

Traps For The Unwary:

Litigating Intellectual Property Cases In The Rocket Docket

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Commentary***Traps For The Unwary:
Litigating Intellectual Property Cases In The Rocket Docket***

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Etched into the face of the Albert V. Bryan federal courthouse in the Eastern District of Virginia, is the proclamation "Justice Delayed, Justice Denied." No words better embody the credo of the Eastern District. It is the fastest court in the land, bar none. In earning the title "Rocket Docket," the Eastern District has maintained an average of just 8 months from initial filing to trial, and an average of just 5 months from filing to disposition, for all civil cases filed from 1995 through 2000. To ensure this rapid pace, the Eastern District employs local rules and pretrial orders that limit discovery, hasten trial preparation, encourage dispositive motions and virtually bar continuances. At the same time, the three divisions of the Eastern District, and even judges in the same division, have different pretrial orders and different practices and procedures. When combined with an accelerated trial schedule and limited trial time, they pose unique challenges — and often traps — for the uninitiated.

The demands of the Eastern District can be particularly trying in complex litigation such as that presented by intellectual property cases. Yet, the Eastern District handles (on a percentage basis) a higher proportion of intellectual property cases than civil cases as a whole. In fact, the number of patent cases filed in the Alexandria Division has increased so significantly over the past several years that the Eastern District now assigns patent cases randomly throughout the district, regardless of the particular division in which suit was filed. Thus, intellectual property litigators are well served to become familiar with the ins and outs of the Eastern District *before* they find themselves subject to its demands.

A. General Characteristics Of The Eastern District Of Virginia

As its name suggests, the Eastern District covers the eastern half of Virginia. It is divided roughly into three divisions which correspond to the location of its three main courthouses, Alexandria, Richmond, and Norfolk.¹ With the United States Patent and Trademark Office and numerous large technology companies located in northern Virginia, the Alexandria Division has become a favorite for intellectual property litigation filings.

In general, the Eastern District is considered to be a neutral to slightly defense-favored venue. Judges and juries in the district are relatively conservative, particularly with respect to damages awards. Rarely are huge verdicts rendered in the Eastern District. This is, no doubt, due in part

to Virginia's statutory limit on punitive damages to \$350,000. Moreover, the judges of the Eastern District are familiar with intellectual property law and often will render dispositive legal decisions prior to trial. Further, other than for patent cases, the decisions of the Eastern District are backed up by the Court of Appeals for the Fourth Circuit, another conservative and speedy venue.² These characteristics often make the Eastern District the venue of first choice for "offensive-minded" defendants (*i.e.*, those seeking to resolve disputes proactively through declaratory judgment).

While the generally conservative, less generous juries of the Eastern District may favor defendants, the Eastern District offers several other advantages to the well-prepared plaintiff. A plaintiff which has carefully developed its case, gathered the relevant documents and witness testimony and retained supporting expert testimony *before* filing suit is well-equipped to deal with the speed of the pre-trial process. Moreover, the plaintiff has a significant advantage over the defendant which has only a few months to investigate its case, conduct fact and expert discovery and develop its own expert testimony. The resulting cost and time pressure can be enormous and can provide significant leverage to a plaintiff. Further, most trials in the Eastern District, even for the most complex cases, last only a few days. The judges of the Eastern District allow fewer witnesses, reject any hint of redundant testimony, and permit no more than one expert in any field. These circumstances favor the plaintiff who can present a broad-brush case that is easy to communicate in a short period of time. Conversely, a defendant whose case depends on explaining the details and subtleties of a technology, a market study or a patent claim is often at a tactical disadvantage.

B. Initial Considerations

One of the initial traps for the unwary is the differing rules for the assignment of cases in the three divisions of the Eastern District. In Alexandria, where far more intellectual property cases are filed, the court has adopted a procedure of randomly re-assigning patent cases to judges throughout the district. Thus, a party which thought it would be trying its case in Alexandria, may quickly find itself in Richmond or Norfolk facing a whole different set of local procedures. With the very recent change in the Alexandria division's system of assigning cases to judges, now all three divisions make case assignments at the outset of litigation.³ Nevertheless, the differences between the divisions remain significant. In Alexandria, the judges reserve Fridays for motions to be heard on all civil matters. Thus, parties in Alexandria can schedule motions merely by noticing a hearing for a given motions day, whereas parties in Richmond and Norfolk have to schedule motions based upon their particular judge's availability. In Alexandria, and Norfolk all discovery and certain non-dispositive motions are referred automatically to magistrate judges, who hear discovery motions every Friday, while magistrate judges in Richmond are not used in such a regular fashion.

Another important initial consideration are the Local Rules of the Eastern District, which any attorney litigating a case in the Eastern District must have. The Eastern District's rules are lengthy, detailed and strictly enforced. The rules, along with any applicable pretrial orders (discussed below), provide an array limitations and deadlines that are designed to prevent parties from delaying the progress of a case. To further emphasize this point, the rules bar continuances upon agreement of counsel and preclude any continuances except in the presence of all counsel and for "good cause" — a term which the judges construe *very* narrowly. In practice, continuances and stays are almost never granted.

The Eastern District rules also require that parties associate local counsel. Local counsel must accompany foreign counsel in all appearances before the Court, and all pleadings must be signed by local counsel "who shall have such authority that the Court can deal with the [local] attorney alone in all matters connected with the case." Thus, foreign counsel unfamiliar with the Eastern District cannot plead ignorance of local procedures, and the Court guarantees that all parties will have counsel familiar with its practices. Local counsel are required to be knowledgeable of every

aspect of a case and are expected to handle motions and other matters if lead counsel is unavailable (*i.e.*, the Court will not continue motions or other matters merely because of lead counsel's scheduling conflicts). Even if the rules did not require it, local counsel offer great practical benefit to parties who rarely appear in the Eastern District. Moreover, judges in the Eastern District are unwilling sometimes to accommodate the schedules of busy lawyers, and local counsel can assist greatly in the scheduling of motions and trials. The multitude of rules, local practices and individual judicial preferences (both written and unwritten), the vigor with which such rules are enforced, and the potential negative impact on a case from violation of the rules, make good local counsel invaluable.

C. Initial Pretrial Conferences And Pretrial Orders

A party's first contact with the Court is often the initial Rule 16(b) pretrial conference, which is scheduled by the Court as soon as appearances have been made for all parties. At or shortly before the initial pre-trial conference, the Court will enter one or more standard pre-trial scheduling orders issued by the judge assigned to the case. The initial pre-trial orders differ by division in the Eastern District and sometimes by judge in each division and some judges issue multiple pre-trial orders. For example, some judges require that the parties conduct a Rule 26(f) conference before the pretrial conference, while other judges allow the parties to waive the Rule 26(f) conference. Similarly, some judges provide that a case may be assigned to a magistrate judge unless one of the parties objects in writing while other judges assign cases to a magistrate only if the parties agree in writing. As a result of the varying scheduling orders, counsel must carefully read the pre-trial order(s) entered in an individual case and often must interpret that order(s) in the context of deadlines set in the local rules.

The primary purpose of the pretrial scheduling conference is to set a discovery schedule and other pre-trial deadlines. In Richmond, the judge will set a trial date at the initial pretrial conference and issue a pretrial or scheduling order setting various deadlines based on the trial date. In Alexandria and Norfolk, however, the initial Rule 16(b) pretrial conference is conducted by the magistrate judges, while the judge assigned to a case will issue a standard pretrial order scheduling the final pretrial conference at which the trial date will be set (usually within six to eight weeks of the final pretrial conference). Regardless of the division, the Court will set a trial date within four to six months of the initial pretrial conference, except in the most complex of cases. In addition, counsel must realize that, except for the rare, extremely complex case, judges will reserve only two to three days for trial.

Regardless of the judge or division, the pretrial scheduling order entered in a case in the Eastern District will set deadlines for most pre-trial activities. Typically, deadlines will be set for all discovery and standard pre-trial motions such as Rule 26(a)(1) disclosures, expert disclosures, the close of discovery, the filing of written stipulations, and the filing of dispositive motions. The pretrial scheduling order will also contain specific deadlines for filing discovery designations to be used at trial, witness and exhibit lists, proposed jury instructions, proposed voir dire and any objections to anything offered by the opposing side. Beyond these typical deadlines, the pretrial scheduling order will also contain provisions addressing matters important to a particular judge, ranging from discovery disputes, to briefing and scheduling of hearings on motions, settlement and pretrial disclosures. Judges in Norfolk will also schedule a final pretrial conference shortly before trial and will require preparation of a final pretrial order by the parties.

In patent cases, some judges in the Eastern District will enter a pretrial order specifically drafted for patent cases. A patent pretrial order will provide for the filing of claim charts, prior art statements, proposed claim constructions and concluding with a Markman hearing. Such an order addresses subjects unique to patent litigation and allows the court flexibility to set a trial date beyond its typical scheduling range. In addition, the judges of the Eastern District are open to consideration of pretrial schedules proposed by the parties, especially in complex cases, but only if the proposed pretrial schedule will not delay the trial and ultimate resolution of the case.

Thus, in any patent or intellectual property case, counsel should consider drafting a pretrial schedule tailored to the needs of their case.

D. Preliminary Injunctions

The speed of the Rocket Docket poses special problems in the case of requests for preliminary injunctive relief. As with other issues, the expedited briefing and hearing procedures in the Eastern District can provide a great tactical advantage to the well-prepared plaintiff. For example, in Alexandria and Richmond in particular at least one judge is always available to hear emergency motions, and so a plaintiff seeking a temporary restraining order can obtain a hearing on short notice before a judge who is used to ruling from the bench.

The court's expedited briefing rules also allow for quick consideration of motions for preliminary injunction, usually on a limited record. Under a strict reading of the local rules, a plaintiff can serve a motion for a preliminary injunction with its complaint, and the defendant would be required to file a response in only eleven days after service. Often, particularly in Alexandria, the Court is willing to abbreviate even this short time frame. As a result of the short briefing schedule, motions for preliminary injunction in the Eastern District often are considered after severely limited, if any, discovery. Further, hearings on preliminary injunctions are often no longer than a few hours, and it is common for the Court to hear motions for preliminary injunction with little or no live testimony. Rather, a court has only the briefs and argument of counsel, supporting and opposing factual affidavits, and (possibly) expert reports. Thus, for example, in a Lanham Act false advertising case, a plaintiff moving for a preliminary injunction can simply offer a consumer survey and an expert's report opining that an advertisement is misleading and potentially obtain broad preliminary relief. A defendant opposing such a motion may have little opportunity to perform its own survey or obtain the discovery necessary to successfully undermine the opinion from the plaintiff's expert.

To alleviate these disadvantages, a defendant opposing injunctive relief should immediately take steps to slow the process and obtain necessary discovery before a hearing on a preliminary injunction. If a motion for preliminary injunction is filed with a complaint, a defendant should immediately seek an extension to respond, by agreement if possible, and by motion filed as early as possible, if necessary. A defendant should also consider combining such a motion with discovery requests and a motion to depose any key witnesses supporting the request for injunctive relief. If a defendant moves quickly, narrowly tailors its discovery requests to focus on the specific matters at issue and proposes a tight schedule for discovery, briefing and a hearing, the court often will allow for a longer briefing and hearing schedule.

Litigants must also be aware of the Fourth Circuit's substantive standard for preliminary injunctions, which focuses first on the balance of irreparable harm and applies a requirement of likelihood of success that depends on that balance. The standard for a preliminary injunction in the Fourth Circuit is set forth in Blackwelder Furniture Co.v. Seilig Mfg. Co., 550 F.2d 189 (4th Cir. 1977). Under Blackwelder, the court does not look first at the plaintiff's likelihood of success on the merits. Rather, the court first balances the irreparable harm to the plaintiff from the refusal of an injunction against the irreparable harm to a defendant from the award of an injunction. If that balance tilts decidedly in favor of the plaintiff, the plaintiff need only establish that it has raised questions going to the merits so serious as to make them fair ground for litigation. If the balance is substantially equal as between the plaintiff and defendant, a plaintiff must show a clear likelihood of success on the merits. Thus, in the example of a Lanham Act false advertising claim, a showing through a consumer survey that an advertisement is misleading may establish the necessary showing of irreparable harm, and a plaintiff need only establish that there are substantial issues for litigation to obtain preliminary relief.

E. Discovery

The judges in the Eastern District apply the requirements for initial conferences and disclosures under Rule 26 unevenly across the three divisions of the court. The spectrum runs from strict application of the provisions of the rule to implied waiver of preliminary conferences and initial disclosures if the parties do not state otherwise. As a result, it is vitally important that the parties carefully read and follow any initial pretrial or scheduling orders entered by the court shortly after a case is filed. Further, all of the judges encourage parties to meet and agree on the scheduling of discovery, as long as it does not extend the date for trial or shift pre-trial dispositive or evidentiary motions to the eve of trial. The judges of the Eastern District will also routinely enter agreed protective orders and some judges use form orders available from the clerk's office from prior cases.

In the Alexandria and Norfolk divisions, magistrate judges hear all discovery and non-dispositive motions, and this practice is becoming increasingly more common in the Richmond division. As a rule, the judges in the Eastern District dislike having to resolve discovery disputes and often sanction the losing party on any motion to compel. Thus, it is usually in the parties' best interests to reach agreement on discovery issues. The local rules in the Eastern District limited the number of depositions and discovery requests even before such limitations were incorporated into the federal rules. Thus, while the judges in the Eastern District are open to relaxing those limitations if the parties agree, they will usually enforce discovery limitations if one party objects. The local rules also alter the discovery process in several ways. For example, under the local rules, any objection to a written discovery request must be filed within fifteen days of service, as opposed to the thirty days allowed by the Rules of Civil Procedure.

F. Motions Practice

Under the local rules, all motions in the Eastern District, with a few specific exceptions for routine motions, must be accompanied by a supporting brief no longer than thirty pages in length. A brief in opposition to a motion must be filed eleven days after service of the motion and a reply brief, of no more than fifteen pages, must be filed within three days of service of the opposition brief. In the Alexandria Division, all motions are scheduled to be heard on Friday morning, and the motion must be fully briefed and noticed for a hearing by the Friday before the hearing. The one exception are discovery motions, which may be filed and noticed the Friday before the hearing, with the opposition brief due the Wednesday before the hearing. As stated above, discovery and other non-dispositive motions in Alexandria are heard exclusively by magistrate judges. In the Richmond division, hearings on motions are scheduled directly with the chambers of the judge assigned to the case. Because there is no set day for hearings in that divisions, it is often more difficult to obtain a quick hearing date.

In all of the divisions of the Eastern District, the judge's clerk will have prepared a detailed bench memorandum before the hearing, and the judge will typically have studied both the parties' briefs and the bench memo before the hearing. Thus, the court will be well-prepared, and will often rule from the bench at the conclusion of the hearing, especially in more routine matters, in order to avoid delay from the writing of an opinion. In the Alexandria Division, the judges sometimes rule on motions without a hearing (thus, it is not wise to reserve any arguments just for oral argument). Since it aids the goal of speed and early resolution of cases, judges in the Eastern District encourage the use of summary judgment and other dispositive motions in appropriate cases and, in the view of some litigants, arguably employ dispositive motions to resolve cases even where it may not be appropriate.

The Eastern District's speedy briefing schedule for motions, however, often creates problems in the case of dispositive or near-dispositive motions, such as motions for preliminary injunctions discussed above, summary judgment motions, Markman rulings, and involved evidentiary motions, such as motions to exclude expert testimony under Daubert. In the case of Markman hear-

ings in patent litigation, most judges recognize the complexity and importance of the claim construction process, and either use pretrial orders that incorporate Markman hearings or will consider proposed pretrial schedules that provide for orderly briefing and hearing of claim construction arguments. The limitations on the consideration of extrinsic evidence in claim construction hearings also fits neatly in the Eastern District's preference for relying on the briefs and arguments of counsel and severely limiting live testimony in Markman hearings.

Other complex motions that depend on consideration of discovery responses or testimony, such as most summary judgment motions and Daubert motions, however, pose special problems in the Eastern District. Typically, the deadline for filing dispositive motions in the Eastern District is approximately forty days before trial. Likewise, experts are fully identified and discovery closes only thirty days before trial. Thus, if a summary judgment motion or Daubert motion is filed at the deadline, it will not be fully briefed and ripe for a hearing until three weeks or less before trial. It is often difficult for judges to consider and rule on such motions in the short time available before trial, resulting in denial or continuance of rulings on such motions until trial. Similarly, there is often limited time for the Court to consider *in limine* motions or evidentiary issues prior to trial, though many of the scheduling orders used in the Eastern District provide for the filing of objections to exhibits and witnesses before trial.

The most effective way for litigants to deal with these time constraints, especially in complex intellectual property cases, is to alert the court to the potential for such motions early in the case, as early as the pre-trial conference if possible. If the parties can safely predict the filing of substantial pretrial motions, the Court can build the time to hear and consider such motions into the pre-trial schedule. Most often, this will require leaving greater time between the close of discovery and trial. When proposed early, before a trial date is set and a judge is reluctant to move it, judges are more open to considering a longer pre-trial schedule in order to ease the pressure on the court to consider and rule without the pressure of an impending trial. Likewise, for evidentiary issues, the parties should consider scheduling a final pretrial conference shortly before trial for the court to consider and rule on evidentiary objections.

G. Trial

Litigation in the Eastern District moves swiftly from initial pleadings through fact discovery to expert discovery to final motions, but no stage moves more swiftly or places as much pressure on litigants as pre-trial preparation and trial. All of the scheduling orders in the Eastern District impose numerous deadlines for the purpose of removing any possible issue that would delay the progress of the trial itself. Over the two to three weeks prior to trial, the court's scheduling order will provide for deadlines to identify witnesses, exhibits, discovery to be used at trial, proposed voir dire and jury instructions, and any objections to the foregoing. Often the court will also require the parties to summarize discovery responses or deposition testimony being read to the jury, all in the name of speed. Thus, when trial begins, it is unnecessary for the parties or the court to worry about admission of exhibits, cross-designation of depositions or arguments over jury instructions.

Such a schedule might appear manageable, except when it is viewed in context of other pre-trial matters, such as dispositive motions, completion of last-minute depositions, and trial preparation as well as the absolute unavailability of continuances. Accordingly, litigants must prepare early for the onslaught of pre-trial deadlines and filings, and trial counsel should strongly consider delegation of responsibility for pre-trial filings to others to focus on trial preparation.

Trial itself will move swiftly. As stated above, trials typically last no more than two to three days. Voir dire is done entirely by the judge and will move quickly. The jury will typically be chosen by late morning on the first day, and the court may ask the parties to make opening statements before the lunch break. Examination of witnesses will also move quickly. Since exhibits are admitted before trial, it is unnecessary to lay evidentiary foundations. Judges encour-

age brief, to the point, examinations, and will often interrupt if they feel that the questioning of a witness is in any way repetitive.

The judges in the Eastern District strongly disfavor calling redundant witnesses. It is not unusual for the Court to interrupt an examination if it feels that another witness has already covered the subject area. Likewise, the court will permit no more than one expert in any field, and the court is likely to cut off more than brief questioning about an expert's background or credentials. Thus, it is often best to use fewer witness who can cover many issues and who are skilled at communicating and explaining technical matters to a lay jury. As long as the attorney's questions move the testimony along and do not appear to be repetitive, the court will allow the witness to provide detailed responses. More freedom is allowed on cross-examination, but judges will still interrupt if they feel that a point has been covered. Re-direct examination must be brief, and an opponent need only suggest that a witness is merely repeating direct examination for the court to forcefully encourage the end of the examination.

The judges in Alexandria and Richmond are generally willing to allow litigants to use computers and other modern technology tools in the courtroom, while the Norfolk judges are generally more reluctant. The Alexandria division, in particular, is well equipped for such equipment. Before relying on such equipment, however, counsel should familiarize themselves with their particular judge's preferences and obtain permission to use such equipment well before trial.

H. Settlement

Generally, the judges of the Eastern District prefer to allow the pressure of the pre-trial schedule encourage settlement rather than pressure the parties to settle themselves. In the Alexandria division, the magistrate judges are available for formal mediation and parties are encouraged to avail themselves of these services. All of the magistrate judges are skilled mediators. In Richmond and Norfolk, the judges will refer cases to the magistrate judges for settlement, and some of the magistrate judges are effective mediators, but the trial judges generally do not conduct settlement conferences.

ENDNOTES

1. The Norfolk Division is also served by a smaller courthouse in Newport News, Virginia.
2. At 7.2 months for median time from filing of notice of appeal to disposition, the Fourth Circuit ranked number 1 for 2001 Federal Court Management Statistics.
3. Previously, the Alexandria division did not assign cases to particular judges until trial. For hearings or proceedings prior to trial, parties were assigned randomly to any of the judges in the division. ■

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