

Commentary

Litigating Patent Infringement Cases In The 'Rocket Docket' Of The Eastern District Of Virginia

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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 among patentees 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 infringement cases that originated in the Eastern District. Currently, the Eastern District is the site of a fray over patents covering JPEG technology, and a high-stakes battle between Verizon and Vonage over patented Voice Over Internet Protocol (VoIP) technology. Why do patentees choose to sue in the Eastern District? What advantages does it provide to a patentee and how can an alleged infringer best defend itself? This article attempts to answer these questions and provide guidance on the common pitfalls counsel will

face at each stage of the case — from the filing of suit through trial.

The Eastern District does not have a reputation as a home to huge damage awards.¹ To the contrary, the Eastern District, like "red state" Virginia as a whole, tends to be conservative. Instead, the Eastern District embraces the credo etched into the face of the Albert V. Bryan 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, year in and year out. From 2000-2005, civil cases in the Eastern District averaged a mere 4.7 months from filing to disposition, and just 9 months from filing to trial. To achieve this rapid pace, the Eastern District employs Local Rules (which can be found on the Court's website, 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 do not apply these rules uniformly. Each division of the Eastern District, and even judges in the same division, employ differing practices and procedures, resulting in individual idiosyncrasies 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 significant advantages to the Eastern District's accelerated pace and local idiosyncrasies. Out of the last

sixteen patent cases reaching a jury verdict over the past several years, the patentee won fourteen and the alleged infringer won only two. This high winning percentage provides an enticing reason for plaintiff patentees to bring infringement claims in the Eastern District. What is more, plaintiff patentees appear to be having increased success in avoiding summary judgment. Hence, at least with respect to patent infringement cases, the Eastern District seems to provide plaintiff patentees with certain “advantages” over accused infringers in the context of (a) pretrial scheduling, (b) discovery, (c) consideration of dispositive motions, and (d) trial.²

Pretrial Scheduling

A party's first contact with the Court in the Eastern District is usually the initial scheduling conference, which is set as soon as appearances have been made for all parties, and the Court's initial scheduling order. The procedure for the conference and the details of the scheduling orders differ by both division and judge. In Alexandria, the conference is conducted by a magistrate judge, and before the conference the district judge assigned to a case will issue a standard pretrial order setting a discovery deadline and a date for a final pretrial conference at which the trial date will be set (usually eight weeks after the final pretrial conference). In the other divisions, the judge (in Richmond) or a scheduling clerk (in Norfolk) will set a trial date at the initial pretrial conference and issue a scheduling order setting deadlines based on the trial date.³ Regardless of the division or judge, the primary purpose is the same: to set a discovery schedule that results in a trial within six to nine months after the initial scheduling conference.

For better or worse, the Eastern District judges generally treat patent cases like any other civil case. Some judges enter their standard scheduling order without any modifications. Other judges may enter a pretrial order — perhaps even one proposed by the parties — which provides for the filing of claim charts, prior art statements and proposed claim constructions, and sets a date for a *Markman* hearing. Almost without exception, however, the judges will not agree to any schedule that delays the trial of the case. Thus, any procedures specific to patent cases must be shoe-horned into the typical pretrial schedule, creating an extremely compressed timetable with overlapping deadlines and conflicting obligations. For example,

parties must serve expert disclosures before completing fact discovery and often before receiving a claim construction ruling, thus requiring supplementation of expert disclosures. The compressed schedule usually presents a greater challenge for the accused infringer, which must scramble to complete discovery and prepare its defenses.

Discovery

As in most litigation, the discovery process is often the most difficult and contentious aspect of a patent case. In the Eastern District, the usual tensions are exacerbated by the compressed pretrial schedule, the parties' often asymmetrical discovery obligations, and the perception that a party can gain a tactical advantage through discovery motions practice.

In the Eastern District, the parties have only four to five months from the initial scheduling conference to complete all fact and expert discovery. The parties, however, often have asymmetrical discovery obligations. For example, accused infringers frequently have to produce a greater quantity of information, particularly where — as in the *NTP* and *eBay* cases — the patentee is a “patent troll” or makes limited use of the patented invention, and the alleged infringer is a large national or multinational company with multiple accused products.⁴ Alleged infringers also often have more challenging discovery needs, as they must locate and collect information, usually from third parties, relating to affirmative defenses. Plaintiff patentees can also retain expert witnesses before filing suit, while defendants usually only have a few months from the time suit is filed to locate, retain and prepare expert witnesses.

Alleged infringers are also more susceptible to aggressive (perhaps exploitative) discovery motions practice.⁵ Plaintiff patentees may use discovery motions to attempt to portray an alleged infringer as recalcitrant, which is one factor among the “totality of circumstances” that can lead to a finding of willful infringement and an enhancement of damages. Discovery motions also have the secondary effect of distracting an adversary, absorbing their resources and inhibiting their ability to address other aspects of the case. These factors provide strong motives for plaintiff patentees to attempt to create a record of noncompliance with discovery obligations. Of course, such a strategy is not without risks. As a rule, judges in the Eastern

District judges dislike discovery disputes and will not hesitate to sanction losing parties. Hence, while a plaintiff patentee may more easily create grounds for a motion to compel, both parties should be cautious about involving the court in discovery disputes.⁶

Dispositive Motions

In general, judges in the Eastern District are receptive to dispositive motions and will not hesitate to dispose of a case on summary judgment. In fact, over 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 Court's compressed pretrial schedule and tight briefing limitations create a significant advantage for a plaintiff patentee opposing a dispositive motion.

For many years, the Eastern District has employed an economical briefing regimen. All summary judgment motions must be accompanied by a supporting brief no longer than thirty pages that must include (within the 30 page limit) a statement of undisputed material facts, with supporting citations to the record. Any opposition brief, up to thirty pages, must be filed eleven days after service of the motion, and any reply brief, up to fifteen pages, must be filed within three days of the opposition brief. Further, parties can file only one summary judgment motion without leave of Court. While the judge may allow longer briefs and extended schedules, the Court is unlikely to vary far from the Local Rules.

Patent cases frequently involve complicated technologies and legal issues that cannot be fully addressed in thirty pages. Further, the close of discovery is only 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. Even if the briefs are limited to thirty pages, the exhibits to such motions are typically numerous and lengthy. A summary judgment motion in a patent case can easily overwhelm a district judge, who must read and absorb a lengthy record, understand complex technology, determine whether any disputed issues of material fact exist, *and* issue a ruling in the short time available before trial. 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.

Trial

No stage of litigation in the Eastern District moves more swiftly or places as much pressure on litigants as trial. In a patent case in the Eastern District, the parties arrive, exhausted, at the end of the whirlwind of discovery, only to find that they face a myriad of filing deadlines marking the final weeks before trial. Under the Local Rules and scheduling orders used in the Eastern District, the parties must file lists of witness, exhibits, jury instructions and proposed voir dire (as well as objections to the opposing party's filings) soon after the close of discovery. The purpose of these filings is to identify and resolve any possible issues (such as admission of exhibits, qualification of witnesses, etc.) that might detract from the rapid progression of the trial.

It is common in patent cases for the parties to file numerous motions in limine on evidentiary issues shortly before trial. The Local Rules do not limit the number of motions in limine, and patent cases tend to generate multiple motions in limine from each side. While short, each of these motions must be briefed and argued, further distracting counsel from trial preparation. Moreover, because the parties often file motions in limine in the final days before trial, the Court may not give full consideration to such motions or even allow oral argument, and sometimes judges make snap decisions that can have a significant impact. This tends to disadvantage defendants, who typically use motions in limine to limit the plaintiff's reliance on certain evidence or presentation of the case.

The trial itself will be short — often no more than ten to fifteen trial days — and will move quickly. Jury voir dire is conducted entirely by the judge and allows little (if any) individualized questioning of potential jurors. Typically, the jury will be chosen within a few hours, and opening statements begin immediately thereafter. Examination of witnesses will also move quickly. The judges encourage brief and pointed examinations, and will interrupt examinations that they feel are repetitive. The judges strongly disfavor redundant witnesses and will not hesitate to exclude testimony already covered by another witness. Parties are also limited to only one expert in any field, and the judges are likely to cut off more than brief questioning about an expert's background. Thus, it is often best to use fewer witness who can cover many

issues and who are skilled at explaining technical matters to a lay jury. As long as the testimony does not appear repetitive, the Court will allow the witness to provide narrative 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.

As the statistics bear out, a patentee in the Eastern District has a decided advantage in front of a jury. Juries often identify more with individual inventors than corporate defendants, and juries tend to defer to the Patent Office's decision to issue a patent. Moreover, a speedy trial lends itself to truncated presentations and "high level" trial themes. It is often easier for a plaintiff patentee to fashion a broad infringement case than it is for an accused infringer to explain the subtle distinctions 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 of the case, a defendant must not merely accept the strictures the Court imposes but must embrace the mandate to move quickly. The successful defendant in the Eastern District will be proactive and keep ahead of the schedule. As importantly, the successful defendant will keep its eye on the prize, choose its battles carefully, and not allow itself to be distracted by ancillary issues.

Responding To Discovery

One of a defendant's first steps must be to place a high priority on the collection and production of its own documents. It is imperative that an accused infringer in patent litigation in the Eastern District start gathering its responsive documents as soon as the case begins, even before filing an Answer. One of the most common errors defendants make in litigation in the Eastern District is to waste the time between receipt of the Complaint and the initial pre-trial conference. Thus, a defendant should immediately begin identifying the location and custodians of documents that

the plaintiff is sure to seek. A defendant should also immediately ask the plaintiff to identify the products accused of infringement and categories of documents it will request. Such a request, regardless of how the plaintiff responds, can pay dividends in terms of reducing or eliminating discovery motions practice as well as serving as evidence of a defendant's good faith in the discovery process.

The consequence of failing to aggressively gather and produce documents is often time wasted opposing a motion to compel sanctions and the loss of credibility that occurs when a party produces relevant documents late in discovery. Judges in the Eastern District, like most federal judges, generally allow a broad scope of discovery in patent cases. A defendant is usually better served by avoiding disputes and completing its production as quickly as practical. This approach requires more up-front cost and time for the client, but in the end it produces far less cost, inconvenience and impact on the case than an adverse ruling on a discovery motion. A defendant should also hesitate to withhold production of documents on any grounds other than privilege, and if it intends to do so, a defendant should assert its objections early and seriously consider moving for a protective order before responses are due. It is almost always better for a defendant to bring its objections to discovery to the Court proactively.

Affirmative Discovery

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 documents and 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 become impossible to pursue because of lack of time.

A defendant should also push the plaintiff patentee to produce documents and information. Any failure by the plaintiff to produce prompt discovery responses can often prove an effective counter-balance in discovery motions practice. Finally, a defendant should interview and retain experts early in the case. Not only can experts assist in the development of non-infringement and invalidity defenses, but the production of expert reports comes at a time when there will be

many conflicting discovery tasks to complete. Thus, it is best to begin expert reports early to allow time to refine and adjust opinions as discovery proceeds.

Early Markman Hearing

Most Eastern District judges recognize the complexity and importance of the claim construction process. The limitations on the consideration of extrinsic evidence in claim construction also fits neatly in the Eastern District's preference to rely on briefs and arguments and to limit live testimony. Not all Eastern District judges, however, include a *Markman* hearing in their pretrial schedules, and some do not address claim construction until they consider summary judgment motions. Defendants are therefore well-advised to make an early request for a *Markman* hearing. The effects of a *Markman* hearing on patent litigation cannot be underestimated. According to one study, the percentage of patent infringement cases decided on summary judgment since *Markman* has doubled from 12% to 24%.⁷ A *Markman* hearing provides an opportunity to educate the judge on the case and to potentially limit the reach of the claims at issue. Moreover, unlike the summary judgment process, there is no pressure of an impending trial, and the focus of the hearing is the patentee's claims, rather than the accused product.

Preferably, the *Markman* hearing should be scheduled to occur well before opening expert reports are due. That way, the parties can avoid preparing "alternative" cases depending on the claim construction ruling or revising expert reports based on the Court's subsequent claim construction ruling. While it is not always clear at the outset of a case that a *Markman* hearing is necessary, pre-trial events move too quickly in the Eastern District for parties to delay a hearing request. The better course for the defense is to request that the Court incorporate a claim construction hearing into pre-trial schedule and to cancel that hearing if no claim construction issues arise.

Conclusion

Given its location and the relative success of plaintiff patentees in its courts, the Eastern District is likely to continue as a popular forum for high-technology 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 have reached the jury. Conversely,

to negate these apparent advantages, defendants must commit themselves and their clients to a proactive and responsive litigation posture.

Endnotes

1. The Eastern District, as its name suggests, covers the eastern half of Virginia and is divided roughly into three divisions which correspond to the location of its three main courthouses in Alexandria, Richmond and Norfolk.
2. One possible "disadvantage" to plaintiffs is the Eastern District's random assignment of patent cases to judges throughout the district. Thus, a plaintiff which filed a case in one division may quickly find itself in another courthouse hundreds of miles away before an unfamiliar judge and, as discussed herein, a different set of local procedures than in the division in which the case is filed.
3. While the Court's pre-trial orders usually include deadlines for expert disclosures, the close of discovery, and the filing of witness lists, exhibit lists, proposed jury instructions and proposed voir dire, each judge's procedures are very individualized. For example, judges in Alexandria require that the parties conduct a Rule 26(f) conference before the pretrial conference and file a detailed discovery plan, while other judges allow the parties to waive the Rule 26(f) conference. As a result of the varying practices, counsel must carefully read the pre-trial orders entered in an individual case and interpret such orders in the context of deadlines set in the Local Rules.
4. For example, in one recent case, the defendant collected more than 12 million pages of documents from offices around the globe and ultimately produced approximately 4 million pages of documents, while the plaintiff patentee produced only a fraction of this amount.
5. This is particularly true when plaintiffs are able to propound far reaching document requests that prove expensive and difficult, if not impossible, to provide full and timely responses. Unfortunately, a

busy federal judge considering such broad discovery requests on a limited record and with little background about the case may have little patience for excuses about the breadth or minimal relevance of document requests, leaving a defendant with few options but to produce the requested documents.

6. Significantly, the audience for such discovery motions varies by division. In Alexandria, magistrate judges handle almost all discovery motions, thus largely insulating the district judges who will try the cases from the rancor of such disputes. Perhaps recognizing the many discovery disputes that tend to arise in patent cases, the Alexandria

Division assigns discovery motions in a patent case to a single magistrate judge rather than assigning discovery motions randomly as they arise. In Richmond, discovery motions are usually handled by the district judge assigned to the case, and in Norfolk, discovery motions are sometimes handled by magistrate judges and sometimes by the district judge. Given these differences and the judges' general disdain for discovery disputes, both parties are well served to reach agreement on discovery issues wherever possible.

7. Robert Weiss, *Markman Practice, Procedures and Tactics*, 619 PLI/Pat 117, 148 (September 2000). ■