

Litigating Patent Infringement Cases In The Eastern District Of Virginia

Monday, October 23, 2006 --- As the headline-grabbing cases it has hosted in recent years confirm, the United States District Court for the Eastern District of Virginia (the "Eastern District") is a popular forum for high-technology patent lawsuits.

NTP v. RIM, which ended in a \$612 million settlement by the makers of the popular BlackBerry device, eBay v. MercExchange, which the Supreme Court recently decided, and the well-publicized duel between Rambus Corp. and Infineon AG, are just three recent examples of notable patent cases in the Eastern District.

This article attempts to explain why patentees choose to sue in the Eastern District and to provide guidance on the common pitfalls counsel will face at each stage of the case.

The Eastern District does not have a reputation as a home to runaway jury verdicts. Instead, the court embraces the credo etched into the face of the federal courthouse in Alexandria, "Justice delayed is justice denied."

The "Rocket Docket," as the Eastern District has long been known, has earned its title by being the fastest court in the land. From 2000-2005, civil cases in the Eastern District averaged a mere 4.7 months from filing to disposition, and just nine months from filing to trial. To achieve this rapid pace, the Eastern District employs Local Rules (which can be found on the court's Web site, www.vaed.uscourts.gov) and pretrial orders that compress trial preparation and virtually bar continuances.

Unfortunately for litigants, the three divisions of the Eastern District, and even judges in the same division, do not apply these rules uniformly, but instead employ different procedures that create many traps for litigants.

* The Eastern District As A "Patentee's Forum"(?) *

While the Eastern District's speed would seem to burden both parties equally, plaintiff patentees appear to find advantages to the Eastern District's accelerated pace. Out of the last sixteen patent cases reaching a jury verdict, the plaintiff patentee won fourteen, providing an enticing reason for plaintiff patentees to bring infringement claims in the Eastern District.

A party's first contact with the court in the Eastern District is usually the initial scheduling conference. The procedures for the initial conference differ by both division and by judge, but regardless of the judge, the court will set a

pretrial schedule that leads to a trial within six to nine months of the initial conference.

For better or worse, the Eastern District judges generally treat patent cases like any other case, though some judges may enter a pretrial order which provides for claim charts and prior art statements and sets a date for a Markman hearing.

Almost without exception, however, procedures specific to patent cases must be shoehorned into the standard schedule, creating a compressed timetable with overlapping deadlines and conflicting obligations.

In the Eastern District, the usual tensions of the discovery process are exacerbated by the compressed schedule, asymmetrical discovery obligations, and the perception that a party can gain a tactical advantage through discovery motions.

In the Eastern District, the parties only have four to five months from the initial conference to the close of discovery. Accused infringers, however, frequently have to produce a greater quantity of information in that time, particularly where—as in the NTP and eBay cases—the patentee makes limited use of the patented invention.

Alleged infringers also often have more challenging discovery needs, as they must collect information, usually from third parties, relating to affirmative defenses. Alleged infringers are also more susceptible to aggressive discovery motions, which can be used to portray the alleged infringer as recalcitrant, which is one factor that can lead to a finding of willful infringement.

These and other factors provide strong motives for plaintiff patentees to use motions to compel to create a record of noncompliance. As a rule, however, Eastern District judges dislike discovery disputes and will not hesitate to sanction losing parties, and so both parties should be cautious about involving the court in discovery disputes.

Judges in the Eastern District are generally receptive to dispositive motions. In the past ten years, summary judgment has been entered in favor of alleged infringers in 29 out of 111 patent cases, or 26% of the time. In most cases, however, the compressed schedule provides an advantage to a plaintiff patentee opposing a dispositive motion.

For many years, the Eastern District has imposed a tight briefing schedule and limited opening and opposition briefs to thirty pages. While the judges may allow longer briefs and extended schedules, they are unlikely to vary far from the Local Rules. Patent cases frequently involve complicated issues that cannot be fully addressed in 30 pages.

Further, the close of discovery is six to eight weeks before trial, and so a summary judgment motion filed at the deadline will not be fully briefed until

three weeks or less before trial. A summary judgment motion in a patent case can easily overwhelm a judge, who must read and absorb lengthy filings, understand complex technology, and issue a ruling in a very short time.

Consequently, the frequent result is either denial of the motion or no ruling at all, allowing a plaintiff patentee to reach trial and argue its case to a jury.

No stage of litigation in the Eastern District moves more swiftly or places as much pressure on litigants as trial. Typically, objections to witnesses or exhibits will be heard and decided before trial. The trial itself will be short—approximately ten to fifteen trial days—and will move quickly. The jury is typically chosen within a few hours, and opening statements begin immediately thereafter. The judges encourage brief and pointed examinations and will interrupt examinations they feel are repetitive.

As the statistics bear out, a patentee has a decided advantage before the jury. Juries often identify more with individual inventors, and they often defer to the Patent Office's decision to issue a patent.

Moreover, a speedy trial lends itself to “high level” trial themes. It is often easier to fashion a broad infringement case than it is to explain the subtle differences between claim language and accused products or to meet the high evidentiary burdens of invalidity defenses.

* The Best Defense: Embrace The Need For Speed *

Though the Eastern District procedures give a plaintiff patentee many advantages, there are measures an accused infringer can take to survive and turn the tide. In short, from the beginning, a defendant must embrace the mandate to move quickly. The successful defendant in the Eastern District will be proactive, keep ahead of the schedule, and avoid getting distracted by ancillary issues.

One of a defendant's first steps must be to place a high priority on the collection and production of its own documents and to start gathering documents that the plaintiff is sure to seek as soon as the case begins, even before filing an answer.

One of the most common errors defendants make in the Eastern District is to waste the time between receipt of the complaint and the initial pre-trial conference. The result is often time wasted opposing a motion to compel and complying with discovery orders.

Judges in the Eastern District, like most federal judges, generally allow a broad scope of discovery in patent cases, and so a defendant is usually better served by avoiding disputes and completing its production as quickly as practical.

Similar advice applies to pursuing evidence, such as invalidating prior art, to

support affirmative defenses. A defendant must quickly develop and implement an aggressive discovery plan. The process of obtaining testimony from third parties is inevitably more time-consuming than discovery from litigants.

If not pursued from the start, many avenues for helpful evidence quickly close. A defendant should also push the plaintiff patentee to produce documents and information. Any discovery shortcomings by the plaintiff can prove an effective counterbalance to a motion to compel.

Finally, defendants are well-advised to make an early request for a Markman hearing. A Markman hearing provides an opportunity to educate the judge and to limit the reach of the claims at issue. Further, there is no pressure of an impending trial, and the focus of the hearing is the patentee's claims, rather than the defendant's product.

While it is not always clear at the outset of a case that a Markman hearing is necessary, pre-trial events move too quickly to delay a hearing request. The better course for the defense is to request a hearing before the initial scheduling conference and to cancel that hearing if no claim construction issues arise.

* Conclusion *

Given its location and the relative success of plaintiff patentees, the Eastern District is likely to continue as a popular forum for patent infringement lawsuits.

Plaintiff patentees can take advantage of the Eastern District's unique procedures to get before a jury, and they have had great success once they reach the jury. Conversely, defendants must prepare for the schedule's demands and commit themselves and their clients to a proactive litigation posture.

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