

# The Amended Federal Rules And Their Effects On Patent Litigation

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Significant amendments to the Federal Rules of Civil Procedure became effective on December 1, 2015. Some of these changes are likely to affect how parties conduct themselves during patent infringement lawsuits. Both patent litigators and patent owners should be aware of and become familiar with the amendments when engaging in or considering patent infringement litigation.

## Patent Infringement Complaints Must Now Comply With The Pleading Requirements From *Twombly* and *Iqbal*

Rule 84, which was abrogated by the amendments, had stated that “the forms in the Appendix suffice under these rules.” This authorization to use forms from the Appendix, and particularly Form 18, allowed patent owners to file complaints for patent infringement that included very little information. This availability of Form 18 for patent infringement complaints was hotly debated because of its seeming conflict with the pleading requirements required by the Supreme Court in *Twombly* and *Iqbal*. In *K-Tech Telecommunications, Inc. v. Time Warner Cable, Inc.*, 714 F.3d 1277, 1283 (Fed. Cir. 2013), the Federal Circuit held that a complaint that was consistent with Form 18 was immunized from attack.

Now that Form 18 is no longer authorized by the Rules, bare bones patent infringement complaints will very likely be attacked by defendants by way of motions to dismiss. In keeping with *Twombly/Iqbal*, courts are likely to require patent infringement complaints to be substantially more detailed in the allegations pled than those that were previously deemed sufficient in view of Form 18. While at present there is no specific test for what amount of detail is required in a patent infringement complaint, patent owners seeking to file a patent infringement complaint will need to give greater thought regarding the detail to provide in their infringement contentions and should monitor what will likely be a developing test.

While it is not likely that court will require full blown claim charts at the pleading stage, patent infringement complaints may have to identify the patents alleged to be infringed, the products or processes accused of infringement, and information regarding ownership of the patents in suit, and possibly the real parties in interest. At the very least, plaintiffs should gather detailed information before filing suit just in case the court requires it.

## Amendments To Get Cases Moving Sooner

The new amendments also shorten the deadlines for two initial events. Rule 4(m) now requires that a summons and complaint be served within 90 days, as opposed to the previous 120-day limit. Rule 16 has also been amended to reduce the time to enter scheduling orders to the earlier of 90 days (previously 120 days) after a defendant has been served or 60 days (previously 90 days) after a defendant has made an appearance.

The amendments also require that a court issue a scheduling order 30 days earlier than before. This change is



notable in that the parties' Rule 26(f) conference and the commencement of fact discovery are keyed to the date of the scheduling order. Therefore the change to the date for the scheduling order effectively starts discovery earlier as well. While the changes do not sound substantial, due dates for these early phases of a case will arrive a month or two earlier than under the old Rules. This may provide plaintiffs with a tactical advantage in that they will be able to prepare for litigation, including their discoverable materials, before filing a complaint, whereas many defendants will have to catch up.

## **Amendments To The Scope Of Discovery Change What Is Discoverable**

Perhaps the most significant amendments to the Federal Rules of Civil Procedure are related to the scope of discovery, i.e., what is discoverable. The amendments delete the well-known discovery standard of anything that is "reasonably calculated to lead to the discovery of admissible evidence." The comments indicate that the amendments did away with such language because it was commonly used to enlarge the scope of discovery beyond that which was actually relevant to the dispute.

What is now discoverable is set forth in Rule 26(b)(1), which limits discovery to information that "is relevant to any party's claim or defense *and proportional to the needs of the case*" (amended text in italics). Previous to the amendments, proportionality limitations to discovery were available by way of court order under Rule 26(b)(2). With the amendments, proportionality limitations are the rule, not the exception. Factors to be considered in the "proportionality" analysis include: a) the importance of the issues at stake; b) the amount in controversy; c) the parties' relative access to relevant information; d) the parties' resources; e) the importance of the discovery in resolving the issues; and f) whether the burden or expense of the proposed discovery outweighs its likely benefit.

Rule 26(c)(1)(B), as amended, also adds that "the allocation of expenses" as something that may be included in a protective order. In other words, courts also have the ability to allocate the expenses of discovery based on such proportionality considerations.

Therefore, parties involved in patent infringement litigation will need to be much more judicious in the discovery being sought. Substantial thought will need to be given to what information is actually important to a case. Otherwise an opponent may have a legitimate objection based on proportionality, or a court may order that the requesting party pay for the discovery.

## **Standard Objections To Document Request No Longer Permitted**

While discovery must be propounded with more specificity and precision, the same holds true for responding to, or more particularly, objecting to discovery. As amended, Rule 34 now makes the standard boilerplate objections improper.

Instead, objections must now "state with specificity the grounds for objecting" and "whether any responsive materials are being withheld." According to the committee notes: "An objection may state that a request is overbroad, but . . . should state the scope that is not overbroad." Also, an objection that "states the limits that have controlled the search for responsive and relevant materials"—which might include the date range or the scope of sources or search terms used—"qualifies as a statement that the materials have been 'withheld.'"

The Rule as amended also adds a new provision that "[t]he production must then be completed no later than the time for inspection specified in the request or another reasonable time specified in the response." On its face, this new provision purports to limit a parties' ability to engage in unconstrained rolling productions.

By requiring more substantive responses to document requests, parties and their counsel should identify at the beginning of the litigation what potentially relevant materials they may have, including any electronically stored information, so they are able to comply with the new rule, or at the very least, be able to discuss discovery issues with the Court at the planning conference.

## **Preserving Electronically Stored Information (ESI)**

Amended Rule 37(e) creates a uniform standard for spoliation sanctions and curative measures where ESI “that should have been preserved in the anticipation or conduct of litigation is lost because a party failed to take reasonable steps to preserve it, and it cannot be restored or replaced through additional discovery.” If another party is prejudiced by the loss of the ESI, a court “may order measures no greater than necessary to cure the prejudice.” Rule 37(e)(1). Where the party acted with intent to deprive another party of the ESI, a court may (A) “presume that the lost information was unfavorable to the party”; (B) “instruct the jury that it may or must presume the information was unfavorable to the party”; or (C) “dismiss the action or enter a default judgment.” Rule 37(e)(2). The Committee notes “this rule recognizes that ‘reasonable steps’ to preserve suffice; it does not call for perfection.”

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