

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

PROPOSAL TO AMEND THE LOCAL RULES

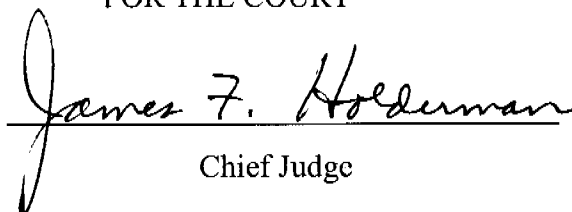
The full Court met in executive session on Thursday, March 19, 2009, and approved a proposal to adopt the attached Local Patent Rules of the District Court.

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COMMENT: The proposed Local Patent Rules would provide a standard structure for patent cases that will permit greater predictability and planning for the Court and the litigants. By direction of the full Court and pursuant to 28 U.S.C. §207(b) regarding appropriate public notice and opportunity for comment, the Clerk is directed to: (a) cause the proposal to adopt the Local Patent Rules to be posted in the Courthouses at Chicago and Rockford, (b) cause notice of the proposal and requests for comment to be published in the *Chicago Daily Law Bulletin*, (c) cause notice of the proposal and requests for comment to be posted on the web site for the United States District Court Northern District of Illinois, (d) indicate in such notice a final date for receipt of comments, which date shall be sixty days from the first date of publication in the *Law Bulletin*, (e) collect and distribute among the members of the Advisory Committee for Local Rules all comments received, and (f) following receipt of a copy of the report and recommendation of the advisory committee to distribute copies of the comments together with copies of the report and recommendation among the members of the Court for consideration at a regular meeting of the full Court.

ENTER:

FOR THE COURT


Chief Judge

Dated at Chicago, Illinois this 20th day of March, 2009.

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS
PATENT CASE SCHEDULE

| <u>Event</u> | <u>Scheduled Time</u> | <u>Total Time After Complaint</u> |
|---|--|-----------------------------------|
| <u>Service of Complaint</u> | | |
| <u>Answer or Other Response to Complaint</u> | | 7 weeks |
| <u>Initial Disclosures of Both Parties</u> (LPR 2.1) | 14 days After Answer or other Responsive Pleading | 9 weeks |
| <u>Initial Infringement Contentions</u> (LPR 2.2) | 14 days After Initial Disclosures | 11 weeks |
| <u>Initial Non-Infringement and Invalidity Contentions</u> (LPR 2.3) | 14 days After Infringement Contentions | 13 weeks |
| <u>Initial Response To Invalidity Contentions</u> (LPR 2.5) | 14 days After Invalidity Contentions | 15 weeks |
| <u>Final Infringement Contentions</u> (LPR 3.1) | 21 weeks After Initial Infringement Contentions | 32 weeks |
| <u>Final Invalidity Contentions</u> (LPR 3.2) | 28 days After Plaintiff's Final Infringement Contentions | 36 weeks |
| <u>Exchange of Claim Terms Needing Construction</u> (LPR 4.1) | 14 days After Final Invalidity Contentions | 38 weeks |
| <u>Opening Claim Construction Brief</u> (LPR 4.2(a)) | 28 days After Exchange of Claims Terms | 42 weeks |
| <u>Responsive Claim Construction Brief</u> (LPR 4.2(c)) | 28 days After Plaintiff's Claim Construction Brief | 46 weeks |
| <u>Reply Claim Construction Brief</u> (LPR 4.2(d)) | 14 days After Responsive Claim Construction Briefs | 48 weeks |
| <u>Joint Claim Construction Chart</u> (LPR 4.2(e)) | 7 days After Reply Claim Construction Brief | 49 weeks |

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS
PATENT CASE SCHEDULE**

| <u>Event</u> | <u>Scheduled Time</u> | <u>Total Time After Complaint</u> |
|---|--|-----------------------------------|
| <u>Claim Construction Hearing</u> (LPR 4.3) | 28 days After Reply Claim Construction Brief | 52 weeks |
| <u>Claim Construction Ruling</u> | Six weeks (?) | 58 weeks |
| <u>Close of Fact Discovery After Claim Construction Ruling</u> | 42 days After Claim Construction Ruling | 64 weeks |
| <u>Expert Reports of Parties with Burden of Proof</u> (LPR 5.1(b)) | 21 days After close of discovery after the Claim Construction Ruling | 67 weeks |
| <u>Rebuttal Expert Reports</u> (LPR 5.1) | 35 days After Initial Expert Reports | 72 weeks |
| <u>Completion of Expert Witness Depositions</u> (LPR 5.2) | 35 days After Rebuttal Expert Reports | 77 weeks |
| <u>Final Day for Filing Dispositive Motions</u> (LPR 6.1) | 28 days After Close of All Discovery | 81 weeks |
| <u>Case Ready for Trial</u> | 20 weeks After Filing Dispositive Motions | 101 weeks |

Key Time Intervals:

To Final Infringement Contentions: 7.5 months
 To Claim Construction Hearing: 12 months
 To Summary Judgment Motions: 19 months
 To Trial: 23 months

**UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS**

LOCAL PATENT RULES

PREAMBLE

These Local Patent Rules provide a standard structure for patent cases that will permit greater predictability and planning for the Court and the litigants. These Rules also anticipate and address many of the procedural issues that commonly arise in patent cases. The Court's intention is to eliminate the need for litigants and judges to address separately in each case procedural issues that tend to recur in the vast majority of patent cases.

The Rules require, along with a party's disclosures under Federal Rule of Civil Procedure 26(a)(1), meaningful disclosure of each party's contentions and support for allegations in the pleadings. Complaints and counterclaims in most patent cases are worded in a bare-bones fashion, necessitating discovery to flesh out the basis for each party's contentions. The Rules require the parties to provide the particulars behind allegations of infringement, non-infringement, and invalidity at an early date. Because Federal Rule of Civil Procedure 11 requires a party to have factual and legal support for allegations in its pleadings, early disclosure of the basis for each side's allegations will impose no unfair hardship and will benefit all parties by enabling a focus on the contested issues at an early stage of the case. The Rules' supplementation of Rule 26(a)(1)'s requirements is also appropriate due to the various ways in which patent litigation differs from most other civil litigation, including its factual complexity; the routine assertion of counterclaims; the need for the Court to construe, and thus for the parties to identify, disputed language in patent claims; and the variety of ways in which a patent may be infringed or invalid.

The initial disclosures required by the Rules are not intended to confine a party to the contentions it makes at the outset of the case. It is not unusual for a party in a patent case to learn additional grounds for claims of infringement, non-infringement, and invalidity as the case progresses. After a reasonable period for fact discovery, however, each party must provide a final statement of its contentions on relevant issues, which the party may thereafter amend only upon "upon a showing of good cause and absence of unfair prejudice, made in timely fashion following discovery of the basis for the amendment." LPR 3.4.

The Rules also provide a standard structure for claim construction proceedings, requiring the parties to identify and exchange position statements regarding disputed claim language before presenting disputes to the Court. In addition, because confidentiality issues abound in patent litigation, the Rules provide for a standardized protective order (with options that can be tailored to specific cases) that is deemed to be in effect upon the initiation of the lawsuit.

1. SCOPE OF RULES

LPR 1.1 Application and Construction

These Rules (“LPR”) apply to all cases filed in or transferred to this District after their effective date in which a party makes a claim of infringement, non-infringement, invalidity, or unenforceability of a utility patent. The Court may apply all or part of the LPR to any such case already pending on the effective date of the LPR. The Court may modify the obligations and deadlines of the LPR based on the circumstances of any particular case. If a party files, prior to the Claim Construction Proceedings provided for in LPR Section 5, a motion that raises claim construction issues, the Court may defer the motion until after the Claim Construction Proceedings.

LPR 1.2 Initial Scheduling Conference

In their conference pursuant to Fed. R. Civ. P. 26(f), the parties must discuss and address those matters found in the form scheduling order contained in LPR Appendix “A.” A completed proposed version of the scheduling order is to be presented by the Court within seven (7) days after the Rule 26(f) conference or at such other time as the Court directs.

LPR 1.3 Fact Discovery

Fact discovery shall commence upon the date for the Initial Disclosures under LPR 2.1 and shall be completed twenty-eight (28) days after the date for exchange of claim terms and phrases under LPR 4.1. Fact discovery may resume upon entry of a claim construction ruling and shall end forty-two (42) days after entry of the claim construction ruling.

LPR 1.4 Confidentiality

No later than seven (7) days prior to the exchange of Initial Disclosure under LPR 2.1, the parties must file an agreed Protective Order using the format provided by LPR Appendix B. The agreed Protective Order shall be deemed to be in effect as of the date for each party’s Initial Disclosures.

LPR 1.5 Certification of Disclosures

All disclosures made pursuant to LPR 2.2, 2.3, 2.4, 2.5, 3.1, and 3.2 must be dated and signed by counsel of record (or by the party if unrepresented by counsel) and are subject to the requirements of Federal Rules of Civil Procedure 11 and 26(g).

LPR 1.6 Admissibility of Disclosures

The disclosures provided for in LPR 2.2, 2.3, 2.4, and 2.5 are inadmissible as evidence on the merits.

Comment

The purpose of the initial disclosures pursuant to LPR 2.2 – 2.5 is to identify the likely issues in the case, to enable the parties to focus and narrow their discovery requests. Permitting use of the initial disclosures as evidence on the merits would

defeat this purpose. A party may make reference to the initial disclosures for any other appropriate purpose.

LPR 1.7 Relationship to Federal Rules of Civil Procedure

A party may not object to mandatory disclosures under Federal Rule of Civil Procedure 26(a) or to a discovery request on the ground that it conflicts with or is premature under the LPR, except to the following categories of requests and disclosures:

- (a) requests for a party's claim construction position;
- (b) requests to the patent claimant for a comparison of the asserted claims and the accused apparatus, device, process, method, act, or other instrumentality;
- (c) requests to an accused infringer for a comparison of the asserted claims and the prior art;
- (d) requests to an accused infringer for its non-infringement contentions; and
- (e) requests to the patent claimant for its contentions regarding the presence of claim elements in the prior art.

Federal Rule of Civil Procedure 26's requirements concerning supplementation of disclosure and discovery responses apply to all disclosures required under the LPR.

2. PATENT INITIAL DISCLOSURES

Comment

LPR 2.2 – 2.5 supplements the initial disclosures required by Federal Rule of Civil Procedure 26(a)(1). As stated in the comment to LPR 1.6, the purpose of these provisions is to require the parties to identify the likely issues in the case, to enable them to focus and narrow their discovery requests. To accomplish this purpose, the parties' disclosures must be meaningful – as opposed to boilerplate - and non-evasive. These provisions should be construed accordingly when applied to particular cases.

LPR 2.1 Initial Disclosures

The plaintiff and any defendant that files an answer or other response to the complaint shall exchange their initial disclosures under Federal Rule of Civil Procedure 26(a)(1) ("Initial Disclosures") within fourteen (14) days after the defendant files its answer or other response. As used in this Rule, the term "document" has the same meaning as in Federal Rule of Civil Procedure 34(a):

- (a) A party asserting a claim of patent infringement shall produce or make the following available for inspection and copying along with its Initial Disclosures, to the extent they are in the party's possession, custody or control.

(1) all documents concerning any disclosure, sale or transfer, or offer to sell or transfer, of the claimed invention prior to the date of application for the patent in suit. Production of a document pursuant to this Rule is not an admission that the document evidences or is prior art under 35 U.S.C. § 102;

(2) all documents concerning 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 a priority date otherwise identified for the patent in suit, whichever is earlier;

(3) all documents concerning communications to and from the U.S. Patent Office for each patent in suit and for each patent on which a claim for priority is based; and

(4) all documents concerning ownership of the patent rights by the party asserting patent infringement.

The producing party shall separately identify by production number which documents correspond to each category.

(b) A party opposing a claim of patent infringement shall produce or make the following available for inspection and copying, along with its Initial Disclosures:

(1) documents sufficient to show the most recent operation and construction of any aspects or elements of each accused apparatus, product, device, process, method or other instrumentality identified with specificity in the pleading of the party asserting patent infringement; and

(2) a copy of each item of prior art of which the party is aware that allegedly anticipates each asserted patent and its related claims or renders them obvious or, if a copy is unavailable, a description sufficient to identify the prior art and its relevant details.

LPR 2.2 Initial Infringement Contentions

A party claiming patent infringement must serve on all parties “Initial Infringement Contentions” containing the following information within fourteen (14) days after the Initial Disclosure under LPR 2.1:

(a) identification each claim of each patent in suit that is allegedly infringed by the opposing party, including for each claim the applicable statutory subsection of 35 U.S.C. § 271;

(b) separately for each asserted claim, identification of each accused apparatus, product, device, process, method, act, or other instrumentality (“Accused Instrumentality”) of the opposing party of which the party claiming infringement is aware. Each Accused Instrumentality must 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;

(c) a chart identifying specifically where each element of each asserted claim is found within each Accused Instrumentality, including for each element that such party contends is governed by 35 U.S.C. § 112(6), a description of the claimed function of that element and the

identity of the structure(s), act(s), or material(s) in the Accused Instrumentality that performs the claimed function;

(d) identification of whether each element of each asserted claim is claimed to be present in the Accused Instrumentality literally or under the doctrine of equivalents. For any claim under the doctrine of equivalents, the Initial Infringement Contentions must include an explanation of each function, way, and result that is equivalent and why any differences are not substantial;

(e) for each claim alleged to have been indirectly infringed, identification of at least one direct infringer and a description of the acts of infringement;

(f) for any patent that claims priority to an earlier application, the priority date to which each asserted claim allegedly is entitled;

(g) identification of the basis for any allegation of willful infringement; and

(h) if a party claiming patent infringement wishes to preserve the right to rely, for any purpose, on the assertion that its own apparatus, product, device, process, method, act, or other instrumentality practices the claimed invention, the party must identify, separately for each asserted patent, each such apparatus, product, device, process, method, act, or other instrumentality that incorporates or reflects that particular claim, including whether it is marked with the patent number.

LPR 2.3 Initial Non-Infringement, Unenforceability and Invalidity Contentions

Each party opposing a claim of patent infringement or asserting invalidity or unenforceability shall serve upon all parties its "Initial Non-Infringement, Unenforceability and Invalidity Contentions" within fourteen (14) days after service of the Initial Infringement Contentions. Such Initial Contentions shall be as follows:

(a) Non-Infringement Contentions shall contain a chart, responsive to the chart required by I.P.R 2.2(c), that identifies as to each identified element in each asserted claim, to the extent then known by the party opposing infringement, whether such element is present literally or under the doctrine of equivalents in each Accused Instrumentality and, if not, the reason for such denial and the relevant distinctions.

(b) Invalidity Contentions must contain the following information to the extent then known to the party asserting invalidity:

(i) identification, with particularity, 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 under 35 U.S.C. § 102(b) 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. 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. 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);

(ii) a statement of whether each item of prior art allegedly anticipates each asserted claim or renders it obvious. If a combination of items of prior art allegedly makes a claim obvious, each such combination, and the motivation to combine such items, must be identified;

(iii) a chart identifying where specifically in each alleged item of prior art each element of each asserted claim is found, including for each element that such party contends is governed by 35 U.S.C. § 112(6), a description of the claimed function of that element and the identity of the structure(s), act(s), or material(s) in each item of prior art that performs the claimed function; and

(iv) a detailed statement of any grounds of invalidity based on indefiniteness under 35 U.S.C. § 112(2) or enablement or written description under 35 U.S.C. § 112(1).

(c) Unenforceability contentions shall identify the acts allegedly supporting and all bases for the assertion of unenforceability.

LPR 2.4 Document Production Accompanying Initial Invalidity Contentions

With the Initial Non-Infringement and Invalidity Contentions under LPR 2.3, the party opposing a claim of patent infringement shall supplement its Initial Disclosures and, in particular, must produce or make available for inspection and copying:

(a) any additional documentation showing the operation of any aspects or elements of an Accused Instrumentality identified by the patent claimant in its LPR 2.2 chart; and

(b) a copy of any additional items of prior art identified pursuant to LPR 2.3(a) that does not appear in the file history of the patent(s) at issue.

LPR 2.5 Initial Response to Invalidity Contentions

Within fourteen (14) days after service of the Initial Non-Infringement and Invalidity Contentions under LPR 2.4, each party claiming patent infringement shall serve upon all parties its "Initial Response to Invalidity Contentions." The Initial Response to Invalidity Contentions shall contain a chart, responsive to the chart required by LPR 2.3(a)-(d), that states as to each identified element in each asserted claim, to the extent then known, whether the party admits to the identity of elements in the prior art and, if not, the reason for such denial.

LPR 2.6 Disclosure Requirement in Patent Cases Initiated by Complaint for Declaratory Judgment

In a case initiated by a complaint for declaratory judgment in which a party files a pleading seeking a judgment that a patent is not infringed, is invalid, or is unenforceable, LPR 2.2 and 2.3 shall not apply unless a party makes a claim for patent infringement. If no claim of infringement is

made, the party seeking a declaratory judgment must comply with LPR 2.3 and 2.4 within twenty-eight (28) days after the Initial Disclosures.

3. FINAL CONTENTIONS

LPR 3.1 Final Infringement Contentions

A party claiming patent infringement must serve on all parties “Final Infringement Contentions” containing the information required by LPR 2.2 (a)–(h) within twenty-one (21) weeks after the due date for the exchange of Initial Infringement Contentions.

LPR 3.2 Final Non-infringement, Unenforceability and Invalidity Contentions

Each party asserting non-infringement, invalidity or unenforceability of a patent claim shall serve on all other parties “Final Non-infringement, Unenforceability and Invalidity Contentions” within twenty-eight (28) days after service of the Final Infringement Contentions, containing the information called for in LPR 2.3(a)-(c).

LPR 3.3 Document Production Accompanying Final Invalidity Contentions

With the Final Invalidity Contentions, the party asserting invalidity of any patent claim shall produce or make available for inspection and copying: a copy or sample of all prior art identified pursuant to LPR 3.2, to the extent not previously produced, that does not appear in the file history of the patent(s) at issue. If any such item is not in English, an English translation of the portion(s) relied upon shall be produced.

The producing party shall separately identify by production number which documents correspond to each category.

LPR 3.4. Amendment of Final Contentions

A party may amend its Final Infringement Contentions or Final Non-infringement and Invalidity Contentions only by order of the Court upon a showing of good cause and absence of unfair prejudice, made in timely fashion following discovery of the basis for the amendment.

The duty to supplement discovery responses does not excuse the need to obtain leave of court to amend contentions.

LPR 3.5 Final Date to Seek Stay Pending Reexamination

Absent exceptional circumstances, no party may file a motion to stay the lawsuit pending reexamination in the U.S. Patent Office after the due date for service of that party’s Final Contentions.

4. CLAIM CONSTRUCTION PROCEEDINGS

LPR4.1 Exchange of Proposed Claim Terms To Be Construed Along With Proposed Constructions

(a) Within fourteen (14) days after service of the Final Invalidity Contentions pursuant to LPR 3.2, each party shall serve a list of (i) the claim terms and phrases the party contends the Court should construe; (ii) the party's proposed constructions; (iii) identification of any claim element that the party contends is governed by 35 U.S.C. § 112(6); and (iv) the party's description of the function of that element, and the structure(s), act(s), or material(s) corresponding to that element.

(b) Within seven (7) days after the exchange of claim terms and phrases, the parties must meet and confer and agree upon no more than ten (10) terms or phrases to submit for construction by the court. No more than ten (10) terms or phrases may be presented to the Court for construction absent prior leave of court upon a showing of good cause. The assertion of multiple non-related patents shall, in an appropriate case, constitute good cause. If the parties are unable to agree upon ten terms, then five shall be allocated to all plaintiffs and five to all defendants. For each term to be presented to the Court, the parties must certify whether it is outcome-determinative.

Comment

In some cases, the parties may dispute the construction of more than ten terms. But because construction of outcome-determinative or otherwise significant claim terms may lead to settlement or entry of summary judgment, in the majority of cases the need to construe other claim terms of lesser importance may be obviated. The limitation to ten claim terms to be presented for construction is intended to require the parties to focus upon outcome-determinative or otherwise significant disputes.

LPR 4.2 Claim Construction Briefs

(a) Within twenty-eight (28) days after the exchange of terms set forth in LPR 4.1, the parties opposing infringement shall file their Opening Claim Construction Brief, which may not exceed twenty-five (25) pages absent prior leave of court. The brief shall identify any intrinsic evidence with citation to the Joint Appendix under LPR 4.2(b) and shall separately identify any extrinsic evidence the party contends supports its proposed claim construction. If a party offers the testimony of a witness to support its claim construction, it must include with its brief a sworn declaration setting forth the substance of the witness's proposed testimony.

(b) On the date for filing the Opening Claim Construction Brief, the parties shall file a Joint Appendix containing the patent(s) in dispute and the prosecution history for each patent. The prosecution history must be paginated, and all parties must cite to the Joint Appendix when referencing the materials it contains. Any party may file a separate appendix to its claim construction brief containing other supporting materials.

(c) Within twenty-eight (28) days after filing of the Opening Claim Construction brief, the parties claiming infringement shall file their Responsive Claim Construction Brief, which may