for filing prior art and infringement contentions. Three Judges in the Eastern District, one Judge in the Southern District and one Judge in the Western District provide strict guidelines for the filing of these documents, and those deadlines are observed in all cases, absent extenuating circumstances. All of the Judges interviewed provide filing deadlines for these documents at the very outset of litigation, usually during an initial case management conference¹⁵ when the Judge provides a scheduling order. The Local Patent Rules for the Eastern District of Texas require that infringement contentions be filed not later than 10 days after the Initial Case Management

¹⁴ All discovery, pre and post Markman must be done within the overall discovery requirements stated in the Eastern District Local Patent Rules, but these requirements are not differentiated by pre-Markman and post-Markman discovery.

¹⁵ Some Judges referred to this as an initial pre-trial conference or as a scheduling conference.

Conference,¹⁶ and that the prior art contentions be filed not later than 45 days after the patentee files the infringement contentions.¹⁷ The Judges from the Southern and Western Districts that adhere to this strict scheme require filings in comparable timetables. However, one Southern District Judge allows the patentee to file the infringement contentions not less than thirty days after the defendant provides the patentee with sufficient information concerning each of its products to enable the patentee to determine which of those products allegedly infringe, and requires the defendant to file the prior art contentions not more than thirty days after the patentee files the infringement contentions.

The second approach to filing deadlines, followed by one Northern District Judge and one Western District Judge, allows the attorneys to participate in setting these deadlines by filing proposed scheduling orders and reaching an agreement among the parties. These two Judges indicated that each case is different and may require shorter or longer timetables for filing of these documents. However, both of these Judges still handle the scheduling of these deadlines at the beginning of the litigation, usually during a pre-trial or scheduling conference.

One Western District Judge believed that the parties should be allowed at least some discovery before these documents are required. Unlike the approach of the Eastern District of Texas, this Judge avoids “front-loading” patent litigation. In other words, he believes that the parties should not be required to complete these early litigation tasks, such as the filing of infringement and prior art contentions and completion of the Markman Hearing, until the parties have had a chance to do some discovery and to get some idea of the landscape of the case.

Across the board, patent litigators in Texas are very interested to know how much detail the courts require in prior art and initial patent infringement contentions, and whether those contentions can be supplemented. As a rule of thumb, when providing prior art and patent infringement contentions, keep in mind that none of the Judges will allow trial by ambush – if you do not disclose your contentions clearly enough that the Judge and the parties can understand them, then you can not introduce evidence on the matter at trial.

Almost all of the Judges outside of the Eastern District of Texas agreed that the Infringement and Prior Art Contentions could be supplemented after the Markman Hearing, but only with leave of the Court. Judges are hesitant to allow supplementation of these contentions

¹⁶ E.D. Tex. P.R. 3-1.

¹⁷ E.D. Tex. P.R. 3-3.

post-Markman because allowing one party to supplement or amend its contentions may lead to an open-ended flurry of supplementation from both parties, and any supplementation tends to create scheduling problems down the line.

Under certain circumstances, Judges in the Eastern District do not require leave from the Court if the patentee files amended infringement contentions within 30 days of the Court's Claim Construction Ruling,¹⁸ or if the defendant files amended prior art contentions, within 50 days of the Court's Claim Construction Ruling.¹⁹ Outside of these circumstances, amendment or supplementation of any Infringement or Prior Art Contentions can only be made in the Eastern District with leave of the Court after a showing of good cause.²⁰

All of the Judges indicated that leave would only be granted after a showing of "good cause," and warned that this may not be easy to show. One of the Northern District Judges stated that he would likely only find good cause where the supplementation was required in light of the Claim Construction Ruling, and not where this Ruling had little or no effect on the contentions. A Claim Construction Ruling may generate a need for supplementation where, for instance, the Court's construction changes the parties' perspectives on what prior art is pertinent, the Judge focuses heavily on a term that neither party had previously considered to be a key term, or where the Judge gives a Claim Construction that neither party expected, argued or supported.

When asked how much detail is required in the prior art and patent infringement contentions, the general response from each of the Judges was that parties should provide enough information to place the other parties on notice as to what claims the plaintiff contends have been infringed. 35 U.S.C. § 282 requires notice of invalidity defenses that depend upon prior art to be asserted in detail, at least thirty days before trial. The local patent rules for the Eastern District of Texas require an accused infringer to provide the information required by 35 U.S.C. §282, as well as "a chart identifying where specifically in each alleged item of prior art each element of

¹⁸ "If a party claiming patent infringement believes in good faith that the Court's Claim Construction Ruling so requires, not later than 30 days after service by the Court of its Claim Construction Ruling, that party may serve "Amended Infringement Contentions" with respect to the information required by Patent R. 3-1(c) and (d)." E.D. Tex. P.R. 3-6(a)(1).

¹⁹ "Not later than 50 days after service by the Court of its Claim Construction Ruling, each party opposing a claim of patent infringement may serve "Amended Invalidity Contentions" without leave of court that amend its "Invalidity Contentions" with respect to the information required by P.R. 3-3 if: (A) a party claiming patent infringement has served "Infringement Contentions" pursuant to P.R. 3-6(a), or (B) the party opposing a claim of patent infringement believes in good faith that the Court's Claim Construction Ruling so requires. E.D. Tex. P.R. 3-6(a)(2).

²⁰ E.D. Tex. P.R. 3-6(b).

each asserted claim is found ...”²¹ However, as discussed earlier, the Eastern District of Texas local patent rules allow a party to file amendments with respect to the information required by P.R. 3-3 under certain circumstances.²²

Patent litigators may be tempted to provide as little detail as possible in the initial contentions in the hopes that these contentions can later be supplemented. Beware, this tactic may easily backfire. Failure to comply with the very specific notice requirements of Section 282 is grounds for prohibiting introduction of evidence of the prior art.²³ Judge Clark of the Eastern District of Texas discussed this issue in depth in *Finisar Corp. v. DirecTV Group, Inc.*²⁴ In *Finisar*, Judge Clark discussed that this tactic may be enticing, because patent litigators have a natural desire to attain important tactical advantages by delaying disclosure of key elements of their case.²⁵ Generally, the motive to delay disclosure of prior art contentions and preliminary invalidity contentions is greater in patent cases than in other litigation, because of the bifurcated nature of patent cases, which requires a claims construction ruling outlining the scope of the claims at issue, followed by a trial on invalidity and infringement, where the court must determine whether the claims as construed are invalid in light of prior art references or whether the allegedly infringing device does indeed infringe the patented invention.²⁶ The patent holder wants the court to construe the claims of the patent as broadly as possible, to allow for a greater chance of infringement, but not so broadly as to increase the chances that the patent will be found invalid in light of prior art references.²⁷ In order to walk this fine line, the patent holder wants to know about every possible prior art reference that might invalidate its patent.²⁸ The accused infringer wants to wait until the court construes the claims, pinning the patent holder down to one interpretation, then sandbag the patent holder with undisclosed prior art references that stand to invalidate the patent, in light of the claims construction ruling.²⁹

²¹ E.D. Tex. P.R. 3-3.

²² E.D. Tex. P.R. 3-6; *Finisar Corp. v. DirecTV Group, Inc.*, 424 F. Supp. 2d 896, 899 (E.D. Tex. 2006); *See infra*, p. 14.

²³ *Ferguson Beauregard/Logic Controls v. Mega Sys., L.L.C.*, 350 F.3d 1327, 1347 (Fed. Cir. 2003); *Finisar Corp. v. DirecTV Group, Inc.*, 424 F. Supp. 2d 896, 899 (E.D. Tex. 2006).

²⁴ 424 F. Supp. 2d 896, 899 (E.D. Tex. 2006).

²⁵ *Finisar Corp. v. DirecTV Group, Inc.*, 424 F. Supp. 2d 896, 899 (E.D. Tex. 2006).

²⁶ *Finisar Corp. v. DirecTV Group, Inc.*, 424 F. Supp. 2d 896, 898 (E.D. Tex. 2006).

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

In *Finisar*, Judge Clark allowed DirecTV to amend its invalidity contentions in response to owner's service of "final infringement contentions," but did not allow DirecTV to assert new prior art references in response to the court's claim construction order.³⁰ Finisar moved to strike a number of prior art references relied upon by DirecTV's experts and later disclosed in final invalidity contentions, on the grounds that DirecTV did not disclose those prior art references in its preliminary invalidity contentions.³¹ DirecTV argued that it was entitled to add the new prior art references to its Final Invalidity Contentions for two reasons: (1) the new references were necessitated by the report of one of Finisar's experts, which effectively constituted new infringement contentions, thus automatically allowing DirecTV to file new invalidity contentions with new prior art references; and (2) the new references were a good faith response to the court's claim construction order.

In deciding whether DirecTV's prior art references should be excluded for lack of disclosure in its Initial Prior Art Contentions, or alternatively, whether the deadlines of scheduling order should be extended, Judge Clark considered the type of factors identified as important in cases interpreting Fed. R. Civ. P. 37(c)(1) (requiring exclusion of evidence that was not properly disclosed, unless the failure to disclose is harmless) and Fed. R. Civ. P. 6(b) (permitting the court to extend deadlines upon motion where the failure to act was the result of excusable neglect).³² A non-exclusive list of factors considered by Judge Clark included: (1) the danger of unfair prejudice to the non-movant; (2) the length of the delay and its potential impact on judicial proceedings; (3) the reason for the delay, including whether it was within the reasonable control of the movant; (4) the importance of the particular evidence, and if vital to the case, whether a lesser sanction would adequately address the other factors to be considered and also deter future violations of the court's scheduling orders, local rules, and the federal rules of procedure; and (5) whether the offending party was diligent in seeking an extension of time, or in supplementing discovery, after an alleged need to disclose new evidence became apparent.³³

Judge Clark found that Finisar's expert's report went well beyond an explanation of the preliminary infringement contentions, and reasonably could be considered to constitute "Final Infringement Contentions." After considering the factors above, Judge Clark concluded that

³⁰ *Finisar Corp. v. DirecTV Group, Inc.*, 424 F. Supp. 2d at 902.

³¹ *Finisar Corp. v. DirecTV Group, Inc.*, 424 F. Supp. 2d at 897.

³² *Finisar Corp. v. DirecTV Group, Inc.*, 424 F. Supp. 2d at 899.

³³ *Id.* at 899-900.

Finisar would not be unfairly prejudiced by allowing DirecTV to add two of the new prior art references to its Final Prior Art Contentions. On the other hand, Judge Clark ultimately did not allow DirecTV to add the other prior art references under the argument that it was merely responding to the court's so-called unexpected claim construction ruling. Judge Clark found that DirecTV did not adequately explain how the court's definition of any of the terms in dispute was so surprising, or differed so greatly from the proposals made by the parties, that it justified admission of new prior art references as a consequence, because, among other things, DirecTV agreed to many of the definitions and many others were closer to DirecTV's proposal than to Finisar's. In coming to this conclusion, Judge Clark pointed out that new invalidity contentions may not be filed after every claim construction order, because that would destroy the effectiveness of the local rules. Judge Clark chided that the Local Patent Rules do not exist to create supposed loopholes through which parties may practice litigation by ambush.

Judge Clark reiterated his warning against exploiting loopholes in the Eastern District Patent Rules in *Computer Acceleration Corp. v. Microsoft Corp.* In that case, Judge Clark struck a plaintiff's patent infringement contentions where the plaintiff did not disclose which of the claims were infringed or how, claiming that it was unnecessary to provide separate patent infringement contentions for two allegedly infringing products that are identical for infringement purposes.³⁴ Judge Clark found that only 70% of the plaintiff's claims against one of the allegedly infringing products were related to the claims against the other allegedly infringing product.³⁵ Judge Clark concluded that the alleged infringer should not have to guess which claims are being asserted against it, and thus, that the patent infringement contentions were insufficient to place the defendant on notice as required by the local patent rules for the Eastern District of Texas.³⁶ Further, Judge Clark warned that "the local patent rules exist to further the goal of full, timely, discovery and provide all parties with adequate notice and information with which to litigate their cases, not to create supposed loopholes through which parties may practice litigation by ambush."³⁷

³⁴ *Computer Acceleration Corp. v. Microsoft Corp.*, 503 F. Supp.2d 819, 823 (E.D. Tex. 2007).

³⁵ *Id.*

³⁶ *Id.* at 823, 825.

³⁷ *Id.* at 822.

6. **How early in the litigation are lawyers notified of the trial date, and how firm is that date?**

A concern of nearly all plaintiffs and many defendants is the length of time their case will remain on the Court's docket. Setting the trial date allows for relative certainty, given that most federal judges consider the dates they set for trial to be firm. Once that step is taken, the lawyer may then more efficiently plan for the timing of document exchange, depositions, expert reports, settlement discussions, and related trial strategy. With respect to the trial itself, the scheduling and coordination of personnel, witnesses, trial support and equipment place a premium on certainty.

All but one of the Judges stated that the parties are notified of the trial date either at the pre-trial conference or scheduling conference, or when the Judge issues the scheduling order. Federal Judges are required to issue the scheduling order within 90 days after the appearance of a defendant and within 120 days after the complaint has been filed on the defendant.³⁸ One Western District Judge prefers to wait until after the Markman Hearing to set the trial date. If the case does not settle after he issues the Claims Construction Ruling, then the parties meet at another scheduling conference in order to set the schedule for the remainder of the litigation, including the trial date. Also, two of the Judges in the Western District of Texas will only provide the scheduled month of trial, while the other Judges that I interviewed will provide the scheduled day of trial.

Both of the Northern District Judges, two Eastern District Judges and two Western District Judges consider the trial date to be very firm, once it is set. One of the Northern District Judges provides the lawyers significant leeway in choosing the trial date, and as a consequence, his scheduling order states that, once the trial date is set, it will not be reset, except in truly extraordinary circumstances. The Northern District Judges may bump a case because of conflicts with other cases on their dockets – particularly criminal cases – but will almost never grant continuances requested by the parties. Two of the Eastern District Judges indicated that their trial dates are also very firm, and one of these Judges will usually only consider granting a continuance where the case is so large that bifurcation becomes necessary. This Judge stated that he is hesitant to grant a continuance because resetting a trial date in his Court would set the trial back about one year. Two of the Western District Judges set very firm dates as well. One of

³⁸ Fed. R. Civ. P. 16(b).

these Judges allows a month-long window in which to try the case, but the case will be tried in that month with no exceptions and no continuances. The other of these two Western District Judges indicated that a trial date would almost certainly only be re-set if it conflicted with his criminal docket. He made it clear that he would not give patent cases any preferential treatment over other civil cases on his docket, and that, if he were to grant a continuance, it would set the trial back by at least six months.

One of the Southern District Judges and one of the Western District Judges indicated that the trial dates are slightly more negotiable in their Courts. The Southern District Judge indicated that the trial date may be revisited after the Claims Construction Ruling has been issued, because that ruling may indicate more or less need for discovery than previously anticipated. However, once the trial date is set after the Claims Construction Ruling, he would generally only consider a continuance where mediation is on the table. One of the Western District Judges seemed very flexible in his trial date setting. He is open to working with the lawyers if they need to push the trial, and if the trial is bumped, it can usually be reset within a few months.

7. How will discovery be managed, and how will discovery disputes be decided?

No lawyer relishes the disputes which often arise during pretrial discovery, and all of us are aware that we should work with opposing counsel to achieve a reasonable compromise or risk the ire of the Court. On the other hand, some discovery battles are unavoidable. With respect to scheduling, despite best efforts, there often arises a need to modify the discovery period. Depositions, for example, require the coordination of the schedules of at least three parties. How to appropriately modify pretrial dates is thus a question that arises in many cases.

Given the choice of receiving phone calls regarding discovery disputes versus requiring the lawyers to file briefs on the matter, most Judges prefer to receive phone calls only in an emergency situation or during a deposition. Discussing discovery disputes over the phone often does not provide the Judge with all of the necessary information to decide the dispute, particularly when the dispute or the case, in general, is very complex. Only one Judge, in the Western District, mentioned that he is very receptive to phone calls. This Judge prefers that the lawyers call him to get his reaction to the dispute before filing any discovery disputes with the Court. Generally, it would probably be best to ask the Judge for your particular case during the scheduling conference whether he prefers to take phone calls or be briefed on discovery disputes.

None of the Judges were excited about the idea of having a hearing on a discovery dispute. One of the Judges, in the Western District, requires that the CEO of any involved corporation attend the hearing, so that the CEO wastes as much time on the hearing as does the Judge.

Magistrate Judges are also involved in settling discovery disputes in most Courts, but to varying degrees. In 1991, Judge Parker of the Eastern District of Texas started a discovery dispute hotline, manned by one of the Magistrate Judges, who remain on call to handle emergency discovery disputes. Scheduling Orders for many of the Judges in the Eastern District of Texas provide the information necessary to contact this hotline, as well as instructions on when to call the hotline and when to call a specific Judge's chambers instead.

Two Judges, both in the Western District, never use Magistrate Judges. Only one Judge, from the Northern District, relies on the Magistrate Judge to handle most discovery disputes. He generally only gets involved when there is a recurring dispute or when he feels that the severity of the dispute demands his immediate attention.

Two Judges, one from the Eastern District and one from the Western District, rely on the Magistrate Judges' involvement as the situation dictates, allowing the Magistrate Judges to handle all disputes in some cases, and handling all disputes on their own in other cases. In some instances, the Magistrate Judge is more familiar with the case, or the Judge is either in trial or too busy otherwise to deal with the dispute immediately. In that case, these Judges may allow the Magistrate to handle disputes so that they can be resolved as quickly as possible.

Two Judges, both in the Eastern District, rely on Magistrate Judges as a backup option for handling discovery disputes. These Judges provide instructions, usually in the scheduling order, indicating that lawyers should only employ the hotline for discovery disputes after contacting his chambers. These Judges have traditionally handled all of the discovery disputes personally. However, one of these Judges has a newly appointed Magistrate Judge, and we should expect him to rely on this Magistrate Judge to resolve many disputes in the future.

8. How do you approach Motions for Summary Judgment?

Motions for summary judgment play a vital role in narrowing the focus of the issues which will remain for trial. Every judge, however, approaches the issue differently. Some rarely grant them, preferring instead to let the issues play out at trial. Others see them as tools to

reduce the amount of time required for trial. Trial counsel are interested in ascertaining their particular judge's preferences to properly gauge whether filing a summary judgment motion will be an effective use of their resources.

The Judges universally responded to this overly broad question by saying "carefully." As a consequence, I fleshed out this question by splitting it into four sub-parts: (1) When is the earliest that you will consider Motions for Summary Judgment; (2) Do you have any restrictions on the format of these motions; (3) Do you have any restrictions on how many dispositive motions can be filed; and (4) Can the deadline for dispositive motions be extended?

One Judge from the Southern District and one Judge from the Western District will not consider Motions for Summary Judgment until after the Markman hearing. Most of the Judges do not have any clear guidelines for the earliest date upon which Motions for Summary Judgment can be filed. However, dispositive motions are generally addressed after the Markman Hearing or in accordance with the guidelines set out in the scheduling order. One of the Western District Judges did not have any restrictions on how early parties can file Motions for Summary Judgment, but did mention that if motions are filed too early, the opposing party may ask for an extension on the reply to this motion in order to finish discovery or garner expert testimony, and he would probably either grant this request or dismiss the case and ask the parties to re-file the case at a later date. One of the Northern District Judges warned that an early motion would result in the granting of a continuance.

Each of the four District Courts in Texas place a page limit on Motions for Summary Judgment, which can be found in the local rules for the respective Districts. In addition, most of these page limits apply to all civil cases, regardless of whether they pertain to patents or not. As a result, many attorneys seek extensions on the page limits in order to provide the Judge with not only a clear understanding of the pertinent legal information, but a thorough description of the underlying technology central to the issues. Every Judge interviewed stated that these restrictions are subject to requests for extensions on the number of pages allowed. Only one Judge, in the Northern District, stated that he rarely grants extensions on page numbers. The other Judges seemed amenable to extension requests, but provided several tips to guide lawyers considering an extension request. Judges are more likely to grant extension requests when the case involves several parties or several patents. Before requesting an extension, decide whether you really need more pages. Concise writing is generally more persuasive, and the longer the

motions, the less likely the Judge will read it and consider it in depth before ruling. If you are requesting an extension, you should know exactly how many more pages you need – the Judges are not likely to grant open-ended extensions, and if you do not know how many pages you need, it indicates that you are still in the editing phase, and can consequently afford to cut out some of the grizzle.

There is no clear trend among the four Districts in Texas regarding the number of dispositive motions that will be allowed per case. The Northern District of Texas provides that unless otherwise directed by the presiding judge, or permitted by law, a party may file no more than one motion for summary judgment.³⁹ One Judge in the Southern District of Texas has considered limiting the number of dispositive motions to one, but currently discusses it with lawyers at the pretrial conference. This Judge mentioned that his job is made more difficult when parties in patent cases file multiple motions for summary judgment on each issue, because he felt that he really needed to see all of the issues together, given the fact that his ruling on one patent issue could very well affect his ruling on another patent issue. The Eastern District does not limit the number of dispositive motions allowed, but more than one Eastern District Judge warned against overwhelming the Courts with dispositive motions on multiple issues. One of the Eastern District Judges warns lawyers not to make the mistake of filing motions for summary judgment on every defense they might have, because this tends to overwhelm the Court and he usually ends up either denying everything or carrying everything along to trial. In addition, if the parties file so many motions for summary judgment that a hearing becomes necessary, the Judge will likely run through them very quickly, and it is far less likely that either party will receive the ruling that it was seeking. However, if a hearing does become necessary, it is more effective to ask the Judge to concentrate on only a handful of the motions at issue, because this grabs the Judge's attention and directs him to consider the most important issue in depth. The Western District similarly does not provide a restriction on the number of dispositive motions that can be filed, but one of the Western District Judges noted that filing more than two motions for summary judgment raises suspicions that the parties may be gaming the system. This Judge generally frowned upon the practice of filing motions for summary judgment, feeling that summary judgment cuts off the parties' rights to be heard. Another Judge in the Western District pointed out that motions for summary judgment made after the Markman Hearing and after the

³⁹ Local Civil Rules for the Northern District of Texas.

close of discovery do not really save the parties any money, because they have paid for everything except for trial by that time. Yet another Judge in the Western District did not express any strong opinions regarding the number of dispositive motions that should be filed, stating that it is more important to him that the parties meet the filing deadline for dispositive motions.

Generally, any request for extension of the deadline for filing motions for summary judgment should be accompanied with a very good reason. Also, be aware that the later these motions are filed, the less time elapses before trial and it is far less likely that the Judge will consider the motion before trial. At least one Judge in the Western District of Texas will not allow a continuance based on the fact that he has not ruled on a dispositive motion that was filed on an extended deadline. The two tactics most likely to result in the Judge postponing consideration of the summary judgment until the trial date are filing motions for summary judgment that are too long or extending the deadlines for those motions.

9. At what stage, if any, would you stay a case if the patentee asks for re-examination of the patent during litigation?

In answering this question, the Judges focused on three major concerns. The first issue that could decide whether the Judge stays a case is the timing of the petition for re-examination. The earlier in the litigation the parties ask for re-examination, the more likely the Judge will stay the case. The later in the litigation, the more likely the Judge will consider this to be a tactical maneuver and will not stay the case. This concern seemed to be the deciding factor for one Judge from the Northern District, one Southern District Judge, and two Eastern District Judges.

The second deciding factor for Judges is whether party agreements are involved. One Eastern District Judge has granted motions where parties agreed to stay the case while awaiting re-examination and where the parties are willing to stipulate that any prior art the examiner finds during re-examination will be considered prior art at trial. One Western District Judge would probably only stay the case if both parties agreed to stay pending re-examination.

The third deciding factor for Judges was docket control. This concern was unique to the Western District, but was a major concern for all three Western District Judges interviewed. The Western District has a very heavy docket, and as a consequence, the Judges have to work very hard to bring cases to a conclusion within three years. Cases that are not completed within three

years of filing the complaint must be publicly reported, reflecting poorly on the ruling Judge. As a consequence, the Western District Judges are reluctant to stay a case for any period of time if there is any chance that this could result in having to report the case. Of particular concern to these Judges is that they have no control over how long it will take the PTO to consider the petition for re-examination. As a result, these Judges will generally only consider staying the case for a limited time period, and if the PTO does not conclude the re-examination in that time period, the parties will return to the District Court and take the case to trial.

In addition to these interview results, Judge Clark of the Eastern District of Texas provided further insight into this issue in the case of *Anascope, Ltd. v. Microsoft Corp.*⁴⁰ In deciding whether to stay litigation pending re-examination, Judge Clark considers: (1) whether discovery is complete and whether a trial date has been set; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving party.⁴¹ *Anascope* dealt with multiple patents, and Judge Clark examined each patent and each request for re-examination individually, with an eye toward balancing simplification of issues against speedy resolution of the disputes between the parties.⁴²

As was common with many of the Judges interviewed, Judge Clark in *Anascope* echoed that he is more likely to grant a stay pending re-examination when the parties request a stay earlier in the litigation as opposed to later.⁴³ In determining whether re-examination would simplify the case, Judge Clark focused upon how old the patents at issue are, whether the re-examination is inter-partes or ex-parte, and whether it is logical to group the patents together.⁴⁴ Generally, older patents which have been a matter of public record for a longer period of time without a request for a re-examination are less likely to simplify the case, and thus, Judge Clark is less likely to stay the case pending re-examination.⁴⁵ In addition, ex-parte re-examinations are not binding on the parties, whereas inter-partes re-examinations are, making ex-parte re-examinations less likely to result in simplification of the issues at litigation.⁴⁶ As a result, Judge

⁴⁰ 2007 WL 575470 (E.D.Tex. Feb 23, 2007) (NO. 9:06 CV 158)

⁴¹ *Id.* at *2.

⁴² *Id.*

⁴³ *Id.* at *3.

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ *Id.*

Clark is less likely to stay a case pending ex-parte re-examination than he is where inter-partes re-examination is requested.⁴⁷ Re-examination of the patents is also more likely to simplify the case when re-examination is requested for a group of patents containing similar subject matter, the same specification, or patents that are parts of the same patent family.⁴⁸ Finally, Judge Clark will also consider whether staying the case pending re-examination will result in unfair prejudice to either party.⁴⁹ In *Anascope*, the plaintiff argued that staying the case would result in unfair prejudice because the patents at issue involved older technology, and the longer the case was stayed, the more difficult it would be for the plaintiff to locate and depose knowledgeable fact and expert witnesses.⁵⁰ Although Judge Clark considered the possibility of unfair prejudice to the plaintiff, he ultimately found that the risk of unfair prejudice was outweighed by the possibility of simplification of the issues.⁵¹

10. **Under what circumstances would you consider bifurcating a patent trial?**

Bifurcating a patent trial can allow the parties to focus on the narrower issues of liability and damages, or may even allow parties to separate the analysis of invalidity and infringement. Should the trial proceed to the next phase, however, the parties and Court will be exposed to delay, increased cost and duplication of effort. Given the dramatic impact bifurcation can have on trial timing, if the parties do not agree on the issue, it is important for practitioners to know how judges will rule on the topic to make sure they are prepared for the outcome.

None of the Judges interviewed were excited about the prospect of bifurcation, especially bifurcation resulting in two separate trials on invalidity and infringement. The general feeling on this issue is that invalidity and infringement are closely interrelated and dependent on the same facts, and that consequently, bifurcating in this way would result in too much duplication.

One of the Judges in the Northern District feels that requests for bifurcation for invalidity and infringement are almost always a delay tactic, and would not grant these requests unless both parties agree and can provide a compelling reason to do so. One Northern District Judge, one Southern District Judge, two Eastern District Judges and one Western District Judge stated that

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.* at *2, *4.

⁵⁰ *Id.* at *4.

⁵¹ *Id.*

they simply will not bifurcate on invalidity and infringement. One Western District Judge said that it is very unlikely that he will bifurcate a trial any more than he is compelled by law and precedent to do so, although, if there is a compelling reason, he would consider it.

One of the Western District Judges is reluctant to bifurcate for separate trials on damages and liabilities, but has done so in a case where there were more than fifty defendants, in the hopes that several of the defendants would be found not liable, and consequently, that the jury would hear fewer cases on damages. One Judge in the Northern District would consider bifurcating damages from liability, but only if the parties request it. One Judge in the Southern District will not bifurcate damages from liability because it is inefficient to teach two different juries about the pertinent technology and to call witnesses to both trials when their testimonies apply to both infringement and damages issues.

Two Eastern District Judges will most likely only bifurcate when the case involves several patents and the Judges can separate the trials into groups of patents dealing with similar technologies or groups dealing with similar subject matter. An example of a case ripe for this type of bifurcation would be when one group of experts can only testify about the manufacture of the patented or infringing products, and another set of experts can only testify about the programming of the patented or infringing products. In the case where the experts aren't versed well enough on both issues, it is unlikely that the jury would be able to digest pertinent information on both of these issues. In other words, these Judges are likely to bifurcate when the unified law suit would expose the jury to more information than a single jury can expect to understand at once.

Conclusion

The goal of this article has been to provide litigators with information needed on specific patent issues in order to advocate more effectively. Hopefully, the discussions above will help lawyers to communicate more persuasively and to find the appropriate balance between over-zealous and overly conciliatory representation. Ultimately the information presented in this article is meant to help patent litigators to focus their energies on the tactics and arguments that are most likely to succeed.