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THE SEDONA CONFERENCE WORKING GROUP SERIES



# THE SEDONA CONFERENCE

## *Commentary on Streamlining Lower-Value Patent Cases*

A Project of The Sedona Conference  
Working Group on Patent Litigation  
Best Practices (WG10)

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## *Principles “At a Glance”*

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Principle No. 1 – WG10 is developing Best Practices to improve the system for resolving patent disputes and make it more fair and efficient. These Best Practices apply to and benefit all stakeholders in patent litigation, both bench and bar, and to and for all types of patent holders and accused infringers. These Best Practices should further the goals of Federal Rule of Civil Procedure 1 and “should be construed and administered to secure the just, speedy, and inexpensive determining of every action and proceeding,” all to help ensure a fair and efficient patent litigation system.

Principle No. 2 – In furtherance of this goal, WG10 has developed a Streamlined Patent Case Program (“Streamlined Program”) that is designed to complete patent cases identified as lower value in a streamlined, cost-effective, and speedy manner.

Principle No. 3 – Cases that will be appropriate for the Streamlined Program are those where: (a) the amount at stake is realistically in the range of \$10 million or less; (b) indicators exist that point to using the Streamlined Program, such as lack of patent marking, the patent has expired or will soon expire, or the accused product sales are lower than plaintiff anticipated; or (c) there are other early sign posts that the case may be a good candidate for the Streamlined Program.

Principle No. 4 – Because the Streamlined Program requires early expenditure of judicial resources, the Streamlined Program is not designed for resolving patent cases where the plaintiff is willing to quickly settle for a fraction of litigation costs.

Principle No. 5 – The Court should inform parties of its willingness to adopt the Streamlined Program for its patent cases as part of its General or Standing Orders, or otherwise in a Notice to the Parties as soon as practicable after a new patent case is filed.

Principle No. 6 – A fundamental component of the Streamlined Program is a bench trial, and accordingly participation in the Streamlined Procedure is optional for the parties.

Principle No. 7 – The parties must decide at the outset of the case whether they are willing to use the Streamlined Program. The plaintiff may choose to inform the Court by filing a Notice of Willingness to Use Streamlined Program with the complaint. Otherwise, both plaintiff and defendant should inform the Court of their willingness prior to the defendant answering the complaint.

Principle No. 8 – The Court should issue an Order Governing the Case Management Statement Under the Streamlined Program. The Order should direct the parties to file a Case Management Statement within a week after entering into the Streamlined Program. The Case Management Statement may include information that the Court, in its discretion, finds helpful to understanding the issues in the case. Examples of the type of information a Court may ask the parties to provide include: (a) when the complaint was filed; (b) if defendant has answered, or if not, when the answer is due; (c) the date(s) the parties agreed to enter into the Streamlined Program; (d) the number of asserted patents and the asserted claims; (e) an identity of any prior litigations involving any of the asserted patents; (f) an identity of any other litigation between the same parties and the status of any such litigations; (g) whether there are licenses involving the asserted patents; (h) a good-faith, non-

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binding estimate of the damages range expected for the case; (i) a list of key factors that will impact the value or termination of the case; (j) the corporate disclosures required by Federal Rule of Civil Procedure 7.1; (k) a summary of any notice of any asserted patent or of any pre-suit discussions between the parties; and (l) the identity and status of any IPR, CBM, or other PGR petitions regarding any of the asserted patents.

Principle No. 9 – The Court should also enter a Schedule that will govern the case, consistent with the proposed Streamlined Program schedule set forth in Section IV.A.12.

Principle No. 10 – Participation in the Streamlined Program requires the parties to waive or otherwise limit certain claims and defenses. The parties agree to waive any arguments regarding personal or subject matter jurisdiction, as well as any arguments regarding improper or inconvenient venue. The plaintiff agrees not to pursue any claim of willful infringement and will not seek injunctive relief. The defendant agrees it will not file any invalidity proceedings before the PTO, such as IPR, CBM, or PGR petitions, or requests for *ex parte* reexamination. The defendant also agrees it will not pursue any counterclaims beyond noninfringement, invalidity, and unenforceability due to inequitable conduct.

Principle No. 11 – To achieve its goal, the Streamlined Program requires a strict limit on the number of asserted claims and number of asserted prior art references. The Program limits the number of asserted claims to five (regardless of the number of asserted patents), and number of asserted prior art references to seven. If there are multiple asserted patents and the patents have different specifications, then the defendant may add two additional prior art references per different specification. Any obviousness combinations under 35 U.S.C. § 103 must be made from the identified prior art references.

Principle No. 12 – Participation in the Streamlined Program requires significantly reducing the amount of discovery sought and produced. The parties should meet and confer as part of preparing the Case Management Statement concerning the appropriate limitations on the number of document requests, interrogatories, requests for admission, Rule 30(b)(6) categories, subpoenas, and depositions. No email discovery will be allowed. As part of the parties' discovery obligations, the Streamlined Program requires the parties to produce "core" documents six weeks after entry into the Streamlined Program. Any discovery disputes will be resolved by expedited letter briefing and a short telephone conference with the Court.

Principle No. 13 – The Streamlined Program requires early resolution of claim construction disputes. The parties should complete the exchange of terms and proposed constructions 10 weeks after entry into the Streamlined Program, with a claim construction hearing taking place seven weeks thereafter following briefing. The default should be to conduct the claim construction hearing by video conference, although the Court may in its discretion consider a request by the parties to have the hearing in person. The Court should provide its constructions at the conclusion of the hearing or shortly thereafter. Because of the streamlined process, the Court may set a limit of no more than five terms requiring construction as part of the claim construction process. To the extent that there is an issue concerning claim indefiniteness under 35 U.S.C. § 112, that should be resolved as part of claim construction.

Principle No. 14 – Because the Streamlined Program requires an accelerated schedule and a bench trial, summary judgment and *Daubert* briefing is excluded from the Streamlined Program. Concerns

regarding the qualifications of an expert may be raised in the trial briefs. If the parties identify a dispute regarding a claim term that was not decided as part of the claim construction process and its construction is critical to resolution of an infringement or validity issue, the Court may construe the term during the trial.

Principle No. 15 – The Streamlined Program is designed so that fact discovery is completed 16 weeks after the parties enter into the Streamlined Program. Expert discovery should be completed within 27 weeks, and trial briefs should be submitted 35 weeks thereafter.

Principle No. 16 – A bench trial on liability, lasting 2-3 days, should take place within forty weeks after the parties enter into the Streamlined Program. The Court may in its discretion require the parties to submit proposed findings of fact and conclusions of law one week after the end of the trial. The Court should issue its decision on liability within four weeks after the trial ends.

Principle No. 17 – If the Court determines that at least one asserted patent claim is infringed and not invalid, the parties will immediately proceed to the damages phase of the Streamlined Program. This phase is limited to expert discovery and requires submission of damages trial briefs 54 weeks after the parties enter into the Streamlined Program. A one-day bench trial on damages should take place in the 56<sup>th</sup> week. Again, the Court in its discretion may require the parties to submit proposed findings of fact and conclusions of law within one week after completion of the damages trial. The Court should issue its decision on damages 60 weeks after entry into the Streamlined Program.

Principle No. 18 – The Court may award damages for past infringement, and where appropriate may determine an ongoing royalty rate for future infringement. But the maximum amount under the Streamlined Program the Court may require a defendant to pay is \$10 million total.

## ***Best Practices “At a Glance”***

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Best Practice 1 – Participation in the Streamlined Program should be optional, not mandatory.

Best Practice 2 – The Streamlined Program should set a cap on the combined amount of past damages and future royalties available under the Program of no more than \$10 million.

Best Practice 3 – Cases where the plaintiff is willing to settle for a fraction of the cost of litigation (e.g., well under \$1 million) are not suitable for the Streamlined Program.

Best Practice 4 – Factors the parties should consider in determining whether a case is suitable for the Streamlined Program include: (a) a realistic assessment of the amount at stake; (b) the amount received from licensing the patent or similar patents in the same field; (c) whether the patent has marking issues, has expired, or will soon expire; (d) whether the asserted patents cover only a minor component or feature of the accused products; or (e) whether the defendant has facially meritorious noninfringement or invalidity defenses.

Best Practice 5 – The Streamlined Program requires the parties to agree to waive any arguments concerning subject matter or personal jurisdiction, and any arguments that venue is improper or inconvenient.

Best Practice 6 – The Streamlined Program does not allow plaintiff to argue or bring a claim for willful infringement.

Best Practice 7 – Injunctive relief is not available under the Streamlined Program, only monetary damages.

Best Practice 8 – The Streamlined Program requires the defendant to agree that it will not file invalidity proceedings before the U.S. PTO, including IPR, CBR, or PGR petitions, or requests for *ex parte* reexamination of any of the asserted patents.

Best Practice 9 – The Streamlined Program limits any counterclaims the defendant may file to ones for noninfringement, invalidity, and/or unenforceability due to inequitable conduct.

Best Practice 10 – The plaintiff should advise the Court when filing the complaint of its willingness to participate in the Streamlined Program.

Best Practice 11 – The defendant should inform the plaintiff prior to answering the complaint of its willingness to participate in the Streamlined Program.

Best Practice 12 – If the plaintiff has not indicated its willingness to participate in the Streamlined Program before defendant answers the complaint and defendant has information concerning the amount of accused sales or a noninfringement/invalidity argument that may substantially impact the merits of the case, defendant should bring that to the attention of the plaintiff before defendant answers the complaint so that plaintiff may consider whether to participate in the Streamlined Program.

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Best Practice 13 – The parties should file a Notice with the Court of their shared willingness to participate in the Streamlined Program as soon as agreement is reached.

Best Practice 14 – Upon notice from the parties of their willingness to participate in the Streamlined Program, the Court should issue its Order requiring submission of the Case Management Statement. The Case Management Statement should be jointly filed by the parties within one week after entry into the Streamlined Program.

Best Practice 15 – The Case Management Statement should include whatever information the Court in its discretion determines is helpful to understanding the issues in the case. For example, the Court may ask the parties to identify: (a) when the complaint was filed; (b) if defendant has answered, or if not, when the answer is due; (c) the date(s) the parties agreed to enter into the Streamlined Program; (d) the number of asserted patents and the asserted claims; (e) an identity of any prior litigations involving any of the asserted patents; (f) an identity of any other litigation between the same parties and the status of any such litigations; (g) whether any licenses exist involving the asserted patents; (h) a good-faith, non-binding estimate of the damages range expected for the case; (i) a list of key factors that will impact the value or termination of the case; (j) the corporate disclosure information required by Federal Rule of Civil Procedure 7.1; (k) a summary of any notice of any asserted patent or of any pre-suit discussions between the parties; and (l) the identity and status of any IPR, CBM, or other PGR petitions regarding any of the asserted patents.

Best Practice 16 – The Court should enter a Scheduling Order that controls the deadlines in the case, consistent with the Streamlined Program's preferred schedule as set out in Section IV.A.12.

Best Practice 17 – The total number of patent claims that a plaintiff may assert is five, regardless of the number of asserted patents.

Best Practice 18 – The total number of prior art references that a defendant may rely on is seven. If there are two or more asserted patents and the patents have different specifications, the defendant may add two additional prior art references for each different specification. Obviousness combinations may only be based on the identified prior art references.

Best Practice 19 – The parties should agree on stringent limits on the number of interrogatories, document requests, requests for admission, subpoenas, and Rule 30(b)(6) topics that may be served, as well as the number of depositions. If the parties cannot agree the Court may impose its own limitations, consistent with the goals of the Streamlined Program.

Best Practice 20 – The Streamlined Program does not allow discovery requests that require searching for and producing email.

Best Practice 21 – Six weeks after entry into the Streamlined Program, the parties should produce core documents.

Best Practice 22 – Plaintiff's core documents should include the patent(s), file histories, any prior art, including art not cited on the face of the patents, all documents concerning any assignment or chain of ownership involving the patents, license/settlement agreements, documents concerning the inventor(s), development (conception/reduction to practice) history documents (inventor notebooks, presentations, etc.), and documents regarding the accused products/process. If the plaintiff alleges that it offers a competing product, then documents regarding the

customers/sales/profits for the competing products should also be included as part of the core document production.

Best Practice 23 – Defendant’s core documents should include prior art, documents sufficient to show the relevant operation of the accused products/process (specifications, schematics, flow charts, formulas, etc., and when necessary source code), financial information concerning the accused products/process (customers, revenue, profit/loss statements), and any license agreements related to the accused products/process.

Best Practice 24 – Any discovery disputes should be resolved by an expedited procedure whereby the parties provide the Court with a brief, joint letter explaining the dispute and each parties’ positions, followed by a short telephone conference with the Court. The Court will provide its decision at the conclusion of the conference or shortly thereafter.

Best Practice 25 – Because discovery is streamlined, it should be completed early. Fact discovery should end 16 weeks after the parties enter into the Streamlined Program.

Best Practice 26 – Early disclosure of the parties’ contentions is a key aspect of the Streamlined Program. Plaintiff should identify asserted claims and provide infringement charts one week after entry into the Streamlined Program. Defendant should provide noninfringement contentions three weeks later. Defendant should provide its invalidity contentions eight weeks after entry into the Streamlined Program.

Best Practice 27 – Supplemental contentions should be allowed only in the rare instance when the Court adopts a claim construction that has not been advocated by either party. The parties will have the opportunity to explore their competing contentions during expert discovery and will be required to include their arguments in pre-trial briefing. The Court has the discretion to strike or exclude an argument from trial if it varies egregiously from the party’s contentions.

Best Practice 28 – Claim construction disputes should be resolved early under the Streamlined Program. The parties should exchange proposed terms for construction and their constructions, as well as supporting evidence, 10 weeks after entry into the Streamlined Program. The parties should complete claim construction briefing no later than 15 weeks after entry into the Streamlined Program.

Best Practice 29 – The Court should construe a maximum of five terms during the claim construction process. If the parties later identify a dispute regarding a claim term that was not decided as part of the claim construction process and its construction is critical to resolution of an infringement or validity issue, the Court may construe the term during the trial.

Best Practice 30 – Any arguments concerning claim indefiniteness under 35 U.S.C. § 112 should be included in the claim construction process.

Best Practice 31 – The Court should hold a claim construction hearing 17 weeks after the parties enter the Streamlined Program. To save costs, the hearing should be by video and of relatively short (e.g., two hours) duration. The Court may in its discretion consider a joint request by the parties to conduct the hearing in person. The Court should provide constructions at the conclusion of the hearing, or shortly thereafter.

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Best Practice 32 – Expert discovery should also be streamlined. The parties should exchange expert reports on liability issues (infringement, invalidity) 21 weeks after entry into the Streamlined Program. Responsive expert reports should be exchanged four weeks later, and expert discovery should be completed 27 weeks after the parties enter into the Streamlined Program.

Best Practice 33 – Because the Streamlined Program calls for a bench trial in an expedited fashion, the Streamlined Program foregoes any summary judgment briefing or *Daubert* briefing.

Best Practice 34 – No later than 35 weeks after the parties' entry into the Streamlined Program, the parties should submit trial briefs addressing the liability issues.

Best Practice 35 – The Court should hold a bench trial, limited to 2-3 days as necessary, 40 weeks after entry into the Streamlined Program.

Best Practice 36 – The Court may in its discretion require the parties to submit proposed findings of fact and conclusions of law one week after the completion of the trial. The Court should impose a page limit on these submissions.

Best Practice 37 – The Court should issue its decision on liability no later than 44 weeks after entry into the Streamlined Program.

Best Practice 38 – Only if the Court finds at least one asserted patent claim infringed and not invalid will the parties proceed to the damages phase of the Streamlined Program.

Best Practice 39 – The plaintiff should submit its damages expert report 48 weeks after entry into the Streamlined Program (four weeks after the Court's liability decision). The defendant's damages expert report is due two weeks later.

Best Practice 40 – The damages expert discovery deadline should be 52 weeks after the parties enter into the Streamlined Program.

Best Practice 41 – No later than 54 weeks after the parties' entry into the Streamlined Program, the parties should submit trial briefs addressing the damages issues.

Best Practice 42 – The Court should hold a one-day bench trial on damages 56 weeks after entry into the Streamlined Program.

Best Practice 43 – As with liability, the Court may in its discretion require the parties to submit proposed findings of fact and conclusions of law one week after the completion of the damages trial. The Court should impose a page limit on these submissions.

Best Practice 44 – The Court should issue its decision on damages no later than 60 weeks after entry into the Streamlined Program.

Best Practice 45 – The Court may award damages for past infringement, and may when appropriate order the defendant to pay ongoing royalties for future infringement at a rate determined by the Court. The total amount a defendant will be required to pay for both past and future infringement is \$10 million.

# *I. Introduction*

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The *Commentary on Streamlining Lower-Value Patent Cases* explores ways to efficiently and effectively resolve certain types of patent cases with proportional impact on the parties, courts, third parties and other stakeholders. It recognizes that our current “one size fits all” patent litigation model over-taxes the system and parties when the value of a particular patent case is relatively low. The *Commentary* explores the realities of the patent litigation ecosystem and the interests of all stakeholders to generate a balanced proposal that can be effectively employed, focusing on the lower-value cases that consume a disproportionate amount of party and court resources. This *Commentary* is not directed at the very low value cases that tend to resolve before consuming meaningful court resources.

The *Commentary* explores what types of cases would benefit from streamlining. For example, some cases may be good candidates for this program because they involve a limited damages period (i.e., marking problems and/or expired or soon-to-be-expired patents) or because there is a clear noninfringement, invalidity, standing or other issue. Some cases might involve a low demand from a plaintiff seeking a large number of smaller settlements. Yet other cases might involve a patent directed to a minor or small aspect of an accused product. The *Commentary* recognizes that some cases may fall within more than one of these categories.

An initial goal of Working Group 10 (WG10) was to accurately and fairly identify such cases, and to develop a streamlined program for resolving them. WG10 conducted a comparative analysis of the different procedures and best practices employed in our own judiciary across practice areas and programs implemented in other countries. The goal was to study the efficacy of such practices to inform the development of this *Commentary*.

The primary focus of this *Commentary* is to develop a fair and balanced Streamlined Patent Case Program (“the Streamlined Program”) that will become widely adopted in the court system and by litigants and transform the way lower-value patent cases are resolved. This Streamlined Program reflects the inputs of representatives from all key stakeholders in the patent litigation system, after fleshing out any barriers to adoption and minimizing any unintended consequences.

## ***II. Identifying Cases to be Streamlined***

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### **A. CONSIDERATIONS FOR CASES TO BE STREAMLINED**

Patent cases with potentially hundreds of millions of dollars at stake – whether through monetary damages or the threat of an injunction – are the exception not the rule in U.S. litigation. Accordingly, the vast majority of patent cases that are filed today would benefit from some form of streamlining. This *Commentary* explores a number of guideposts for identifying such cases, as discussed below.

#### **1. Amount in controversy**

In WG10's experience, many patent cases filed in the U.S. have a realistic damages recovery of \$10 million or less. This *Commentary* therefore recommends the damages "ceiling" in the Streamlined Program be set at \$10 million. Many plaintiffs enter into litigation with no expectation of receiving \$10 million or more in damages if successful, and for those plaintiffs, there should be no hesitation to enter into the streamlined program. For those plaintiffs who may have expectations of a greater recovery, this number sets an appropriate balance between a plaintiff's desire to seek a greater sum if the case proceeds to trial versus the benefits to the plaintiff in agreeing to enter into the Streamlined Program (*see* Section III.A).

In evaluating the realistic value of the case, the plaintiff should assess any prior license agreements to the asserted patents. License rates that have not generated significant revenue should be an indicator to the plaintiff that the case is a strong candidate for the Streamlined Program.

#### **2. Demand amount (for settlement purposes)**

Some plaintiffs file patent cases with the expectation of quickly settling the case for well under \$1 million. The vast majority of those cases settle before any meaningful effort is expended by the court on the case. These types of cases are generally not appropriate for the Streamlined Program, because it requires the parties and the court to expeditiously move the case forward. Instead, nearly all of these cases will and do resolve in the ordinary course and will not benefit from the Streamlined Program.

#### **3. Other damages indicators**

The parties to a case may consider other damages-related indicators of the value of the case in determining whether to take advantage of the Streamlined Program. For example, if the patent has expired or is set to expire soon, and/or the plaintiff or its licensees have clearly not complied with the marking requirement of 35 U.S.C. § 287, the damages realistically available to the plaintiff may be limited. Another possibility is that the plaintiff may have over-estimated the amount of the defendant's sales of the accused products. In such a case, both parties will benefit from the defendant revealing this information to the plaintiff soon after the case is filed, so that the parties can elect to use the Streamlined Program.

The parties should also realistically assess whether the patent(s) in suit cover only a minor component or feature of the accused products. Here too, an early communication from the

defendant to the plaintiff regarding the value of the accused component/feature may result in the parties agreeing to enter into the Streamlined Program.

#### **4. Other indicators that the case may be appropriate for streamlining**

There may also be instances where the plaintiff has missed or is unaware of facts that adversely impact its case on the merits. For example, the defendant may have demonstrably strong prior art, or an on-sale bar defense. The defendant may also believe that there is a straightforward noninfringement argument. Communication of these facts to the plaintiff early on is encouraged. While the plaintiff may not necessarily agree with the strength of defendant's arguments, it may nonetheless be convinced to use the Streamlined Program in order to obtain resolution of the issue as quickly and efficiently as possible.

### ***III. Encouraging Participation***

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#### **A. RECOGNIZING THE ADVANTAGES OF A STREAMLINED APPROACH**

Early identification of cases that may benefit from the Streamlined Program is critical to achieving widespread adoption. Trust by both parties in the Streamlined Program is paramount. Streamlining cannot successfully occur unless the parties “trust the process” and recognize that each side is giving up certain things that might otherwise be available in a traditional, non-streamlined case. Below are some of the advantages the Streamlined Program offers each party.

##### **1. Benefits to plaintiff**

For the plaintiff, the Streamlined Program offers several benefits. With the possible exception of the Alexandria Division of the Eastern District of Virginia, the Streamlined Program is significantly faster than any schedule currently available in district court. A plaintiff will receive a decision on the merits 44 weeks after the parties enter into the Streamlined Program. If the plaintiff succeeds on the merits, it will receive a decision on damages 16 weeks later. Given that most courts will not proceed to a jury trial in under two years, this is a significant time savings.

More than just speed, the Streamlined Program also offers significant cost savings. The Streamlined Program requires a limited number of asserted patent claims, asserted prior art references, and offers reduced discovery demands. Further, certain issues that might otherwise require substantial time and resources, such as willful infringement and injunctive relief, are not available under the Streamlined Program. The end result is a patent case that should ultimately be completed at a fraction of the normal cost.

The plaintiff also benefits from avoiding the uncertainty and additional cost associated with IPR or PGR proceedings before the Patent Trial and Appeal Board (PTAB), as well as the satellite litigation issues that often surround PTAB proceedings (such as whether the case should be stayed, and the scope of prior art estoppel if the PTAB proceeding is unsuccessful). The plaintiff further benefits from the requirement that the defendant will not raise jurisdictional or venue arguments, and may only assert a limited range of counterclaims.

##### **2. Benefits to defendant**

Many of the same benefits identified above inure to the defendant as well. The defendant will also enjoy the significant cost savings associated with the Streamlined Program. The defendant also benefits from avoiding any uncertainty associated with willful infringement claims and an injunction request. The defendant avoids the cost and time-consuming nature of email discovery. Finally, the damages cap provides a defendant certainty with respect to the worst-case impact the case could have on the company’s bottom line.

## ***IV. Structure & Implementation***

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### **A. STRUCTURAL CONSIDERATIONS**

WG10 considered a number of options for how to structure the Streamlined Program, and the features/requirements of such a program, before arriving at the following core aspects of the Program.

#### **1. Optional participation**

A fundamental aspect of the Streamlined Program is to eliminate a jury trial and proceed instead with a relatively short bench trial. Jury trials add significant expense due to the voir dire process, the need for jury instructions and a verdict form, Rule 50 and Rule 59 motions, and (for many parties) the use of jury researchers and mock trials. A bench trial avoids these costs. A bench trial is also more efficient and can be completed in a faster time than a typical jury trial.

Thus, in order to participate in the streamlined process, the parties must both agree to waive their right to a jury trial. Because of Seventh Amendment concerns, this necessarily requires that participation in the Streamlined Program be optional to both parties, not mandatory. The consensus of WG10 is that the benefits to both parties of participating in the Streamlined Program will outweigh any concerns they may otherwise have regarding giving up the right to a jury.

Making participation optional also avoids any concerns that may be associated with the judge mandating that parties participate in the Streamlined Program. A party may be understandably concerned that the judge has already pre-judged the merits of the case if the judge is the one recommending or requiring that the parties enter into the Streamlined Program. Removing the judge from the process of deciding whether to enter into the Streamlined Program avoids this concern.

WG10 recognizes that the Streamlined Program requires the Court to substantively participate in the case at an early stage. With that in mind, district court judges may wish to refer claim construction and any discovery disputes to a magistrate judge (keeping in mind that doing so will allow the parties to file objections to any rulings by the magistrate judge, which may increase the cost and complexity of the case). The parties may also agree to have the magistrate judge preside over and decide the issues raised in the trial, consistent with Federal Rule of Civil Procedure 73.

#### **2. Waiver of jurisdictional and venue arguments**

A requirement for entry into the Streamlined Program is that the parties waive any arguments regarding personal or subject matter jurisdiction and improper or inconvenient venue. This requirement works towards achieving the goals of the Streamlined Program and allows the parties and the court to proceed expeditiously to issues regarding the merits of the patent claim.

#### **3. Timing of participation**

As discussed in Section IV.A.12 below, the Streamlined Program includes an aggressive schedule. In order to achieve the goal of a trial on the merits well within a year of filing the complaint, a requirement of the Streamlined Program is that both parties agree to participate before the answer

to the complaint is filed. In particular, this gives the defendant enough time to evaluate the merits of the case and determine whether it wishes to enter into the Streamlined Program.

#### **4. Waiver of claims/remedies/patent office proceedings**

There are a number of issues that arise in patent litigation that can quickly escalate the cost of the case and require significant resources to address. In furtherance of the goal of a streamlined, cost-efficient process, a requirement for entry into the Streamlined Program is for parties to give up the right to pursue some of these issues.

First, by entering into the Streamlined Program, the plaintiff agrees not to pursue any claims of willful infringement. This eliminates costly and time-consuming disputes over the production of opinions of counsel, the scope of any waiver of the attorney-client privilege, and analysis of whether the Court should enhance damages. Second, the plaintiff also agrees not to seek an injunction against the accused products/processes. This eliminates discovery into the irreparable harm and public interest factors, and the potential need for expert testimony as to both.

Third, the defendant agrees that it will not pursue invalidity proceedings before the PTAB (such as filing petitions for IPR, CBM, or PGR) or Patent Office (ex parte reexamination). This eliminates a significant cost to both parties, and also ensures that related disputes are not raised in the court proceedings (such as whether the case should be stayed and the scope of any prior art estoppel). Fourth, the defendant agrees that it will not raise any counterclaims beyond noninfringement, invalidity, and unenforceability due to inequitable conduct.

#### **5. Limitations on asserted claims and asserted prior art**

In keeping with the goal of the Streamlined Program, WG10 recommends that there be stringent limits placed on the number of patent claims the plaintiff can assert, and the number of prior art references on which the defendant may rely. In practice, plaintiffs frequently assert numerous claims, only to drop claims as the case progresses, with only a handful of claims actually tried. Defendants, in turn, frequently identify many dozens of prior art references, generating hundreds or even thousands of pages of invalidity charts, when in reality at most only a few references may actually be relied on at trial. Putting strict limits in place at the beginning of the program reduces the unnecessary costs associated with these practices.

As such, the Streamlined Program imposes the following limitations: a total of five asserted claims (regardless of the number of asserted patents), and no more than seven total prior art references. If there are multiple asserted patents and the patents have different specifications, then the defendant may add two additional prior art references per different specification. For example, if the plaintiff asserts three patents where two of the patents share a common specification and the third has a materially different specification, the total number of prior art references that the defendant may assert is nine. To the extent that the defendant raises obviousness arguments under 35 U.S.C. § 103, the obviousness combinations must be made from the prior art references identified by the defendant as part of the total allowed number – in other words, the defendant cannot rely on additional references to (for example) show the “state of the art.”

## **6. Contentions**

Another key aspect of the Streamlined Program is early disclosure of contentions. The schedule calls for the plaintiff to provide its infringement contentions one week after the parties enter into the Streamlined Program, with the defendant providing its noninfringement contentions three weeks later. The defendant's invalidity contentions are due eight weeks after the parties enter into the Streamlined Program. While the schedule does not include a deadline for the plaintiff to provide its response to the invalidity contentions, such information may be provided during discovery, for example in response to an interrogatory served by the defendant.

It is not contemplated that the parties be allowed to serve "final" or "supplemental" contentions as part of the schedule. Rather, in the rare event that the Court adopts a claim construction that neither party proposed during claim construction, the schedule allows in that instance for supplemental contentions to be served if a party deems it necessary due to the construction set forth by the Court.

WG10 also recognizes that contentions may evolve as discovery occurs, and believes that the parties may fully develop and explore their contentions during the expert discovery phase of the case. Of course, this does not mean that a party should be allowed to make wholesale changes in its theories. The Court will have discretion, during the pre-trial and trial phase of the case, to strike or exclude arguments or theories that egregiously differ from a party's contentions.

## **7. Discovery limitations**

A key aspect of the Streamlined Program is significantly reducing the amount of discovery sought and produced. Discovery is where the bulk of patent litigation expense arises, and it also frequently requires the most commitment from the parties in terms of time and resources.

### **i. Core documents**

The Streamlined Program requires that six weeks after entry, both parties produce their "core" documents. For plaintiff, this includes the patent(s), file histories, any prior art (including art not cited on the face of the patents), all documents concerning assignment and chain of ownership of the asserted patent(s), documents concerning the inventor(s), development (conception/reduction to practice) history documents (inventor notebooks, presentations, etc.), and documents regarding the accused products/process. If the plaintiff alleges that it offers a competing product, then documents regarding the customers/sales/profits for the competing products should also be included as part of the core document production.

The defendant's core documents should include prior art, documents sufficient to show the relevant operation of the accused products/process (specifications, schematics, flow charts, formulas, etc. and when necessary source code), financial information concerning the accused products/process (customers, revenue, profit/loss statements), and any license agreements related to the accused products/process.

### **ii. No email discovery**

A threshold limitation on discovery is the elimination of email discovery. Particularly with the requirement that the plaintiff forego any willful infringement claims, the marginal need for email discovery in the Streamlined Program is far outweighed by the cost, in terms of both time and

expense, that email discovery typically entails. By eliminating email discovery, the typical disputes over the number of custodians, the scope of search terms, the number of “hits,” etc. is avoided.

### **iii. Other discovery**

In addition, the Streamlined Program imposes significant reductions in: (a) the number of interrogatories; (b) the number of requests for production; (c) the number of requests for admission; (d) the number of subpoenas; (e) the number of Rule 30(b)(6) deposition topics; and (f) the number of depositions that a party may take. Because not every case has the same issues, the Streamlined Program provides flexibility in allowing the parties to jointly propose these limitations, with the Court resolving any disputes, keeping in mind the goals of the Streamlined Program.

### **iv. Discovery dispute resolution**

The Streamlined Program includes resolving discovery disputes on an expedited basis, whereby the parties provide the Court with a brief, joint letter explaining the dispute and each parties’ respective positions, followed by a short telephone conference with the Court. The Court will provide its decision at the conclusion of the conference, or shortly thereafter.

## **8. Claim construction and summary judgment/ *Daubert***

The Streamlined Program requires the parties to exchange their identification of claim terms, proposed constructions, and supporting evidence 10 weeks after entry into the Streamlined Program. Because the Streamlined Program requires the Court to decide claim construction disputes expeditiously, the parties must propose no more than five disputed terms for construction.

The Court will have flexibility in setting its preferred form of briefing and schedule, but should hold a claim construction hearing 17 weeks after the parties’ entry into the Streamlined Program. The default recommendation of the Streamlined Program is that the claim construction hearing take place by video and last no more than two hours. The Court in its discretion may consider modifications thereto, such as considering a request from the parties to have the hearing in person. The Court will provide its constructions following the hearing, or shortly after the hearing.

Because the Streamlined Program eliminates the jury trial in favor of a bench trial, the consensus of WG10 is that the parties should not be allowed to file summary judgment or *Daubert* motions under the Program. In order to meet the program’s goal of a trial on the merits well within a year of the complaint being filed, summary judgment briefing is not feasible in that time frame, and because the Court will be deciding the issues, *Daubert* motions are unnecessary. To the extent there is dispute over the definiteness of a claim term (35 U.S.C. § 112), any such disputes should be raised and resolved as part of the claim construction process. Any issues concerning the qualifications of, or the methodologies used, by an expert may be addressed in pre-trial briefing.

## **9. Expert discovery**

The Streamlined Program calls for the parties to serve liability expert reports on the issues for which they bear the burden of proof (infringement, invalidity, unenforceability) 21 weeks after entry into the Streamlined Program, or approximately four weeks after receiving the Court’s claim constructions. Rebuttal reports are due four weeks later. Expert discovery closes two weeks after that, or 27 weeks after the parties enter into the Streamlined Program.

## **10. Trial**

The Streamlined Program requires the Court to conduct trial on the merits 40 weeks after entry into the Streamlined Program, with the parties submitting trial briefs five weeks prior. The trial should normally be limited to two or three total days. The Court should issue its decision on liability four weeks after the trial.

To help the Court meet this four-week deadline, the Court may in its discretion require the parties to file proposed findings of fact and conclusions of law within one week after the trial has concluded. If the Court allows this filing, the Court should consider imposing a limit on the submissions, e.g., a limit on the number of pages.

The Court may also consider whether to inform the parties shortly after the liability trial has concluded how it intends to rule without providing a full written opinion at that time. Doing so may benefit both the parties and the Court. First, if the Court has determined that at least one claim is infringed and not invalid, the parties will benefit from knowing that the case will proceed to the damages phase. The Court may then choose to provide a single written opinion addressing both liability and damages at the conclusion of the damages phase, rather than writing two separate opinions.

Second, if the Court has determined that the defendant has prevailed on the merits, the parties will know that they will not need to prepare for the damages phase. The Court may then use the extra time, if it is needed, to draft the opinion on liability. In this situation, the Court should still endeavor to issue the liability opinion within a year of the parties entering into the Streamlined Program.

## **11. Damages**

As discussed in Section III.A.1, the total amount of damages that a plaintiff may receive under the Streamlined Program is \$10 million.

If the Court determines that one or more the asserted patents are infringed and not invalid, the parties will immediately proceed to the damages phase of the case. This expedited process provides for a short period of damages expert discovery, with the plaintiff serving its damages expert report 48 weeks after entry into the Streamlined Program, or approximately four weeks after receiving the Court's liability decision. The defendant serves its responsive damages expert report two weeks later, and expert discovery concludes two weeks after that.

The parties will provide the Court with damages trial briefs 54 weeks after entry into the Streamlined Program, with a one-day bench trial on damages taking place two weeks thereafter. The Court's decision on damages will issue no later than four weeks after the trial. If helpful, the Court may in its discretion require the parties to file proposed findings of fact and conclusions of law within one week after the damages trial has concluded. Again, the Court should consider imposing a limit on the submissions, e.g., a limit on the number of pages.

Under this streamlined schedule, the entire case will be complete 60 weeks after the parties enter into the Streamlined Program.

The Court may award damages for past infringement, and may set an ongoing royalty rate for future infringement. The total amount of damages that a defendant may be liable for, however, is \$10

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million. For example, a Court may award past damages totaling \$7 million, and set an ongoing royalty rate applied against future infringing sales. The defendant will be required to pay royalties for future infringing sales up to the point those royalty payments reach \$3 million, at which point the royalty payment obligations come to an end. This provides the defendant the choice of whether to design around the infringed claims and offer a non-infringing alternative, or pay the royalties as determined by the Court. Of course, the parties may also negotiate a lump-sum payment for the defendant to make in satisfaction of the ongoing royalty payment obligations.

## 12. Schedule

The following tables set forth the Streamlined Program's recommended streamlined schedule.

### i. Liability phase

Event	Deadline (from entry into program)
Plaintiff identifies claims and provides claim charts	One week
Defendant provides non-infringement contentions	Four weeks
Parties produce core documents	Six weeks
Defendant provides invalidity contentions	Eight weeks
Parties exchange claim terms/constructions and supporting evidence	10 weeks
Claim construction briefing completed	15 weeks
End of fact discovery	16 weeks
Claim construction hearing (2 hours preferably by video; constructions provided during or soon after the hearing)	17 weeks
Supplementation of contentions, <i>only if</i> the Court adopts a claim construction not advocated by either party and a party deems it necessary to serve supplemental contentions	19 weeks
Service of infringement and invalidity expert reports	21 weeks
Service of responsive expert reports	25 weeks
Expert discovery deadline	27 weeks
Submission of trial briefs	35 weeks
2-3 day bench trial	40 weeks

Event	Deadline (from entry into program)
(At Court's discretion) Submission of proposed findings of fact and conclusions of law	41 weeks
Decision on liability	44 weeks

ii. Damages phase

Event	Deadline (from entry into program)
Plaintiff serves damages expert report	48 weeks
Defendant serves damages expert report	50 weeks
Damages expert discovery deadline	52 weeks
Submission of damages trial briefs	54 weeks
1-day bench trial on damages	56 weeks
(At Court's discretion) Submission of proposed findings of fact and conclusions of law	57 weeks
Decision on damages	60 weeks

## ***V. Case Management Statement Order***

### **A. CASE MANAGEMENT STATEMENT ORDER**

As set forth above, the Streamlined Program requires the Court's participation early in the process, with claim construction initiating only 10 weeks after entry into the Streamlined Program. The Court will benefit from an early disclosure of information regarding the case. Thus, WG10 recommends under the Streamlined Program that the Court issue an order immediately after the parties agree to enter into the Streamlined Program that provides the Court with information regarding the case. A draft model order is set forth below. The Court may in its discretion determine which categories of information it will ask the parties to provide. The list below is exemplary, not exhaustive.

#### **MODEL ORDER GOVERNING THE CASE MANAGEMENT STATEMENT IN A PATENT CASE UNDER THE STREAMLINED PATENT CASE PROGRAM**

##### **1-1.1 The Case Management Statement**

Within one week after entry into the Streamlined Patent Case Program, the parties will prepare a Case Management Statement and file it with the Court. Plaintiff is responsible for ensuring the prompt filing of the Case Management Statement. The Case Management Statement will address or identify the following:

1. When Plaintiff's complaint was filed, and, if applicable, number of extensions and days of extension.
2. When Defendant responded to Complaint, or when Defendant's response is due.
3. The date(s) when the parties agreed to enter into the Program.
4. Number(s) of asserted patents, numbers of asserted claims, and quantity of asserted patents and claims. (Example: Plaintiff has asserted Patent No. X,XXX,XXX Claims 2 and 4; and Patent No. Y,YYY,YYY Claims 1 and 6; for a total of 2 asserted patents and 4 asserted claims.)
5. A chart of all pending and past cases where a common patent is or was asserted, such chart taking the following form:

Case Name	Case Cite	Venue and Judge	Overlapping Patents	Time to Resolution (if resolved)	Key Rulings

6. Any other litigation between the parties and the nature and status of that litigation.

7. An identification of whether any of the asserted patents are subject to license agreements.
8. A good-faith estimate of the damages range expected for the case (not to exceed \$10 million) along with an explanation for the estimates. These estimates will be non-binding. If either party is unable to provide such information, that party will explain why it cannot and what specific information is needed before it can do so. Such a party shall also state the time by which it should be in a position to provide that estimate and explanation.
9. A listing of any key factors that will impact the value or termination of this case.
10. The information required under Federal Rule of Civil Procedure 7.1.
11. A summary of any notice of any patent-in-suit and a summary of any pre-suit or post-suit discussions relating to a potential license of any patent-in-suit.
12. Any IPR, CBM, or other PGR petitions regarding the asserted patent(s) and the status of each. If applicable, provide docket number, filing and docketing date, and date of expected Final Written Decision.
13. The parties' recommendation to the court concerning discovery limits (if the parties cannot agree, provide each party's proposal):
  - a. The maximum number of interrogatories;
  - b. The maximum number of requests for production of documents;
  - c. The maximum number of requests for admission;
  - d. The maximum number of subpoenas the parties may issue;
  - e. The maximum number of Rule 30(b)(6) topics; and
  - f. The maximum number of depositions.
14. Any proposed modifications to the court's Model Protective Order and justifications thereof.

## **B. SCHEDULING ORDER**

The Court should also issue a Scheduling Order that memorializes the deadlines in the case, consistent with the preferred schedule set forth in Section IV.A.12.

## **VI. Comparative Analysis**

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### **A. PURPOSE**

WG10 undertook a comparative analysis to explore other efforts to streamline lower-value patent cases. In doing so, the following systems were explored: Intellectual Property Enterprise Court (U.K.); the Eastern District of Texas's Track B Program; the Eastern District of Virginia; and the Copyright Claims Board and the New Case Act.

WG10 is also aware that on April 28, 2022 the Administrative Conference of the United States (ACUS), on behalf of the U.S. Patent and Trademark Office, announced that it was conducting an independent study of issues associated with and options for designing a small claims patent court. ACUS seeks comments from the public by July 5, 2022. A report resulting from the study will ultimately be submitted to Congress and will address whether there is a need for a small claims patent court, the feasibility and potential structure of such a court, and the relevant legal, policy, and practical considerations in establishing a small claims patent court. WG10 intends to closely monitor this development and provide analysis as appropriate in future versions of this *Commentary*.

### **B. ANALYSIS**

#### **1. IPEC**

The Intellectual Property Enterprise Court, based in London, is an alternative to the regular court system for handling intellectual property disputes. The goal of the IPEC is to resolve simpler cases using a more streamlined and therefore cost-effective process than that used under the regular court system.

The IPEC was set up in 1990 and was originally known as the Patents County Court (PCC). The PCC was specialist court designed to deal exclusively with intellectual property disputes. It was intended to provide a less costly and less complex alternative to the High Court Patents Court. In 2010 the PCC adopted a new set of procedures under His Honour Colin Birss that streamlined and ultimately revitalized the Court.

Some of the key provisions of the streamlined process introduced in 2010 include:

- the parties set out their respective cases fully but concisely at the outset;
- no further evidence, written argument or specific disclosure is permitted without the permission of the judge, with any disputes decided at an all-important "Case Management Conference;"
- any other applications will, if possible, be dealt with on paper or by telephone;
- the trial will be limited to one or at most two days;
- the total recoverable costs are capped at £50,000 for determining liability; and

- damages are limited to £500,000.

On October 1, 2013, the PCC was reformulated as the IPEC. Cases may be transferred from the IPEC to the High Court at the discretion of the IPEC. Similarly, the High Court may transfer cases to be heard by the IPEC. As with cases before the High Court, appeals from the IPEC are heard by the Court of Appeal.

On October 1, 2012, the PCC introduced a special “Small Claims Track” for IP claims valued at under £5,000 and which related to copyright, trademarks, passing off, database rights and unregistered design rights. This “no frills” regime was designed to help certain small or mid-sized enterprises and individuals who had previously struggled to justify the cost of enforcement when faced with prolific (often web-based) infringement of their IP rights.

Additional resources:

- <https://www.gov.uk/guidance/take-a-case-to-the-intellectual-property-enterprise-court>
- <https://www.gov.uk/courts-tribunals/intellectual-property-enterprise-court>
- <https://www.justice.gov.uk/courts/procedure-rules/civil/rules/part63>
- <https://www.justice.gov.uk/courts/procedure-rules/civil/rules/practice-direction-57a-shorter-and-flexible-trials-schemes>
- <http://www.warwicksciencepark.co.uk/spark-edition-february-2013/patents-county-court-proves-its-worth/>

## **2. EDTX Track B**

The Eastern District of Texas’s “Track B” case schedule was announced in February 2014 by then-Chief Judge Leonard Davis as a special track designed to provide litigants with an option for more efficient resolution of patent infringement cases. In practice, the program has been used sparingly, with less than a dozen employing the Track B program over eight years. All of those cases settled either before or during the claim construction process.

Entry into Track B requires agreement by both parties. The procedure required the parties to negotiate and agree to a joint discovery plan that included written discovery limits, deposition limits, limits on the number of expert witnesses, whether expert depositions can be authorized, early reduction of asserted claims and prior art, etc. While there were no specific sanctions identified, the Order from Judge Davis implementing the Track B program warned that sanctions could be imposed for failing to make early disclosures.

The Track B schedule is set forth below:

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The Track B program requires early disclosures of claims and defenses prior to the case management conference (CMC):

Plaintiff	Defendant	Timing	Ordinary timing
Inf. Cont. + Prior Lic./Settlements		Answer + 14 day	CMC - 10
	Sales summary (accused products & reasonably likely to be accused)	+ 30 day	
Non-binding damages Estimate		+ 14 day	
	Invalidity cont.	+ 14 day	CMC + 35
CMC ready notice		+ 5	
Joint Dis. Plan	Joint Dis. Plan	CMC – 7 days	

- The plaintiff is required to provide early infringement contentions and produce all licenses or settlement agreements. The plaintiff is also required to produce a good faith estimate of damages and the methodology used to arrive at the estimate.
- The defendant is required to disclose summary sales information reflecting the quantity of accused and related unaccused products sold in the US and the revenues from those sales. The defendant is also required to serve invalidity contentions.
- The parties are required to engage in an early exchange claim terms for construction.

Similarly, the Track B program also provides for the parties determining reduced discovery limits based on the perceived value of the case, such as limiting the amount of written discovery, the number of depositions, a limit on the number of expert witnesses, and whether to allow expert depositions.

Additional streamlined procedures contemplated by the Track B program include:

- Restricting the number of patent claims and prior art;
- Modifying the e-discovery requirements;
- Using a standard protective order;
- Adjusting the trial and claim construction schedule and including a limit on the number of terms for construction;
- Requests for special scheduling to resolve clearly dispositive issues;

- Whether it would be appropriate to have an expedited trial; whether to consolidate claim construction with trial; whether to have a trial on only limited issues; and whether to conduct post-trial mediation before entry of judgment.

Additional resources:

<https://www.txed.uscourts.gov/sites/default/files/goFiles/14-03.pdf>

### **3. The Eastern District of Virginia**

The Eastern District of Virginia, and in particular the Alexandria Division thereof, has long been recognized as the speediest district court in the country. Until the Covid-19 pandemic, the average time to trial in civil cases in the Eastern District of Virginia was consistently around a year or less (the Federal Case Management Statistics report for the 12-month periods ending March 31 as follows: 10.1 months for 2017, 12.7 months for 2018, 12.4 months for 2019, and 11.6 months for 2020).

The judges in the Alexandria Division, in particular, have adhered to very fast schedules, even for patent cases. A typical case schedule will require all discovery – fact and expert – be completed approximately five months after the complaint was filed. A hearing on dispositive motions is typically scheduled for less than one month after the close of discovery, with a pre-trial conference scheduled for approximately two months later. The trial will occur thereafter based on the Court's availability, but will likely take place approximately 10 months after the complaint was filed.

The Eastern District of Virginia does not have Local Patent Rules, but the judges will normally include patent-specific deadlines in their scheduling orders. For example, a patentee's infringement contentions may be due three months after the complaint was filed, with the defendant's invalidity contentions due a month later. Given the compressed schedule, claim construction typically occurs while the parties are completing fact discovery and proceeding with expert discovery.

Non-dispositive motion practice is also significantly accelerated. If a motion is filed on a Friday and is noticed for hearing on the following Friday, the opposition is due on Wednesday and any reply brief should be filed as soon as possible on Thursday. Motions for extensions of time of any type are disfavored and require a showing of good cause, even if the motion is agreed to by the parties.

To accommodate the expedited schedule, the judges will often impose limits on fact discovery that are more stringent than those in the Federal Rules. For example, most judges will not allow more than five non-party depositions, and will agree to other limits that the parties jointly propose. The EDVA Local Rules also provide that objections to discovery requests must be served 15 days after receipt of the request. This allows the parties and the Court to proactively address and hopefully resolve discovery disputes in an expedited fashion.

A patentee filing a patent infringement complaint in the Alexandria Division is not guaranteed that the case will proceed there. Instead, the Court will consider the case load of the judges and may reassign the case to one of the other divisions (Richmond, Norfolk, or Newport News). This may result in a schedule that is not as fast as the ones set by the Alexandria Division judges.

Additional resources:

- <https://www.vaed.uscourts.gov/court-info/local-rules-and-orders>

#### **4. Copyright Claims Board and the New Case Act (Copyright Alternative in Small-Claims Enforcement Act of 2020) – signed December 27, 2020**

The Copyright Claims Board and New Case Act (Copyright Alternative in Small-Claims Enforcement (CASE) Act of 2020) was signed into law on December 27, 2020. Over 10 years in the making, the CASE Act established the Copyright Claims Board (CCB) as an alternative to having lower-value copyright disputes heard in Federal Court. Proceedings before the CCB are set to occur no later than June 25, 2022.

Under the CASE Act the CCB may award actual or statutory damages (17 U.S.C. § 504(b)) up to \$30,000 per proceeding. Statutory damages are limited to up to \$15,000 per work. There is no injunctive relief available. Attorney fees may be awarded only if there is a showing of bad faith conduct during the CCB proceeding. An example of a claim that might be suitable for the CCB is a photographer whose copyrighted photo is being used without authorization on a website.

The CCB comprises three Copyright Claims Officers, as well as a supervising claims attorney and two copyright claims attorneys. The CCB requires the marks in question be registered, but offers an expedited registration process that holds the proceeding in abeyance until the mark is registered.

A proceeding is initiated by the claimant filing an online application form (at <https://ccb.gov>). If the claimant has not registered the mark in question, a registration form will also be available. The named respondent(s) have 60 days after receiving an initial notice of the claim to inform the CCB whether they will participate or opt-out of the proceeding. If a respondent opts out, the CCB will dismiss the claim, but the claimant may still bring a case in federal court.

If a respondent does not opt out, the claim proceeds before the CCB. Discovery will be significantly streamlined (only requiring the exchange of limited key documents and information) and depositions are not allowed.

Following the discovery phase, each party presents its claims or defenses to the CCB through written statements and supporting evidence, including written witness testimony. The CCB will determine whether a hearing is necessary. If a hearing takes place, it will be conducted virtually through video conferencing. It is anticipated that experts are rarely expected to be permitted to testify.

The CCB will issue its final determination after the parties have submitted their written statements and evidence, and following any hearing. The CCB's determination must be in writing and explain the facts and the law the CCB relied on in making its determination. The determination must include clear statements explaining any monetary damages awarded to a party.

Following the final determination, each party has 30 days to submit to the CCB a written request for reconsideration or modification. The request must identify a clear error of law or material fact, or technical mistake, or it will not be considered. Other parties will have an opportunity to respond to

or oppose the request. The CCB will either deny the request or issue an amended final determination. If a party's reconsideration request is denied, that party has 30 days to request review of the final determination by the Register of Copyrights. The Register's review is limited to considering whether the CCB abused its discretion in denying reconsideration. The Register will either deny the request or send the proceeding back to the CCB to reconsider specific issues.

Finally, a party may seek a federal district court order canceling, modifying, or correcting a CCB determination, but only in limited circumstances: (1) if the determination was issued as a result of fraud, corruption, misrepresentation, or other misconduct; (2) if the CCB exceeded its authority or failed to render a final determination on the subject matter at issue; or (3) in the case of default determination, if the default or failure to participate was due to excusable neglect. A party seeking federal district court review must so do within 90 days after the later of the date that the CCB issued its final or amended determination, or the date that the Register of Copyrights completed a review of the request for reconsideration.

In the case of a proceeding where the claimant is asking for monetary damages of \$5,000 or less, the claimant may request that the CCB's "smaller claims" procedure be used. In such an instance, smaller claims will be decided by a single CCB member.

Additional resources:

- <https://www.copyright.gov/about/small-claims/>
- <https://www.copyright.gov/about/small-claims/faq.html>
- <https://ccb.gov>