

Evidence in Patent Litigation: Navigating Proportionality Requirements, Experts, Scope, Timing, and RFPs

THURSDAY, APRIL 29, 2021

1pm Eastern | 12pm Central | 11am Mountain | 10am Pacific

Today's faculty features:

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Navigating Discovery in Patent Litigation





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Map of Today's Discussion

- Rule 26 Foundations
- Patent Local Rules
- ESI Models
- RFP and Interrogatory Strategy
- Experts

Federal Rule of Civil Procedure 26(b)(1)

Unless otherwise limited by court order, the scope of discovery is as follows: Parties may obtain discovery regarding any nonprivileged matter that is relevant to any party's claim or defense ***and proportional to the needs of the case,***

- considering the importance of the issues at stake in the action,
- the amount in controversy,
- the parties' relative access to relevant information,
- the parties' resources,
- the importance of the discovery in resolving the issues, and
- whether the burden or expense of the proposed discovery outweighs its likely benefit.

Information within this scope of discovery need not be admissible in evidence to be discoverable.

Federal Rule of Civil Procedure 26(b)(2)(B)

Specific Limitations on Electronically Stored Information. A party need not provide discovery of electronically stored information from sources that the party identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the party from whom discovery is sought must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

Model Orders and Local Rules

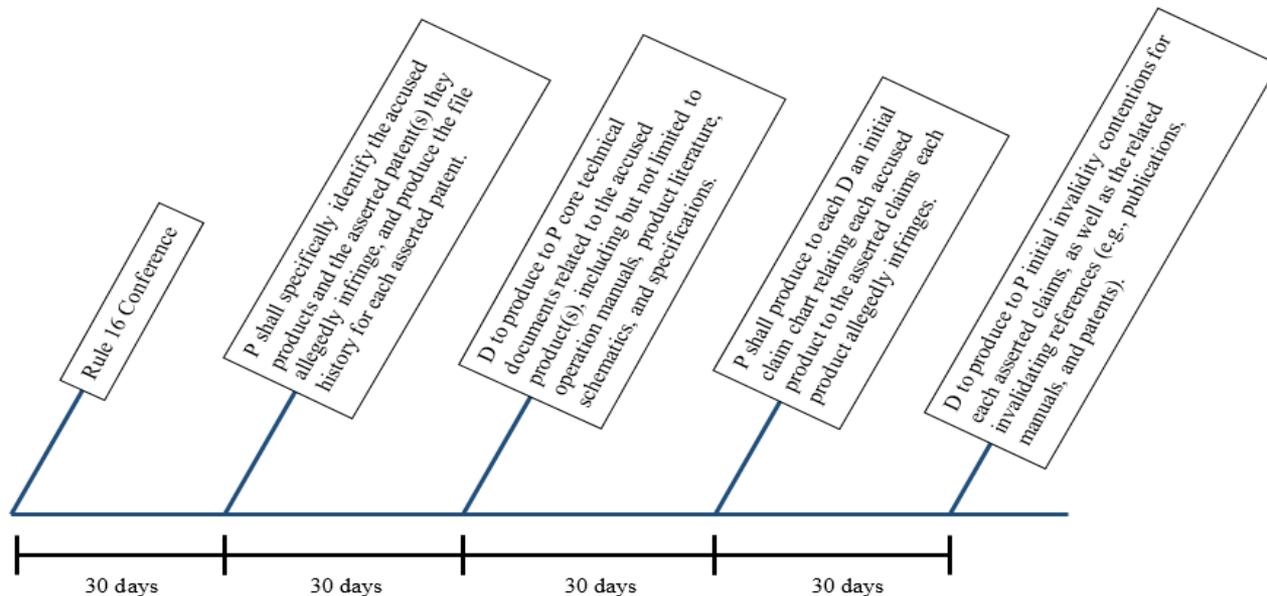
Model Orders and Local Rules

■ District of Delaware

■ Default ESI Standards:

- **Proportionality.** Parties are expected to use reasonable, good faith and proportional efforts to preserve, identify and produce relevant information. This includes identifying appropriate limits to discovery, including limits on custodians, identification of relevant subject matter, time periods for discovery and other parameters to limit and guide preservation and discovery issues.
- Limited to 10 custodians

■ Initial Discovery in Patent Litigation:



Model Orders and Local Rules (Cont'd)

■ District of Delaware

■ Default Standard for Access to Source Code

- A single electronic copy of source code or executable code shall be made available for inspection on a stand-alone computer.
- The stand-alone computer shall be located with an independent escrow agent, with the costs of such to be shared by the parties. If the parties cannot agree on such an agent, each party shall submit to the court the name and qualifications of their proposed agents for the court to choose.
- Access to the stand-alone computer shall be permitted, after notice to the provider and an opportunity to object, to two (2) outside counsel representing the requesting party and two (2) experts retained by the requesting party, all of whom have been approved under the protective order in place. No one from the provider shall have further access to the computer during the remainder of discovery.
- The source code provider shall provide a manifest of the contents of the stand-alone computer. This manifest, which will be supplied in both printed and electronic form, will list the name, location, and MD5 checksum of every source and executable file escrowed on the computer.
- The stand-alone computer shall include software utilities which will allow counsel and experts to view, search, and analyze the source code. At a minimum, these utilities must provide the ability to (a) view, search, and line-number any source file, (b) search for a given pattern of text through a number of files, (c) compare two files and display their differences, and (d) compute the MD5 checksum of a file.

Model Orders and Local Rules (Cont'd)

- **District of Delaware**
 - **Default Standard for Access to Source Code**
 - If the court determines that the issue of missing files needs to be addressed, the source code provider will include on the stand-alone computer the build scripts, compilers, assemblers, and other utilities necessary to rebuild the application from source code, along with instructions for their use.

Model Orders and Local Rules (Cont'd)

■ Eastern District of Texas

■ P.R. 3-2 Document Production Accompanying Disclosure

- With the "Disclosure of Asserted Claims and Infringement Contentions," the party claiming patent infringement must produce to each opposing party or make available for inspection and copying:
- (a) Documents (e.g., contracts, purchase orders, invoices, advertisements, marketing materials, offer letters, beta site testing agreements, and third party or joint development agreements) sufficient to evidence each discussion with, disclosure to, or other manner of providing to a third party, or sale of or offer to sell, the claimed invention prior to the date of application for the patent in suit. A party's production of a document as required herein shall not constitute an admission that such document evidences or is prior art under 35 U.S.C. §102;
- (b) All documents evidencing the conception, reduction to practice, design, and development of each claimed invention, which were created on or before the date of application for the patent in suit or the priority date identified pursuant to P. R. 3-1(e), whichever is earlier; and
- (c) A copy of the file history for each patent in suit.
- The producing party shall separately identify by production number which documents correspond to each category.

Model Orders and Local Rules (Cont'd)

■ Eastern District of Texas

■ P.R. 3-3 Invalidation Contentions

- (a) The identity of each item of prior art that allegedly anticipates each asserted claim or renders it obvious. Each prior art patent shall be identified by its number, country of origin, and date of issue. Each prior art publication must be identified by its title, date of publication, and where feasible, author and publisher. Prior art sales or public disclosures under pre-AIA 35 U.S.C. § 102(b) / post-AIA 35 U.S.C. § 102(a)(1) shall be identified by specifying the item offered for sale or publicly used or the information known, the date the offer or use took place or the information became known, and the identity of the person or entity which made the use or which made and received the offer, or the person or entity which made the information known or to whom it was made known. Prior art under pre-AIA 35 U.S.C. § 102(f) shall be identified by providing the name of the person(s) from whom and the circumstances under which the invention or any part of it was derived. Prior art under pre-AIA 35 U.S.C. § 102(g) shall be identified by providing the identities of the person(s) or entities involved in and the circumstances surrounding the making of the invention before the patent applicant(s). Prior art references under post-AIA 35 U.S.C. § 102(a)(1) showing that the claimed invention was otherwise available to the public shall be identified by specifying the form and nature of the reference, the manner in which the reference was made public, and the date on which the reference was made public.

Model Orders and Local Rules (Cont'd)

■ Eastern District of Texas

- **P.R. 3-4 Document Production Accompanying Invalidity Contentions**
 - **With the "Invalidity Contentions," the party opposing a claim of patent infringement must produce or make available for inspection and copying:**
 - **(a) Source code, specifications, schematics, flow charts, artwork, formulas, or other documentation sufficient to show the operation of any aspects or elements of an Accused Instrumentality identified by the patent claimant in its P. R. 3-1(c) chart; and**
 - **(b) A copy of each item of prior art identified pursuant to P. R. 3-3(a) which does not appear in the file history of the patent(s) at issue. To the extent any such item is not in English, an English translation of the portion(s) relied upon must be produced.**

Model Orders and Local Rules (Cont'd)

■ Eastern District of Texas

■ P.R. 3-7 Opinion of Counsel Defenses

- By the date set forth in the Docket Control Order, each party opposing a claim of patent infringement that will rely on an opinion of counsel as part of a defense shall:
 - (a) Produce or make available for inspection and copying the opinion(s) and any other documents relating to the opinion(s) as to which that party agrees the attorney-client or work product protection has been waived; and
 - (b) Serve a privilege log identifying any other documents, except those authored by counsel acting solely as trial counsel, relating to the subject matter of the opinion(s) which the party is withholding on the grounds of attorney-client privilege or work product protection.
- A party opposing a claim of patent infringement who does not comply with the requirements of this P. R. 3-7 shall not be permitted to rely on an opinion of counsel as part of a defense absent a stipulation of all parties or by order of the Court, which shall be entered only upon a showing of good cause.

Model Orders and Local Rules (Cont'd)

■ Eastern District of Texas

- **P.R. 3-8 Disclosure Requirements for Patent Cases Arising Under 21 U.S.C. § 355 (Hatch-Waxman Act)**
 - **The following provision applies to all patents subject to a Paragraph IV certification in cases arising under 21 U.S.C. § 355 (commonly referred to as "the Hatch-Waxman Act"). This provision takes precedence over any conflicting provisions in P.R. 3-1 to 3-5 for all cases arising under 21 U.S.C. § 355.**
 - **(a) Upon the filing of a responsive pleading to the complaint, the Defendant(s) shall produce to Plaintiff(s) the entire Abbreviated New Drug Application or New Drug Application that is the basis of the case in question.**
 - **(c) Not more than 14 days after the Initial Case Management Conference, the Defendant(s) shall provide to Plaintiff(s) the written basis for their "Invalidity Contentions" for any patents referred to in Defendant(s) Paragraph IV Certification. This written basis shall contain all disclosures required by P.R. 3-3 and shall be accompanied by the production of documents required by P.R. 3-4.**
 - **(f) Each party that has an ANDA application pending with the Food and Drug Administration ("FDA") that is the basis of the pending case shall: (1) notify the FDA of any and all motions for injunctive relief no later than three business days after the date on which such a motion is filed; and (2) provide a copy of all correspondence between itself and the FDA pertaining to the AND A application to each party asserting infringement, or set forth the basis of any claim of privilege for such correspondence, no later than seven days after the date it sends or receives any such correspondence.**

Model Orders and Local Rules (Cont'd)

■ Eastern District of Texas

- **P.R. 4-2 Exchange of Preliminary Claim Constructions and Extrinsic Evidence**
 - **(a) Not later than 20 days after the exchange of "Proposed Terms and Claim Elements for Construction" pursuant to P. R. 4-1, the parties shall simultaneously exchange a preliminary proposed construction of each claim term, phrase, or clause which the parties collectively have identified for claim construction purposes. Each such "Preliminary Claim Construction" shall also, for each element which any party contends is governed by 35 U.S.C. § 112(f), identify the structure(s), act(s), or material(s) corresponding to that element.**
 - **(b) At the same time the parties exchange their respective "Preliminary Claim Constructions," they shall each also provide a preliminary identification of extrinsic evidence, including without limitation, dictionary definitions, citations to learned treatises and prior art, and testimony of percipient and expert witnesses they contend support their respective claim constructions or indefiniteness positions. The parties shall identify each such item of extrinsic evidence by production number or produce a copy of any such item not previously produced. With respect to any such witness, percipient or expert, the parties shall also provide the identity and a brief description of the substance of that witness' proposed testimony.**

Model Orders and Local Rules (Cont'd)

- **Eastern District of Texas**

- **P.R. 4-4. Completion of Claim Construction Discovery**

- **Not later than 30 days after service and filing of the Joint Claim Construction and Prehearing Statement, the parties shall complete all discovery relating to claim construction, including any depositions with respect to claim construction of any witnesses, including experts, identified in the Joint Claim Construction and Prehearing Statement.**

Model Orders and Local Rules (Cont'd)

- **Eastern District of Texas**
 - **Track A and Track B Case Management**

Production	Track A	Track B
P to produce infringement contentions and P.R. 3-1 and 3-2 disclosures	10 days before the Initial Case Management Conference	14 days of all Ds filing an answer or MTD
Initial Disclosures and Summary Sales Information	During typical discovery phase	Within 30 days of service of infringement contentions
Invalidity contentions and P.R. 3-3 and 3-4 disclosures	35 days after the Initial Case Management Conference	28 days of initial disclosures

Model Orders and Local Rules (Cont'd)

■ Eastern District of Texas

- **Track B Case Management Additional Notes**
 - **At least 14 days before the management conference, the parties shall confer regarding appropriate discovery limitations:**
 - **Written discovery limits**
 - **Deposition limits**
 - **The number of expert witnesses**
 - **Whether expert depositions are authorized**
 - **Whether document production should proceed by request for production or mandatory disclosure**
 - **Whether the Court should enter the EDTX Model Order Focusing Patent Claims and Prior Art to Reduce Costs or modifications thereto**
 - **Whether the Court should enter the EDTX Model Order Regarding E-Discovery or modifications thereto**
 - **The appropriateness of an expedited trial, consolidated claim construction and trial procedure, trial on limited issues, or a stipulation for post-trial mediation before the entry of judgment on the verdict**
 - **Any existing or likely discovery disputes**
 - **Initial discovery limitations: Prior to the management conference, discovery is limited to 5 interrogatories, 5 requests for production, and 5 requests for admission per side, absent leave of court or stipulation of the parties**
 - **Management Conference Requirements: “In particular, the Court is interested in setting a schedule and discovery limitations that are fair and adequate, but that also bear an appropriate relationship to the likely value of the case.”**

Model Orders and Local Rules (Cont'd)

■ Eastern District of Texas

- **Model Order Focusing Patent Claims and Prior Art to Reduce Costs:**
 - **Limits number of prior art references against each patent to 12 references and not more than 40 total**
 - **“By the date set for the service of expert reports by the party with the burden of proof on an issue, the patent defendant shall serve a Final Election of Asserted Prior Art, which shall identify no more than six asserted prior art references per patent among the twelve prior art references previously identified for that particular patent and no more than a total of 20 references.”**
 - **“For purposes of this Final Election of Asserted Prior Art, each obviousness combination counts as a separate prior art reference.”**
 - **“If the patent claimant asserts infringement of only one patent, all per-patent limits in this order are increased by 50%, rounding up.”**

Model Orders and Local Rules (Cont'd)

■ Eastern District of Texas

■ Model E-Discovery Order:

- Absent a showing of good cause, general ESI production requests shall not include metadata. However, fields showing the date and time that the document was sent and received, as well as the complete distribution list, shall generally be included in the production if such fields exist.
- Absent a showing of good cause, no party need restore any form of media upon which backup data is maintained in a party's normal or allowed processes, including but not limited to backup tapes, disks, SAN, and other forms of media, to comply with its discovery obligations in the present case.
- Absent a showing of good cause, voicemails, PDAs and mobile phones are deemed not reasonably accessible and need not be collected and preserved.
- ESI production requests under FRCP 34 and 45 or compliance with mandatory disclosures orders shall not include e-mail or other forms of electronic correspondence. To obtain e-mail parties must propound specific e-mail production requests.

Model Orders and Local Rules (Cont'd)

■ Eastern District of Texas

■ Model E-Discovery Order (cont'd):

- Parties to identify 15 of the most significant listed e-mail custodians in view of the pleaded claims and defenses.
- E-mail production requests shall identify the custodian, search terms, and time frame.
- Each requesting party shall limit its e-mail production requests to a total of ten search terms per custodian per party.
 - Narrowly tailored to specific issues
 - May be modified by joint agreement
- A conjunctive search term shall count as a single search term

Model Orders and Local Rules (Cont'd)

■ Western District of Texas

■ Standing Order Regarding Venue and Jurisdictional Discovery Limits for Patent Cases:

- “The Court hereby lifts all limits on discovery related to venue and jurisdiction in patent cases.”
- “The Court ORDERS that venue or jurisdictional discovery be completed no later than six months after the filing of the initial motion.”

■ Order Governing Proceedings – Patent Case – Judge Albright

- Parties are expected to be prepared to discuss issues related to discovery and potential amendments to the Court’s default discovery limits or Protective Order
- Not later than 7 days before the case management conference, plaintiff shall serve preliminary infringement contentions and produce (1) all documents evidencing conception and reduction to practice for each claimed invention; and (2) a copy of the file history for each patent in suit.
- Not later than 3 business days before the case management conference lead counsel for each party shall meet and confer to discuss whether they believe the Court’s default Discovery Limits are appropriate for the case.
- Two weeks after the case management conference: deadline for Motions to Transfer
- Seven weeks after the case management conference, defendant shall serve:
 - All prior art referenced in the invalidity contentions
 - Technical documents, including software where applicable, sufficient to show the operation of the accused product(s),
 - Summary, annual sales information for the accused product(s) for the two years preceding the filing of the Complaint

Model Orders and Local Rules (Cont'd)

■ Western District of Texas

■ Order Governing Proceedings – Patent Case – Judge Albright

- **Except with regard to discovery necessary for claim construction, all other discovery is stayed until after the *Markman* hearing.**
 - **Discovery may be allowed in exceptional circumstances, such as when discovery may occur outside the US**
- **Interrogatories: 30**
- **Requests for Admission: 45**
- **Requests for Production: 75**
- **Fact Depositions: 70 hours per side (party and non-party witnesses)**
- **Expert Depositions: 7 hours per report**
- **The Court will not require general search and production of email or other electronically stored information (ESI), absent a showing of good cause. If a party believes targeted email/ESI discovery is necessary, it shall propose a procedure identifying custodians and search terms it believes the opposing party should search.**
- **12 weeks after the case management conference the parties are to disclose extrinsic evidence, including the identify of any expert witness they may rely upon.**
 - **Failure to summarize the potential expert testimony in a good faith, informative fashion may result in the exclusion of the proffered testimony.**

Model Orders and Local Rules (Cont'd)

- **Northern District of California**

- **Patent Local Rules**

- **Rule 3-1**

- **Not later than 14 days after the Initial Case Management Conference:**
 - **(b) Separately for each asserted claim, each accused apparatus, product, device, process, method, act, or other instrumentality (“Accused Instrumentality”) of each opposing party of which the party is aware. This identification shall be as specific as possible. Each product, device, and apparatus shall be identified by name or model number, if known. Each method or process shall be identified by name, if known, or by any product, device, or apparatus which, when used, allegedly results in the practice of the claimed method or process.**

Model Orders and Local Rules (Cont'd)

■ Northern District of California

■ Patent Local Rules

■ Rule 3-1 (cont'd)

- Not later than 14 days after the Initial Case Management Conference:
- (g) If a party claiming patent infringement wishes to preserve the right to rely, for any purpose, on the assertion that its own or its licensee's apparatus, product, device, process, method, act, or other instrumentality practices the claimed invention, the party shall identify, separately for each asserted claim, each such apparatus, product, device, process, method, act, or other instrumentality that incorporates or reflects that particular claim.
- (h) Identify the timing of the point of first infringement, the start of claimed damages, and the end of claimed damages.

■ Rule 3-2 Document Production Accompanying Disclosure

- (a) Documents (e.g., contracts, purchase orders, invoices, advertisements, marketing materials, offer letters, beta site testing agreements, and third party or joint development agreements) sufficient to evidence each discussion with, disclosure to, or other manner of providing to a third party, or sale of or offer to sell, or any public use of, the claimed invention prior to the date of application for the patent in suit. A party's production of a document as required herein shall not constitute an admission that such document evidences or is prior art under 35 U.S.C. § 102.

Model Orders and Local Rules (Cont'd)

■ Northern District of California

■ Patent Local Rules

■ Rule 3-2 Document Production Accompanying Disclosure (cont'd)

- (b) All documents evidencing the conception, reduction to practice, design, and development of each claimed invention, which were created on or before the date of application for the patent in suit or the priority date identified pursuant to Patent L.R. 3-1(f), whichever is earlier;
- (c) A copy of the file history for each patent in suit;
- (d) All documents evidencing ownership of the patent rights by the party asserting patent infringement;
- (e) If a party identifies instrumentalities pursuant to Patent L.R. 3-1(g), documents sufficient to show the operation of any aspects or elements of such instrumentalities the patent claimant relies upon as embodying any asserted claims;
- (f) All agreements, including licenses, transferring an interest in any patent-in-suit;
- (g) All agreements that the party asserting infringement contends are comparable to a license that would result from a hypothetical reasonable royalty negotiation;

Model Orders and Local Rules (Cont'd)

■ Northern District of California

■ Patent Local Rules

■ Rule 3-2 Document Production Accompanying Disclosure (cont'd)

- (h) All agreements that otherwise may be used to support the party asserting infringement's damages case;
- (i) If a party identifies instrumentalities pursuant to Patent L.R. 3-1(g), documents sufficient to show marking of such embodying accused instrumentalities and if it wants to preserve the right to recover lost profits based on such products, sales, revenues, costs and profits of such embodying accused instrumentalities; and
- (j) All documents comprising or reflecting a F/RAND commitment or agreement with respect to the asserted patent(s).
- The producing party shall separately identify by production number which documents correspond to each category.

Model Orders and Local Rules (Cont'd)

■ Northern District of California

■ Patent Local Rules

■ Rule 3-3 Invalidation Contentions

- Not later than 45 days after service upon it of the “Disclosure of Asserted Claims and Infringement Contentions,” each party opposing a claim of patent infringement, shall serve on all parties its “Invalidity Contentions” which shall contain the following information:
 - (a) The identity of each item of prior art that allegedly anticipates each asserted claim or renders it obvious. Each prior art patent shall be identified by its number, country of origin, and date of issue. Each prior art publication shall be identified by its title, date of publication, and where feasible, author and publisher. Each alleged sale or public use shall be identified by specifying the item offered for sale or publicly used or known, the date the offer or use took place or the information became known, and the identity of the person or entity which made the use or which made and received the offer, or the person or entity which made the information known or to whom it was made known. For pre-AIA claims, prior art under 35 U.S.C. § 102(f) shall be identified by providing the name of the person(s) from whom and the circumstances under which the invention or any part of it was derived. For pre-AIA claims, prior art under 35 U.S.C. § 102(g) shall be identified by providing the identities of the person(s) or entities involved in and the circumstances surrounding the making of the invention before the patent applicant(s)

Model Orders and Local Rules (Cont'd)

■ Northern District of California

■ Patent Local Rules

■ Rule 3-4 Document Production Accompanying Invalidity Contentions

- (a) Source code, specifications, schematics, flow charts, artwork, formulas, or other documentation sufficient to show the operation of any aspects or elements of an Accused Instrumentality identified by the patent claimant in its Patent L.R. 3-1(c) chart;
- (b) A copy or sample of the prior art identified pursuant to Patent L.R. 3-3(a) which does not appear in the file history of the patent(s) at issue. To the extent any such item is not in English, an English translation of the portion(s) relied upon shall be produced;
- (c) All agreements that the party opposing infringement contends are comparable to a license that would result from a hypothetical reasonable royalty negotiation;
- (d) Documents sufficient to show the sales, revenue, cost, and profits for accused instrumentalities identified pursuant to Patent L.R. 3-1(b) for any period of alleged infringement; and
- (e) All agreements that may be used to support the party denying infringement's damages case.

Model Orders and Local Rules (Cont'd)

- **Northern District of California**
 - **Patent Local Rules**
 - **Rule 3-7 Advice of Counsel**
 - (a) Produce or make available for inspection and copying any written advice and documents related thereto for which the attorney-client and work product protection have been waived
 - **Rule 3-8 Damages:**
 - Not later than 50 days after service of the Invalidation Contentions, each party asserting infringement shall:
 - (a) Identify each of the category(-ies) of damages it is seeking for the asserted infringement, as well as its theories of recovery, factual support for those theories, and computations of damages within each category, including:
 - 1. lost profits;
 - 2. price erosion;
 - 3. convoyed or collateral sales;
 - 4. reasonable royalty; and
 - 5. any other form of damages.
 - (b) To the extent a party contends it is unable to provide a fulsome response to the disclosures required by this rule, it shall identify the information it requires

Model Orders and Local Rules (Cont'd)

■ Northern District of California

■ Patent Local Rules

■ Rule 4-2 Exchange of Preliminary Claim Constructions and Extrinsic Evidence

- (a) Not later than 21 days after the exchange of the lists pursuant to Patent L.R. 4-1, the parties shall simultaneously exchange proposed constructions of each term identified by either party for claim construction. Each such “Preliminary Claim Construction” shall also, for each term which any party contends is governed by 35 U.S.C. § 112(6), identify the structure(s), act(s), or material(s) corresponding to that term’s function.
- (b) At the same time the parties exchange their respective “Preliminary Claim Constructions,” each party shall also identify all references from the specification or prosecution history that support its proposed construction and designate any supporting extrinsic evidence including, without limitation, dictionary definitions, citations to learned treatises and prior art, and testimony of percipient and expert witnesses. Extrinsic evidence shall be identified by production number or by producing a copy if not previously produced. With respect to any supporting witness, percipient or expert, the identifying party shall also provide a description of the substance of that witness’ proposed testimony that includes a listing of any opinions to be rendered in connection with claim construction.

Model Orders and Local Rules (Cont'd)

- **Northern District of California**
 - **Patent Local Rules**
 - **Rule 4-4 Completion of Claim Construction Discovery**
 - **Not later than 30 days after service and filing of the Joint Claim Construction and Prehearing Statement, the parties shall complete all discovery relating to claim construction, including any depositions with respect to claim construction of any witnesses, including experts, identified in the Preliminary Claim Construction statement (Patent L.R. 4-2) or Joint Claim Construction and Prehearing Statement (Patent L.R. 4-3).**

Model Orders and Local Rules (Cont'd)

- **Considerations in other jurisdictions**
 - **District of New Jersey**
 - The rules are similar to the Northern District of California and the Eastern District of Texas. Judges in New Jersey may give persuasive value to a Northern District of California or Eastern District of Texas opinion.
 - **Northern District of Illinois**
 - LPR 1.6 The disclosures provided for in LPR 2.2, 2.3, 2.4, and 2.5 are inadmissible as evidence on the merits.
 - **Western District of Pennsylvania**
 - Under Patent Rule 2.5, a party may object to discovery requests seeking a party's claim construction position, the patent owner's infringement contentions, or the accused infringer's invalidity contentions prior to the deadlines set by the rules.
 - **Southern District of Ohio**
 - 14 days of the initial scheduling conference, produce documents evidencing circumstances of known use of any product embodying the claimed invention before the application date of the patent-in-suit.

Proportionality and Nexus to the Dispute

■ *Thales Visionix, Inc. v. United States*, 149 Fed. Cl. 38, 63 (2020)

- [The defendant's] demands are exactly the type of disproportionate demands that Rule 26(b)(1) proscribes. Sure, it's possible that [the plaintiff's] evidence ... is false and even concocted. But [the defendant] offers no real evidence that this is the case, and as the court recently explained in denying a motion to compel by [the plaintiff], “[w]ithout more specific information triggering some reason for doubt, the Court must take the producing party ... at its word.” And so that leaves [the plaintiff] in the position of having to produce discovery on all sorts of compounds that bear no indication of any nexus to the disputes in this case. This is untenable. It would be like requiring GM to produce discovery on Buicks and Chevys in a patent case about Cadillacs simply because all three happen to be cars. In the absence of any reason to doubt the proof [the plaintiff] has tendered about the identity of the disputed compounds, and given the cost and potential delay introduced by the requested production, [the defendant's] request is precisely the kind of disproportionate discovery that Rule 26—old or new—was intended to preclude.

■ Quoting *Gilead Scis., Inc. v. Merck & Co, Inc.*, No. 5:13-CV-04057-BLF, 2016 WL 146574 (N.D. Cal. Jan. 13, 2016)

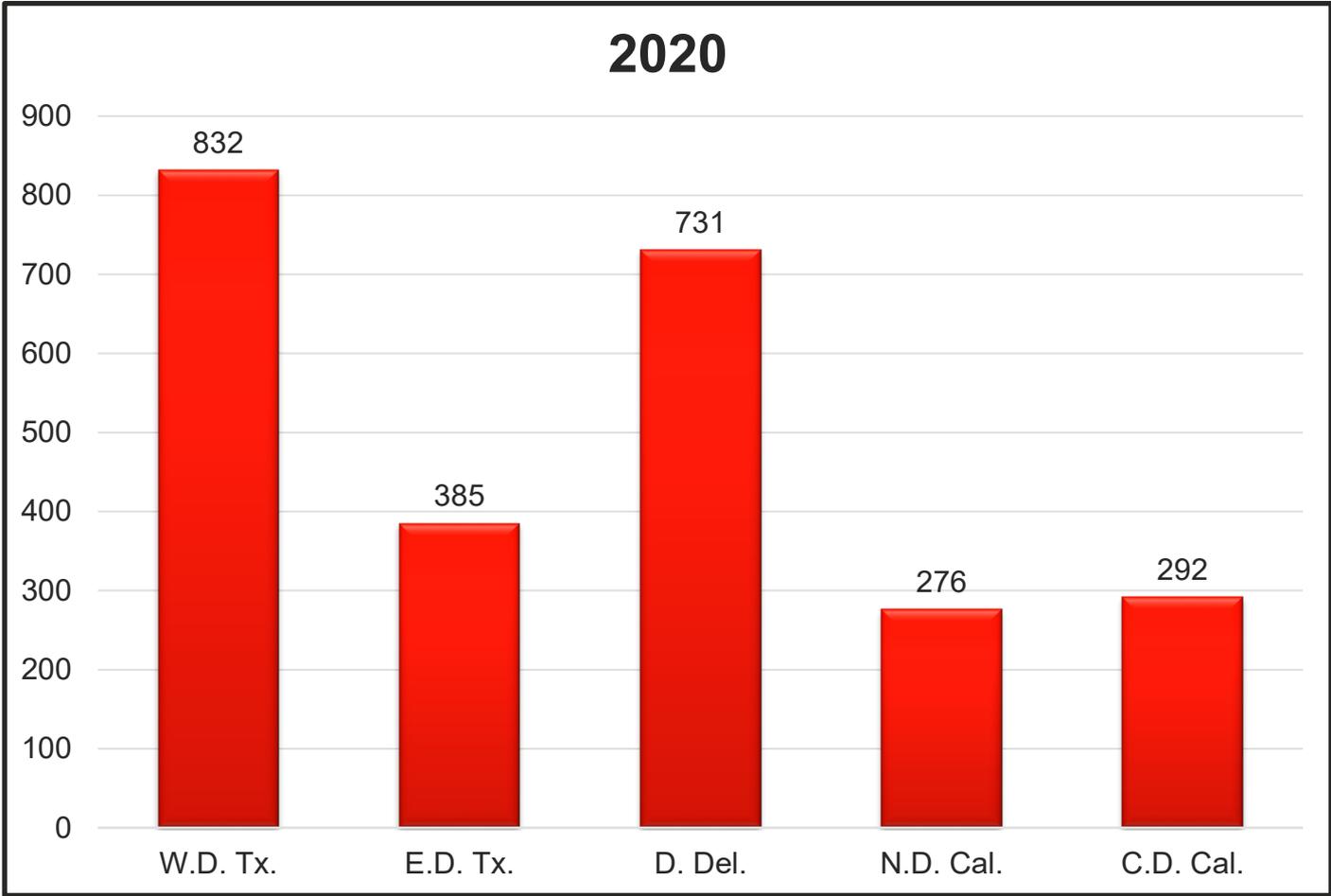
Volume and Proportionality

■ **McGinley v. Luv N' Care, Ltd., No. CV 17-0821, 2018 WL 9814589, at *7 (W.D. La. Sept. 10, 2018)**

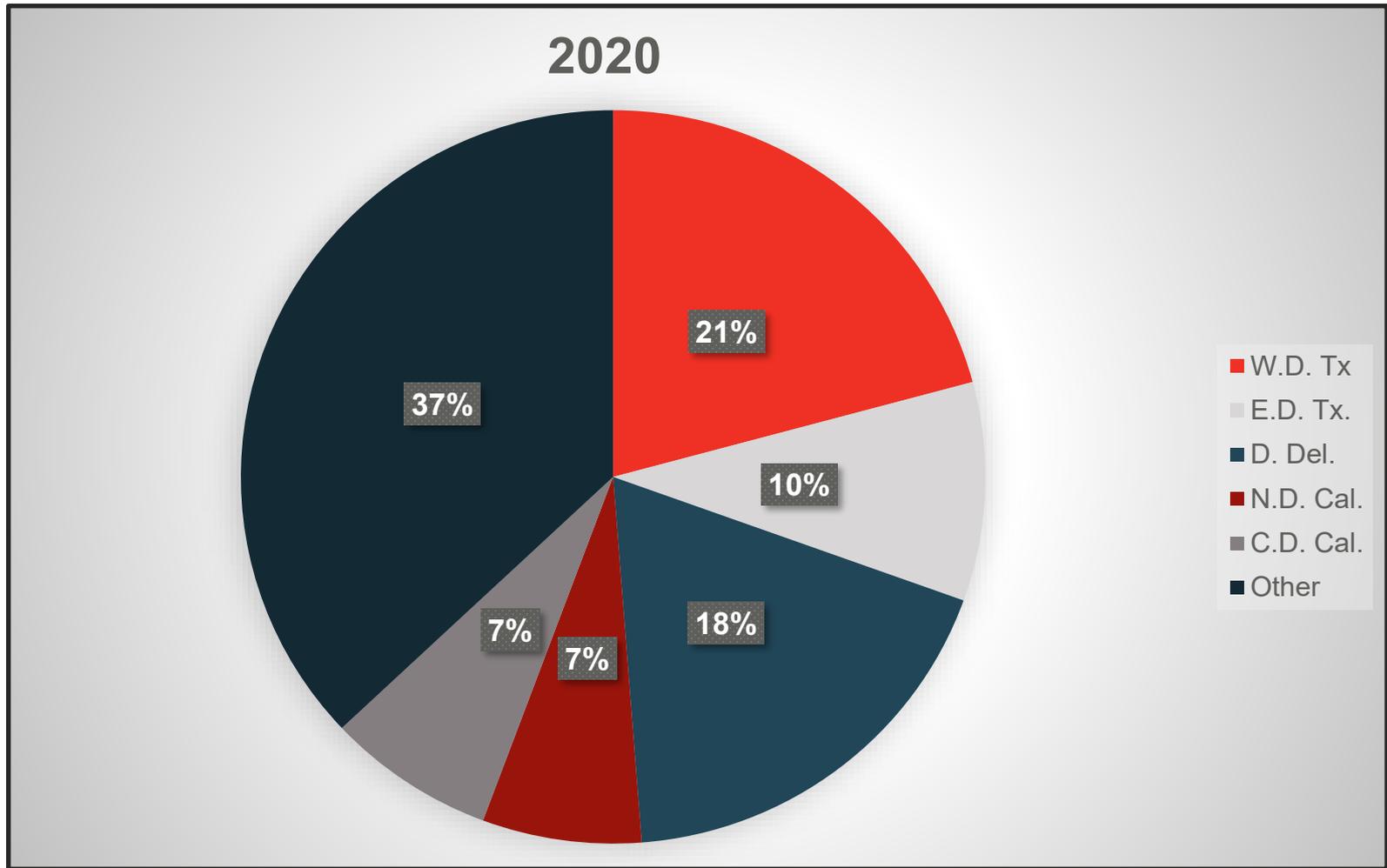
- **“LNC objects ‘to the extent [the requests] seek[] documents related solely to activity taking place outside the United States,’ which is ‘outside the scope of this action,’ ‘can have no bearing on any issue in this case,’ and is ‘unlikely to lead to the discovery of admissible evidence.’”**
- **“LNC also objects to Request No.’s 30, 31, 32, and 36 as ‘over broad, unduly burdensome and not proportional to the needs of the case to the extent it seeks voluminous documents that can be summarized in reports.’”**
- **“LNC’s deposition testimony indicates LNC did engage with foreign distributors and was involved in various aspects of international transactions, including forming distribution agreements, negotiating prices with factories, maintaining a product order system, and receiving commissions. And in its responses to these interrogatories, LNC admits it operates in over 150 countries.”**
- **“LNC suggests these items are voluminous and could be summarized in reports, yet that alone does not demonstrate discovery is not proportional to the needs of the case.”**

Proportionality and Written Discovery

Patent Cases by Jurisdiction – The “Big Five”



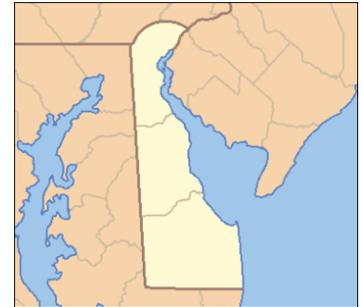
Patent Cases by Jurisdiction – “The Big Five”



Limited Caselaw on Application of Proportionality in the “Big Five”

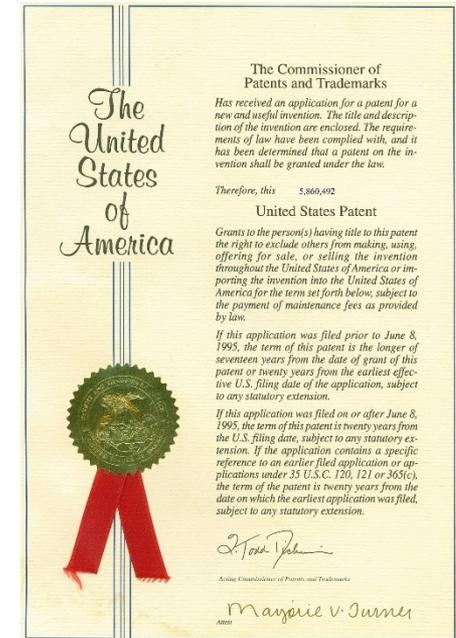
Why so few opinions from these busy patent dockets?

- Informal judicial resolution
 - Telephone conference
 - » Albright/W.D. Tex.
 - During early status conferences
- Resolution without court involvement
- Explicit Proportionality standard in Rule 26 coincides with:
 - AIA enactment of post-grant review proceedings
 - Post-*Alice* early dismissals based on Section 101
- Dynamics of Non-Practicing Entities
- Mandatory Disclosures/Production
- ESI Protocols/Standards



Dynamics of NPE Litigation

- NPE Litigation = Majority of Patent Litigation (nearly 2/3 of all cases filed in 2020)
- Natural “Disproportionality” in Discovery
 - Illustration: *In re Tracfone Wireless*
 - Mandamus to Federal Circuit
 - Essentially no potential witnesses for patentee (except for inventor/prosecuting attorneys)
 - Four witnesses/custodians for defendant – involved in operating the accused methods/systems
- Discovery in NPE Cases
 - May be standardized across multiple cases
 - May be essentially no relevant discovery from plaintiff
 - May also be little incentive to push on issues of proportionality



Timeline of Key Mandatory Discovery

	Technical Documents	Initial Claim Chart	Initial Invalidation Contentions
N.D. Cal.	No later than 45 days after service of the Accused Products and Asserted Patents: source code, specifications, schematics, flow charts, etc. of the Accused Instrumentalities + prior art	No later than 14 days after the Initial Case Management Conference	No later than 45 days after service of the Accused Products and Asserted Patents
C.D. Cal. (Judge Guilford)	No later than 14 days after the scheduling conference: source code, specifications, schematics, flow charts, etc. of the Accused Instrumentalities + prior art	No later than 14 days after the Court issues an order setting a scheduling conference	No later than 14 days after the scheduling conference
E.D. Tx.	No later than 35 days after the Initial Case Management Conference: source code, specifications, schematics, flow charts, etc. + prior art	No later than 10 days before the Initial Case Management Conference	No later than 35 days after the Initial Case Management Conference
W.D. Tx. (Judge Albright)	7 weeks after the Case Management Conference: technical documents, including software where applicable, sufficient to show the operation of the accused products + prior art	Not later than 7 days before the Case Management Conference	7 weeks after the Case Management Conference
D. Del.	Within 30 days after receipt of the accused products and asserted patents: core technical documents related to the accused products, including operation manuals, product literature, schematics, and specifications	Within 30 days after receipt of the technical documents	Within 30 days after receipt of the initial claim chart

ESI Protocols

	Custodians	Search Terms	Timing Issues	Other
N.D. Cal.	5 custodians per producing party	5 search terms per custodian	Email production requests shall be phased to occur after the parties have exchanged initial disclosures and basic documentation	Email production requests shall be propounded for specific, rather than general, issues
C.D. Cal.	The parties will agree on the number of custodians per party for whom ESI will be preserved	The parties will meet and confer about methods to search ESI to identify ESI that is subject to production in discovery and filter out ESI that is not	Parties agree to phase the production of ESI	Use of ESI "PMKs"
E.D. Tx.	Identify 15 per side; searching limited to 8 custodians per producing party	10 search terms per custodian	Email production requests phased to occur after the parties have exchanged initial disclosures and a specific identification of the 15 most significant email custodians	Each party may propound up to 5 written discovery requests and take one deposition to identify the proper custodians, search terms, and time frame for ESI; voicemails & mobile phones need not be searched
W.D. Tx.	If a party believes ESI discovery is necessary, it shall propose a procedure identifying custodians	If a party believes ESI discovery is necessary, it shall propose a procedure for using search terms.	All discovery (except for venue, jurisdictional, and claim construction) is stayed until after <i>Markman</i> hearing	Default: no general search and production of email or other ESI absent good cause
D. Del.	Identify 10 custodians most likely to have discoverable info	No more than 10 additional terms can be used in connection with ESI search	ESI discovery limited to 6 years pre-complaint, except discovery related to prior art or conception/reduction to practice	

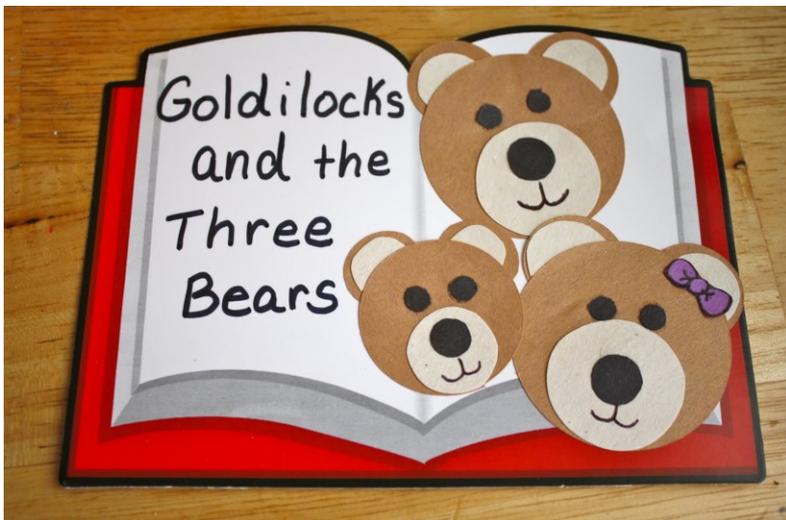
Negotiating ESI Protocols

- Start with a Model – even if jurisdiction does not have one
- Start Early
 - Pre-suit
 - Interplay with initial disclosures
- “Hit Reports” – iterative process
- Phasing of ESI Discovery
 - Initial Set of Discovery
 - Third-Party Discovery
 - Manufacturers/Supply Chain Partners
 - Inventors
 - Attorneys
- Address supplementation obligations



Crafting RFPs/Interrogatories

➤ The “Baby Bear” Model



Too “Hard”/”Broad”

All license agreements in Your possession, custody, or control.

Too “Narrow”/”Soft”

The patent license agreement for Patent No. 9,876,543

Just Right

All license agreements relating to the subject-matter of Patent No. 9,876,543, including but not limited to [insert description].

➤ Where should they go?



➤ Specificity in Responses

➤ Offers to Meet and Confer



So...What's Left? Where's the Proportionality Action for Written Discovery?

- Departing from the Default Standards/Model Orders
- “It’s not what we were expecting”
- Willfulness/Design-Around Efforts
- Documents Relating to Damages



Departing from Model Orders

Nevro Corp. v. Boston Scientific Corp. (N.D. Cal. 2017)

Dispute

- Nevro proposed 13 custodians and 10 search terms per custodian
- BSC proposed 7 custodians and 7 search terms per custodian
- The Model ESI Order limits email production to 5 custodians with 10 search terms per side

Order

- Although Nevro argued that BSC's proposed ESI limits would "unfairly prejudice Nevro," Court found that Nevro did not show "a distinct need based on the size, complexity, and issues" in the case.
- BSC's compromise was appropriate.
- Potential to revisit after production from the 7 custodians



“It’s Not What We Were Expecting”

Gamevice, Inc. v. Nintendo Co. (N.D. Cal. 2019)

Request

- Gamevice moved to compel Nintendo to identify:
 - the name of each person who contributed to the conception and reduction to practice of each alleged claim
 - the nature of the contribution made by that person to each specific claim, and
 - the identities of all persons with knowledge of the conception and reduction to practice of each asserted claim.

Result

- “The Court has significant concerns with the breadth of this interrogatory. . . . [E]ach side may have 35 interrogatories, including all discrete subparts. ECF No. 42. Depending on how subparts are counted, this interrogatory could easily be all 35”
- There were 20 inventors among three patents; Nintendo need only make a reasonable effort to try to reach the inventors who were no longer employed
- Third request really only concerned one patent, so burden was limited



Novanta Corp. v. Iradion Laser, Inc. (D. Del. 2016)

Request

- Novanta moved to compel Iradion to supplement its core technical document production and discovery responses.
- Iradion argued that it produced sufficient core technical documents and that Novanta's discovery requests were irrelevant and disproportional to the needs of the case.

Motion to Compel Granted in Part and Denied in Part

- RFP: Iradion's corporate records
 - Overbroad. Although there was some potential that the request was relevant, the request as written was **not narrowly tailored or proportional** to the claims.
- RFP: All documents sufficient to identify officers and employees of defendants having involvement in the product Iradion sent to Synrad in connection with Synrad's patent infringement case against Iradion.
 - The Court found this request not proportional to the claims in issue. Although potentially relevant, the Court stated that **no record** had been made for the Court regarding proportionality concerns.
- RFP: All documents relating to the technical specifications, drawings, data sheets, architecture, and dimensions of any product with a folder resonator
 - Novanta did not articulate with great specificity how the discovery sought about an unaccused product was related to the existing infringement allegation. It also stated that Iradion would face a time consuming process. The Court ordered Iradion to produce documents on limited set of products.

Largan Precision Co., LTC v. Ability Opto-Electronics Technology Co., Ltd (E.D. Tx. 2020)

Request

- Largan moved to compel HP to produce “all outstanding documents relevant to the claims or defenses of any party within two weeks.”
- Key request: “SKUs and serial numbers.”

Motion to Compel Granted in Part

- “Even if . . . Largan requests document production as to more products than those that incorporate the allegedly infringing lenses, that does not appear to be information Largan can ascertain without discovery.”
 - “It is the very discovery that Largan seeks that will aid it in figuring out which HP laptops contain infringing lenses, if any. **Such a request is proportional to the needs of the case.**”
- No need to produce specifications on SKUs/Model Numbers:
 - “At this stage, Largan is not required to specify the SKU or model number for each and every model number that may potentially incorporate lenses that infringe the patents in suit. It is entitled to reasonable *discovery that will aid it in that determination.*”
- Extended time limit

Willfulness/Design-Around

Illumina Inc. v. BGI Genomics Co., Ltd. (N.D. Cal. 2020)

Requests

- Rog 11: “Set forth in detail each change and/or modification that You have made, or plan to make, to the design, operation, or use of the BGI Accused Products as a result of or in response to Your becoming aware of the Illumina Asserted Patents or the filing of this lawsuit or any other legal action brought by Illumina against any of the Defendants involving Related Patents, and identify all persons with knowledge of those changes or modifications.”
- RFP 44: “All Documents and Things relating to any efforts by Defendants to design or modify sequencing products that are influenced by the existence or substance of the Patents-in-Suit, including all laboratory notebooks, logs, records, files, and models relating to such an effort.”
- Rog 15: “Set forth in detail each change and/or modification that You have made, or plan to make, to the design, operation, or use of the BGI Accused Products *for any purpose*.”



Resolution

- Rog 11 + RFP 44 = relevant and proportional
- Rog 15 = disproportionate to the needs of the case; limited to “for the purpose of designing around Illumnia’s patents-in-suit”

Damages-Related Documents

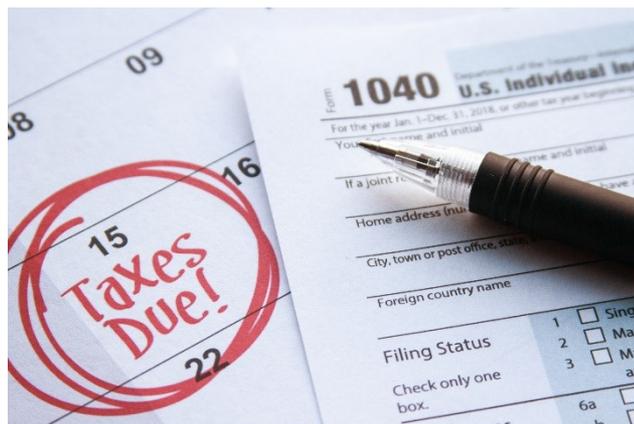
Innovation Sciences, LLC v. Amazon.com, Inc. (E.D. Tx. 2016)

Request

- Defendant's Motion to Compel asked the Court to compel production of documents from 2006 to the present showing Plaintiff's: (1) board and management meetings documents; (2) U.S. tax records; (3) bank records; (4) payment disbursement and receipt records; (5) payroll records; and (6) property ownership records.
- Plaintiff argued that the motion should be denied because the discovery sought was "irrelevant, vastly overbroad," and could be achieved through less-intrusive means.

Motion to Compel Denied

- "[T]o the extent that [Defendant] requests materials and information that are relevant . . . the requests are vast and overbroad."
- With regard to the request for tax returns, the Court found that Defendant did not show that there was a compelling need for their production.



Symantec Corp. v. Zscaler, Inc., (N.D. Cal. 2019)

Requests

- “Documents shared with third-party investors TPG and Lightspeed Venture Partners discussing the market for the accused products and any valuations of the accused products.”
- “Documents exchanged with Morgan Stanley related to Zscaler’s initial public offering that are sufficient to show any valuations of Zscaler or the accused products from Mar. 16, 2017 to Mar. 16, 2018.”



Motion to Compel Granted

- Court concludes that RFPs are proportional.
- “Documents that Zscaler provided to Lightspeed, TPG and Morgan Stanley are likely to contain the most accurate forward-looking valuations that Zscaler had at the time given what those three companies were doing for Zscaler. These forward-looking valuations could be particularly useful for determining the value of a reasonable royalty that would have been agreed to in a hypothetical negotiation.”
- Zscaler’s opposition arguments regarding proportionality/burden were “conclusory.”

Aquastar Pool Products, Inc. v. Color Match Pool Fittings, Inc. (C.D. Cal. 2019)

Requests

- RFP 2: All invoices for sales of all commercial embodiments of the patents-in-suit since 2013.
- RFP 10: All documents describing an alleged non-infringing alternative sold by a third-party
- RFPs 12-14: All emails mentioning the accused products
-

Motion to Compel Granted in Part and Denied in Part

- RFP 2: “Requiring defendant to print invoices” when summary spreadsheet had been produced is not proportional. **Denied.**
- RFP 10: “To require a defendant to produce all its documents describing [the product-at-issue] on the off change there might be an inconsistent statement . . . Is disproportionate to the needs of the case.”
- RFPs 12-14: Proposed search terms = **Granted.**



Uniloc USA, Inc. v. Apple Inc. (N.D. Cal. 2020)

Original Request	Request as Modified
All Documents reflecting any value attributed by Uniloc to any Philips-IPG Patent other than the '207 patent.	Unmodified
All Documents which <u>refer or relate</u> to any prospective or executed license, assignment, sale, or transfer of any rights relating to the Philips-IPG Patents, including all Communications relating thereto	All documents, including communications, that <u>constitute or reflect</u> the terms of any prospective or executed license, assignment, sale, or transfer of any rights relating to the Philips-IPG Patents.
All Documents that <u>refer [or] relate</u> to any value assigned to any one or more of the Philips-IPG Patents, including, but not limited to, any valuations, appraisals, allocations, or reporting on any financial statement or report.	All documents <u>reflecting</u> any value assigned to any one or more of the Philips-IPG Patents, including, but not limited to, any valuations, appraisals, allocations, or reporting on any financial statement or report.
All damages contentions, responses to interrogatories seeking information from Uniloc concerning damages, damages expert reports, and any transcripts of depositions of damages experts, including all exhibits hereto, in any Uniloc Litigation On Philips-IPG Patents	Unmodified, except: no need to search for and produce all of Uniloc's damages-related interrogatory responses or the damages expert reports and deposition; or all exhibits used in the depositions the expert's testimony cannot be otherwise understood

Key Quote:

Apart from an abbreviated reference to proportionality at the beginning of its portion of the discovery dispute letter, Uniloc does not explain how Apple's document requests impose a burden on Uniloc that is not proportional to the needs of the case.

Takeaways for Motions to Compel

- **Compromise (or at least the appearance of Compromise)**
- **Modifications**
 - Dates
 - “Sufficient to show” vs. “All/Any”
- **Specifics, Specifics, Specifics**
 - Tie to contentions, claims, defense, etc. – “needs of the case”
 - Affidavits/Declarations
 - Deposition Testimony
- **Choose the Battles**



EXPERTS

Experts & Discovery

- Protective order clearance
- Collaboration on fact discovery

Experts & Discovery: Rule 26(a)(2) Disclosures

- Reports must contain:
 - a complete statement of all opinions the witness will express and the basis and reasons for them;
 - the facts or data considered by the witness in forming them;
 - any exhibits that will be used to summarize or support them;
 - the witness's qualifications, including a list of all publications authored in the previous 10 years;
 - a list of all other cases in which, during the previous 4 years, the witness testified as an expert at trial or by deposition; and
 - a statement of the compensation to be paid for the study and testimony in the case.

Experts & Discovery: Rule 26(b)(4) Protections

(B) Trial-Preparation Protection for Draft Reports or Disclosures.

Rules 26(b)(3)(A) and (B) protect drafts of any report or disclosure required under Rule 26(a)(2), regardless of the form in which the draft is recorded.

(C) Trial-Preparation Protection for Communications Between a Party's Attorney and Expert Witnesses.

Rules 26(b)(3)(A) and (B) protect communications between the party's attorney and any witness required to provide a report under Rule 26(a)(2)(B), regardless of the form of the communications, except to the extent that the communications:

- (i) relate to compensation for the expert's study or testimony;
- (ii) identify facts or data that the party's attorney provided and that the expert considered in forming the opinions to be expressed; or
- (iii) identify assumptions that the party's attorney provided and that the expert relied on in forming the opinions to be expressed.

Experts & Discovery: Depositions

What questions can we answer?



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