



Finnegan, Henderson, Farabow, Garrett & Dunner, LLP

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Patent Stream Session 4.1

“Da mihi factum, dabo tibi ius”:

Give me the facts, I’ll give you the law! But how?

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Fact Discovery in U.S. Patent Litigation

by

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Introduction

Fact gathering for use as evidence in a U.S. patent infringement trial – “discovery” – a unique system:

A party to the litigation (patent owner, accused infringer) can require its opponent to obtain information in its possession, including documents, and provide it to its adversary – any information that is relevant to the litigation or which may lead to relevant information. And it is not limited to obtaining information from only the parties and from only those in the United States!

Introduction (cont'd)

- Covered
 - Fact Discovery Purpose and Scope
 - Discovery Timing
 - Tools to Obtain Fact Discovery
 - Tools to Limit or Preclude Fact Discovery
- Not Covered
 - Substantive Legal Issues (infringement, invalidity, etc.)
 - Document Retention
 - Litigation Holds
 - Spoliation
 - Motions to Compel and Sanctions

Fact Discovery Purpose

- Purpose
 - Fact-finding
 - Evidence for use at trial, including admissions of opponent
- Burdens of Proof at Trial
 - Plaintiff – U.S. Patent Owner
 - Infringement
 - Damages
 - Others: ownership, § 287 making/notice
 - Defendant – Accused Infringer
 - Invalidity
 - Unenforceability
 - Other Affirmative Defenses: laches, estoppel, etc.

Purpose (cont'd)

- Broad scope
- Governed by Federal Rules of Civil Procedure (“FRCP”) and trial court Local Rules and Standing Orders
- Sought from parties to the litigation and from non-parties, and not only from those in the U.S.

Fact Discovery Scope

- What is Discoverable?

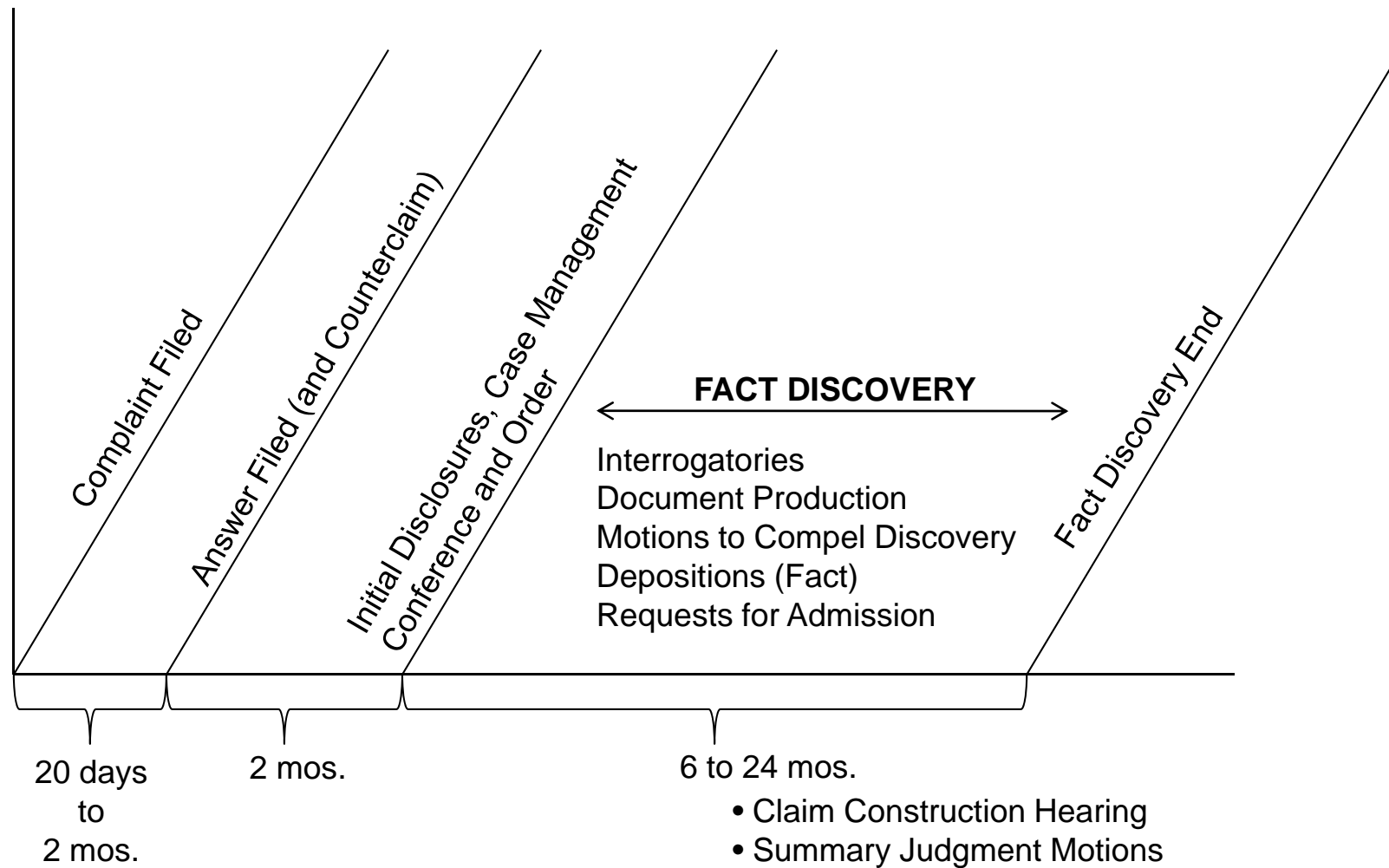
- FRCP 26(b)(1): Discovery Scope and Limits

“Parties may obtain discovery regarding any nonprivileged matter that is relevant to any party’s claim or defense”

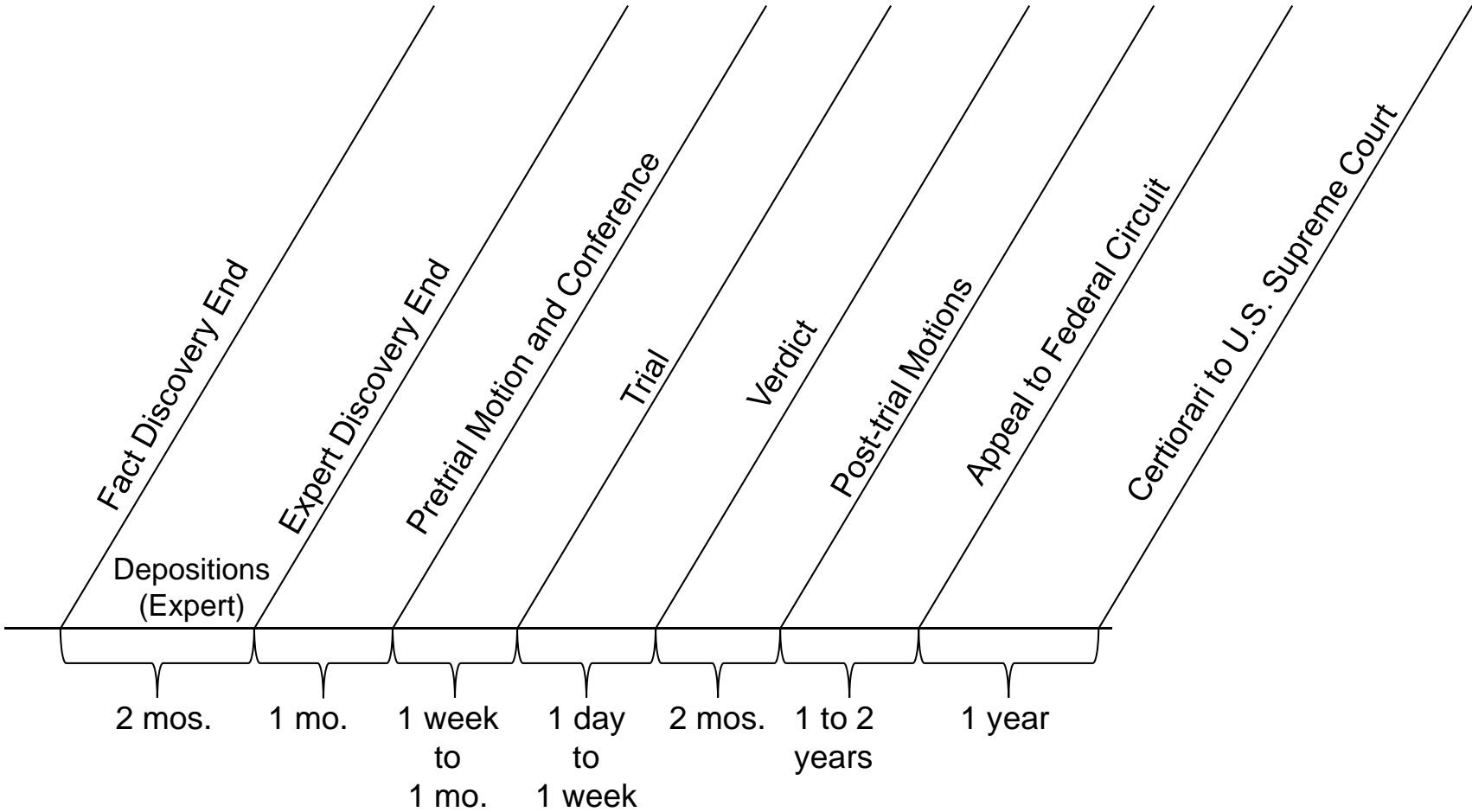
(Emphasis added.)

“Relevant information need not be admissible at the trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence.” (Emphasis added.)

Fact Discovery Timing



Fact Discovery Timing (cont'd)



Fact Discovery Tools

- Discovery Tools Available to Parties
 - Initial Disclosures (FRCP 26(a)(1))
 - Interrogatories (FRCP 33)
 - Requests for Production of Documents and Tangible Things, or Entering onto Land, for Inspection and Other Purposes (“Document Requests”) (FRCP 34)
 - Depositions (FRCP 27, 28, 29, 30, 31, and 32)
 - Requests for Admission (FRCP 36)

Discovery Tools – Initial Disclosures

- Initial Disclosures (FRCP 26(a)(1))
 - Mandatory and automatic: “without awaiting a discovery request”
 - Names of potential witnesses and the general topics of the information held that the disclosing party may use to support its claims or defenses
 - Documents and tangible things, including “electronically stored information,” in “possession, custody, or control” that the disclosing party may use to support its claims or defenses
 - Produce the documents or describe them by category and location

Discovery Tools – Interrogatories

- Interrogatories (FRCP 33)
 - Written questions served on opposing party seeking factual information or contentions
 - Limit of 25 (FRCP 33(a)(1))
 - Responding party may produce business records if answer to question can be obtained from those documents

Interrogatories (cont'd)

- Examples

- “Identify all persons involved in preparing or prosecuting the application that led to the '123 patent and describe each person's involvement.”
- “Identify by production number all laboratory notebooks of Dr. A.”
- “Describe the contribution of each named inventor to the subject matter of the '123 patent.”
- “State the complete factual basis for Plaintiff's infringement claims.”
- “State the complete factual basis for Defendant's obviousness defense.”

Discovery Tools – Document Requests

- Document Requests (FRCP 34)
 - List of categories of documents, tangible things, and inspections sought
 - No limit on number of requests under FRCP
 - Critically important to success of case
 - Outcome of litigation may turn on handful of key documents
 - Burdensome for both sides (e.g., 3.5 million pages produced in recent case)

Document Requests (cont'd)

- Can obtain from non-parties
- Produce documents and things in “possession, custody, or control”
- Not just paper but
 - Electronically stored documents and files, including data compilations and emails
 - Testing or sampling of accused product or accused manufacturing process (including inspection of semiconductor fabrication plant)

Document Requests (cont'd)

- Examples

- “All documents relating to the preparation or prosecution of the application leading to the '123 patent”
- “All laboratory notebooks relating to any example of the '123 patent.”
- “All documents describing the electronics of the accused product and its operation.”
- “All business plans relating to the XYZ product.”
- “Documents sufficient to describe Plaintiff’s net sales of its XYZ product from 2002 to the present.”

Discovery Tools – Depositions

- Depositions (FRCP 27-32)
 - Purpose
 - Discover information helpful to claim or defense (facts, documents, and leads to additional evidence)
 - Establish evidence to be used at trial or for summary judgment
 - Use to impeach a witness while testifying at trial
 - Sworn testimony recorded by a court reporter (stenographically, video)
 - Formal procedure but without Judge present
 - Questions, objections, and answers
 - Limit of 10 (FRCP 30(a)(2)(i)) often exceeded

Depositions (cont'd)

- Initiated by service of Notice of Deposition on opposing counsel or of a subpoena on a non-party
- Types of depositions
 - Individual witness identified and deposed
 - Corporate representative requested to testify on specific topics (Rule 30(b)(6) deposition)
 - Non-party witnesses (often called “third-party” witnesses)
 - Often accompanied by subpoena for documents

Depositions (cont'd)

- Deposition Targets (Offensive and Defensive)

Patent Owner

- Inventors
- Other R&D People
- Business Managers
- Senior Management
- Corporation - 30(b)(6)
- Prosecuting Attorney(s)

Accused Infringer

- R&D Staff
- Business Managers
- Financial People
- Corporation - 30(b)(6)

Non-Parties

- Prior Art Manufacturers, Users
- Former Employees
- Customers of Accused Infringer

Discovery Tools – RFAs

- Requests for Admission (FRCP 36)
 - List of statements for opposing party to admit or deny – not only facts; also application of law to fact and opinions about the fact or law application
 - Answering party must admit or deny alleged facts or state “in detail” why answering party cannot truthfully admit or deny
 - No limit under FRCP
 - No requirement to explain reasons for denial
 - Could serve interrogatory seeking basis for denial
 - Often not served until end of fact discovery

Duty to Supplement

- Parties are under a Duty to Supplement Discovery (FRCP 26(e))
- What?
 - Initial Disclosures (names of people with knowledge)
 - Responses to interrogatories, document requests, and requests for admission
- When?
 - Material aspect of response “incomplete or incorrect”
 - If additional or corrective information not known to the other party
 - Ordered by the Court

Tools to Limit or Prevent Discovery

- Default is to produce requested information and material, but . . .
- Tools Available to Limit or Preclude Discovery
 - Negotiation
 - Frequency/extent limitations (FRCP 26(b)(2)(C))
 - Protective Orders (FRCP 26(c))
 - Attorney-client privilege and work product immunity
 - Blocking Statutes, Privacy Laws, State Secrecy Laws

Tools to Limit or Prevent Discovery (cont'd)

- Negotiation
 - Cannot just say “no” to discovery requests
 - Negotiate with requesting counsel for clearer, more focused, limited requests: if agreement, OK.
 - If no agreement, respond with objections, such as
 - Vague/ambiguous: unclear what requested
 - Not reasonably calculated to lead to discovery of admissible evidence
 - Overly broad/unduly burdensome
 - Attorney-client privilege/work product immunity

Tools to Limit or Prevent Discovery (cont'd)

- Frequency/Extent Limitations (FRCP 26(b)(2)(C))
 - By motion or on its own, the Court must limit the frequency or extent of otherwise permissible discovery if:
 - Unreasonably cumulative/duplicative or can be obtained from another source more convenient, less burdensome, or less expensive
 - Party seeking discovery already had ample time to obtain it
 - Burden or expense of proposed discovery outweighs its likely benefit

Tools to Limit or Prevent Discovery (cont'd)

- Protective Orders (FRCP 26(c))
- Two Types
 - Control access to confidential information to be provided to the requesting party
 - Limit or preclude discovery
 - Electronically stored information (FRCP 26(b)(2)(B))
 - Frequency/extent limitations (FRCP 26(b)(2)(C))
 - Forbid all/part of disclosure sought
 - Specify terms/types of disclosure sought
 - Available to parties or any person/company from whom discovery sought

Tools to Limit or Prevent Discovery (cont'd)

- Attorney-client privilege
 - Communications between client and attorney
 - In confidence
 - For legal services
 - That are not waived
- Work Product Immunity
 - Information prepared in anticipation of litigation that reflects mental impressions, opinions, or legal theories of a lawyer or another representative of a party

Tools to Limit or Prevent Discovery (cont'd)

- Additional Tools Available to Persons/Companies Outside the U.S. and Its Territories
 - Blocking Statutes: address U.S. discovery, in general, sought in U.S. litigation from non-U.S. parties
 - Privacy Laws: protection grounded in public policy concerns to keep information private
 - State Secrecy Laws: protection of a country's state secrets and official information

Conclusion

- So the “But how?” question in the title of this session is answered in the U.S. with an expansive, time-consuming, often burdensome, and expensive discovery process in a patent litigation.
- Good or bad? It does get to the truth of the matter and permits the trier of fact at trial – either Judge or Jury – to rule on the issues presented at trial.

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Thank You

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