

KIRKLAND ALERT

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The Newest Local Patent Rules — Northern District of Illinois Joins the Trend, But With Important Variations

The U.S. District Court for the Northern District of Illinois (“N.D. Ill.”) has one of the largest patent dockets in the country and, on October 1, 2009, joined the growing list of federal district courts to adopt local patent rules. A copy of these local patent rules can be found by following this [link](#). In 2008, the N.D. Ill. was the sixth most popular district for patent litigation.¹ In fact, over half of all patent litigation in 2008 was filed in just eight districts: Eastern Texas, Northern California, Central California, Delaware, New Jersey, Northern Illinois, Southern New York and Southern California. Nationwide, the N.D. Ill. entered the third highest number of judgments in contested patent cases, behind only the Districts of Central and Northern California. Of the top patent districts, the N.D. Ill. is the fifth to adopt local patent rules, after Northern California (January 2001), Southern California (April 2006), Eastern Texas (May 2006) and New Jersey (January 2009). A list of the districts to have adopted separate local patent rules and links to those corresponding rules can be found by following this [link](#).

While there are many similarities between N.D. Ill.’s new patent rules and the widely known patent rules in the Districts of Northern and Southern California and Eastern Texas, there are at least seven noteworthy distinctions.

1. **Built-in schedule leading to trial in approximately 23 months** — In 2008, the N.D. Ill.’s average-time-to-trial in contested patent cases was approximately 24 months. The new patent rules essentially codify this average by establishing a schedule that would have patent cases ready for trial in 23 months or less. Although the N.D. Ill.’s timetable doesn’t rival the speeds with which the “rocket dockets” in Eastern Virginia (10.6 months) and Western Wisconsin (11.8 months) handled contested patent cases in 2008, the N.D. Ill.’s timetable does compare favorably with Eastern Texas’ average-time-to-trial of approximately 23.4 months. Importantly, the N.D. Ill.’s projected schedule is significantly faster than at least a dozen other popular districts, including New Jersey, Delaware and Massachusetts where, in each of those districts, contested patent cases are litigated on average for more than 30 months before trial.
2. **Substantive document production required with initial disclosures** — In addition to the disclosure requirements of Rule 26(a)(1) of the Federal Rules of Civil Procedure, under the new N.D. Ill. rules, both plaintiffs and defendants must produce documents relating to substantive aspects of the case—generally, within 14 days after the answer. Patent owners must produce documents concerning conception and reduction to practice, any known activity that may trigger a § 102 statutory bar, communications with the Patent Office and ownership of the patent(s)-in-suit. Accused infringers must produce documents showing the most recent operation and construction of its accused product(s) and copies of any known prior art. Initial disclosures, however, are “not admissible as evidence on the merits,” nor are they “an admission that [a] document evidences or is prior art under 35 U.S.C. § 102.”
3. **Automatic close of fact discovery and stay for claim construction** — The fact discovery period is automatically stayed during much of the claim construction process and “shall end forty-two (42) days after entry of the claim construction ruling.”

4. Infringement and Invalidity/Unenforceability Contentions — In addition to the increasingly common exchange of infringement and invalidity contentions, accused infringers in the N.D. Ill. must also serve unenforceability contentions. The N.D. Ill.’s new rules were published for comment in March 2009, before the Federal Circuit’s August 2009 decision in *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1327 (Fed. Cir. 2009) (heightened pleading standard applicable to inequitable conduct claims “requires identification of the specific who, what, when, where and how of the material misrepresentation or omission committed before the PTO”). Therefore, it remains to be seen how much additional disclosure the N.D. Ill. will require for claims that satisfy the *Exergen* standard. Additionally, the N.D. Ill.’s new rules require both “initial” and “final” contentions. Under the N.D. Ill.’s new rules, initial infringement contentions are due fourteen (14) days after initial disclosures, and initial non-infringement, unenforceability and invalidity contentions are due fourteen (14) days after initial infringement contentions are served. Final contentions regarding infringement, unenforceability and invalidity are due twenty-one (21) weeks after service of initial infringement contentions. Final non-infringement contentions, however, are not due until twenty-eight (28) days after service of final infringement contentions. At the same time, a party asserting infringement must serve its final response to any final contentions regarding unenforceability or invalidity. In light of the time table set forth in the new N.D. Ill. rules, it is possible, if not likely, that the parties’ final contentions will be due before the court issues its claim construction ruling. But, as in other jurisdictions, the parties’ final contentions can be amended “by order of the Court upon a showing of good cause and absence of unfair prejudice” which, in the N.D. Ill., expressly includes “a claim construction by the Court different from that proposed by the party seeking amendment.”

5. Later Claim Construction Proceedings — Although claim construction proceedings typically begin within the first six months under other courts’ local patent rules, under the new N.D. Ill. rules, claim construction proceedings will begin approximately thirty-eight (38) weeks (8.5 months) after filing. In addition, the accused infringer must file the first claim construction brief, and may file a reply brief in response to the party asserting infringement’s brief, which will generally give the accused infringer the first and last words during the *Markman* briefing process.

6. Automatic entry of default protective order — To avoid the typical confidentiality disputes and corresponding delays in discovery, the N.D. Ill.’s new patent rules provide for entry of a default protective order, which automatically becomes effective on the date of the parties’ initial disclosures. The default protective order may be modified by motion, upon a showing of good cause.

7. Deadline to seek stay pending reexamination — After final contentions are due (approximately thirty-six (36) weeks after the complaint is filed), no party may seek a stay pending re-examination of a patent-in-suit, absent exceptional circumstances.

Ultimately, the N.D. Ill.’s rules are—in the Court’s own words—intended to “provide a standard structure for patent cases that will permit greater predictability and planning for the Court and the litigants” by addressing “many of the procedural issues that commonly arise in patent cases.” Given this ostensibly improved structure and greater predictability, one can reasonably expect this already popular forum, with its many patent savvy judges, to become an even more popular choice for patent litigation.

BIBLIOGRAPHY OF
PATENT LOCAL RULES AND ORDERS²

Appellate Rules

U.S. Court of Appeals for the Federal Circuit (<http://www.cafc.uscourts.gov/contents.html>)

Separate District Court Patent Local Rules

Northern District of California (www.cand.uscourts.gov/) (2001)

Western District of Pennsylvania (<http://www.pawd.uscourts.gov/Documents/Forms/lrmanual.pdf>) (2005)

Southern District of California (<http://www.casd.uscourts.gov/uploads/Rules/Local%20Rules/LocalRules.pdf>) (2006)

Northern District of Georgia (<http://www.gand.uscourts.gov/pdf/NDGARulesPatent.pdf>) (2006)

Eastern District of Texas (<http://www.txed.uscourts.gov/Rules/LocalRules/LocalRules.htm>) (2006)

District of Massachusetts (<http://www.mad.uscourts.gov/general/rules-home.htm>) (2008)

District of New Jersey (<http://www.njd.uscourts.gov/LocalRules.html>) (2009)

District of Minnesota (http://www.mnd.uscourts.gov/local_rules/index.shtml) (2005, with amendments pending)³

¹ All statistical information referenced or relied upon herein was obtained from LegalMetric's 2009 Patent Litigation Report (available at www.legalmetric.com) and is used herein with permission.

² This list only includes jurisdictions that have adopted separate local rules for patent cases. It does not include patent-related portions of courts' general local rules (*i.e.*, rules relating exclusively to scheduling, disclosures, pleadings, related cases, costs, etc.) or single rules relating to narrow aspects of patent cases.

³ The District of Minnesota convened a Patent Advisory Committee in 2005, adopted patent-related amendments to its local rules in 2006 and, as of July 2009, further amendments are pending. In a handful of other jurisdictions courts have either adopted single rules relating to patent cases or individual judges have entered standing orders for patent cases.

If you have any questions about the matters addressed in this *Kirkland Alert*, please contact the following Kirkland author or your regular Kirkland contact.

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