United States District Court

Eastern District of North Carolina

Local Patent Rules

of

Practice and Procedure

January 2019

TABLE OF CONTENTS

Rule 301.1 Title

These are the local rules of practice for Patent Cases before the United States District Court for the Eastern District of North Carolina. They should be cited as "Local Civil Rule ___".

Rule 301.2 Purpose, Scope And Construction

(a) These rules are intended to supplement the Local Civil Rules of this District to facilitate the speedy, fair and efficient resolution of patent disputes.

(b) These rules apply to all civil actions filed in or transferred to this court which allege infringement of a utility patent in a complaint, counterclaim, cross-claim or third party claim, or which seek a declaratory judgment that a utility patent is not infringed, is invalid or is unenforceable. The court will consider requests to opt out of these Patent Rules, when all parties agree and the complexity of the case and amount in controversy do not justify the formal procedures required by these rules.

(c) The court may accelerate, extend, eliminate, or modify the obligations or deadlines set forth in these Local Patent Rules based on the circumstances of any particular case, including, without limitation, the complexity of the case or the number of patents, claims, products, or parties involved. If any motion filed prior to the Claim Construction Hearing provided for in Local Patent Rule 304.6 raises claim construction issues, the court may, for good cause shown, defer the motion until after completion of the disclosures, filings, or ruling following the Claim Construction Hearing.

Rule 301.3 Effective Date

Local Civil Rules 301.1—305.2 shall apply to any case filed in or transferred to this court on or after September 18, 2007. Relevant provisions of these rules may be applied to any pending case by the court, on its own motion or on motion by any party.

Rule 302.1 Governing Procedure

(a) Initial Rule 26(f) Scheduling Conference ("Initial Scheduling Conference").

When the parties confer with each other pursuant to Fed. R. Civ. P. 26(f), in addition to the matters covered by Fed. R. Civ. P. 26, the parties must discuss and address in the Discovery Plan filed pursuant to Fed. R. Civ. P. 26(f) and Local Civil Rule 26.1(e)(2) the following items:

(1) Proposed modification of the deadlines provided for in the local patent rules, and the effect of any such modification on the date and time of the Claim Construction Hearing provided for in Local Civil Rule 304.6, if any;

(2) Whether the court will hear live testimony at the Claim Construction Hearing;

(3) The need for and any specific limits on discovery relating to claim construction, including depositions of witnesses, including expert witnesses;

(4) The order of presentation at the Claim Construction Hearing;

(5) Whether the parties request a claim construction prehearing conference be held after the Joint Claim Construction and Prehearing Statement has been filed;

(6) Whether it may be appropriate to bifurcate discovery for infringement, invalidity, and damage issues;

(7) Whether the parties believe that appointment of a Special Master may be helpful to the parties and the court;

(8) Whether modifications to the standard protective order are needed, including, but not limited to, whether additional information should be disclosed regarding consulting experts, access to materials by prosecution counsel and restrictions on use, access, or dissemination of source code and other highly confidential materials;

(9) Whether the parties believe it would be worthwhile to have a hearing to provide the court with an overview of the technology at issue in the suit and proposed timing for presentation; and

(10) Any other patent-related issues foreseeable in the case.

(b) Further Scheduling Conferences.

To the extent that some or all of the matters provided for in Local Patent Rule 302.1(a)(1)-(4) are not resolved or decided at the Initial Scheduling Conference, the parties shall propose dates for further Scheduling Conferences at which such matters shall be decided.

Rule 302.2 Confidentiality

Discovery cannot be withheld on the basis of confidentiality absent court order. The Protective Order authorized by the Eastern District of North Carolina shall govern discovery unless the court enters a different protective order. The approved protective order can be found on the court's website.

Rule 302.3 Certification Of Initial Disclosures

All statements, disclosures, or charts filed or served in accordance with these Local Civil Rules must be dated and signed by counsel of record. Counsel's signature shall constitute a certification that to the best of his or her knowledge, information, and belief, formed after an inquiry that is reasonable under the circumstances, the information contained in the statement, disclosure, or chart is complete and correct at the time it is made.

Rule 302.4 Admissibility Of Disclosures

Statements, disclosures, or charts governed by these Local Civil Rules are admissible to the extent permitted by the Federal Rules of Evidence or Federal Rules of Civil Procedure. However, the statements or disclosures provided for in Local Civil Rules 304.1 and 304.2 are not admissible for any purpose other than in connection with motions seeking an extension or modification of the time periods within which actions contemplated by these Local Civil Rules must be taken.

Rule 302.5 Relationship To Federal Rules Of Civil Procedure

Except as provided in this paragraph or as otherwise ordered, it shall not be a legitimate ground for objecting to an opposing party's discovery request (e.g., interrogatory, document request, request for admission, deposition question) or declining to provide information otherwise required to be disclosed pursuant to Fed. R. Civ. P. 26(a)(1) that the discovery request or disclosure requirement is premature in light of, or otherwise conflicts with, these Local Civil Rules. A party may object, however, to responding to the following categories of discovery requests (or decline

to provide information in its initial disclosures under Fed. R. Civ. P. 26(a)(1)) on the ground that they are premature in light of the timetable provided in the Local Patent Rules:

(a) Requests seeking to elicit a party's claim construction position;

(b) Requests seeking to elicit from the patent claimant a comparison of the asserted claims and the accused apparatus, product, device, process, method, act, or other instrumentality;

(c) Requests seeking to elicit from an accused infringer a comparison of the asserted claims and the prior art; and

(d) Requests seeking to elicit from an accused infringer the identification of any opinions of counsel, and related documents, that it intends to rely upon as a defense to an allegation of willful infringement.

Where a party properly objects to a discovery request (or declines to provide information in its initial disclosures under Fed. R. Civ. P. 26(a)(1)) as set forth above, that party shall provide the requested information on the date on which it is required to provide the requested information to an opposing party under these Local Patent Rules, unless there exists another legitimate ground for objection.

Rule 303.1 Disclosure Of Asserted Claims And Preliminary Infringement Contentions

Not later than 30 days after the Initial Scheduling Conference, a party claiming patent infringement must serve on all parties a "Disclosure of Asserted Claims and Preliminary Infringement Contentions." Separately for each opposing party, the "Disclosure of Asserted Claims and Preliminary Infringement Contentions" shall contain the following information:

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

(b) Separately for each asserted claim, each accused apparatus, product, device, process, method, act, or other instrumentality ("Accused Instrumentality") of each opposing party of which the party is aware. This identification shall be as specific as possible. Each product, device, and apparatus must be identified by name or model number, if known. Each method or process 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 each element that such party contends is governed by the sixth paragraph of 35 U.S.C. § 112, and the identity of the structure(s), act(s), or material(s) in the Accused Instrumentality that performs the claimed function;

(d) Whether each element of each asserted claim is claimed to be literally present or present under the doctrine of equivalents in the Accused Instrumentality;

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

(f) 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 claim, each such apparatus, product, device, process, method, act, or other instrumentality that incorporates or reflects that particular claim.

Rule 303.2 Document Production Accompanying Disclosure

With the "Disclosure of Asserted Claims and Preliminary Infringement Contentions," the party claiming patent infringement must produce to each opposing party or make available for inspection and copying:

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

(b) All documents evidencing the conception, reduction to practice, design, and development of each claimed invention, which were created on or before the date of application for the patent in suit or the priority date identified pursuant to Local Patent Rule 303.1(e), whichever is earlier;

(c) A copy of the file history for each patent in suit; and

(d) Documents evidencing a party's standing (e.g., a written assignment) to bring a claim or claims of alleged infringement of the patent or patents in suit.

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

Rule 303.3 Preliminary Invalidity Contentions

Not later than forty 45 days after service upon it of the "Disclosure of Asserted Claims and Preliminary Infringement Contentions," each party opposing a claim of patent infringement, shall serve on all parties its "Preliminary Invalidity Contentions."

(a) Invalidity Contentions must contain the following information:

(1) An identification of each statutory section and subsection, where applicable, relied upon for any assertion of invalidity;

(2) The identity of each item of prior art that allegedly anticipates each asserted claim or renders it obvious. Each prior art patent shall be identified by its number, country of origin, and date of issue. Each prior art publication must be identified by its title, date of publication, and where feasible, author and publisher. Prior art with respect to an item offered for sale or publicly used or known shall specify the date and nation in which 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. In claims alleging infringement of patents governed by the provisions of law prior to the America Invents Act, 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; and 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);

(3) Whether each item of prior art anticipates each asserted claim or renders it obvious. If a combination of items of prior art makes a claim obvious, each such combination must be identified;

(4) 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 subparagraph (6) or (f) as applicable, the identity of the structure(s), act(s), or material(s) in each item of prior art that performs the claimed function; and

(5) Each grounds of invalidity of any of the asserted claims based 35 U.S.C. § 101, or on indefiniteness or lack of enablement or written description under 35 U.S.C. § 112, citing the applicable statutory section(s) and subsection(s) thereof.

Rule 303.4 Document Production Accompanying Preliminary Invalidity Contentions

With the "Preliminary Invalidity Contentions," the party opposing a claim of patent infringement must produce or make available for inspection and copying:

(a) Source code, specifications, schematics, flow charts, artwork, formulas, or other documentation sufficient to show the operation of any aspects or elements of an Accused Instrumentality identified by the patent claimant in its Local Civil Rule 303.1(c) chart; and

(b) A copy of each item of prior art identified pursuant to Local Civil Rule 303.3(b)(1) that does not appear in the file history of the patent(s) at issue. To the extent any such item is not in English, an English translation of the portion(s) relied upon must be produced.

Rule 303.5 Disclosure Requirement In Patent Cases For Declaratory Judgment

(a) Invalidity Contentions If No Claim of Infringement.

In all cases in which a party files a complaint or other pleading seeking a declaratory judgment that a patent is not infringed, is invalid, or is unenforceable, Local Civil Rule 303.1 and 303.2 shall not apply unless and until a claim for patent infringement is made by a party. If the defendant does not assert a claim for patent infringement in its answer to the complaint, no later than 14 days after the defendant serves its answer, or 14 days after the Initial Scheduling Conference, whichever is later, the party seeking a declaratory judgment must serve upon each opposing party its Preliminary Invalidity Contentions that conform to Local Civil Rule 303.3 and produce or make available for inspection and copying the documents described in Local Civil Rule 303.4. The parties shall meet and confer within 14 days of the service of the Preliminary Invalidity Contentions for

the purpose of determining the date on which the plaintiff will file its Final Invalidity Contentions which shall be no later than 50 days after service by the court of its Claim Construction Ruling.

(b) Applications of Rules When No Specified Triggering Event.

If the filings or actions in a case do not trigger the application of these Local Civil Rules 301.1-305.2 under the terms set forth herein, the parties shall, as soon as such circumstances become known, meet and confer for the purpose of agreeing on the application of these such rules to the case.

(c) Inapplicability of Rule.

This Local Civil Rule 303.5 shall not apply to cases in which a request for a declaratory judgment that a patent is not infringed, is invalid, or is unenforceable is filed in response to a complaint for infringement of the same patent.

Rule 303.6 Final Contentions

Each party's "Preliminary Infringement Contentions" and "Preliminary Invalidity Contentions" shall be deemed to be that party's final contentions, except as set forth below.

(a) If the parties stipulate to serving Amended or Supplemental Infringement Contentions and Invalidity Contentions.

(b) If a party claiming patent infringement believes in good faith that (1) the court's Claim Construction Ruling or (2) the documents produced pursuant to Local Civil Rule 303.4 so requires, not later than thirty (30) days after service by the court of its Claim Construction Ruling, that party may serve "Final Infringement Contentions" without leave of court that amend its "Preliminary Infringement Contentions" with respect to the information required by Local Civil Rule 303.1(c) and (d).

(c) Discovery has revealed information requiring modification of the contentions.

(d) Not later than 50 days after service by the court of its Claim Construction Ruling, each party asserting a claim, counterclaim or defense of invalidity may serve "Final Invalidity Contentions" as of right that amend its "Preliminary Invalidity Contentions" with respect to the information required by Local Civil Rule 303.3 if it believes in good faith that amendment is required by "Final Infringement Contentions" pursuant to

Local Civil Rule 303.6(b) or the court's Claim Construction Ruling so requires.

Rule 303.7 Amendment To Contentions

(a) Amendment or modification of the Preliminary or Final Infringement Contentions or the Preliminary or Final Invalidity Contentions, other than as expressly permitted in Local Civil Rule 303.6, may be made only as expressly permitted by Local Civil Rule 303.6, or within 30 days of the discovery of new information relevant to the issues of infringement or invalidity. Otherwise, amendment or modification shall be made only by order of the court, which shall be entered only upon a showing of good cause.

(b) Non-exhaustive examples of circumstances supporting a finding of good cause can include at least the following:

(1) A claim construction by the court different from that proposed by the party seeking amendment;

(2) Information newly discovered or confirmed, through due diligence, regarding an accused product or prior art;

(3) Information discovered, confirmed, or provided by a party's consultant or expert after a party's contentions have been served;

(4) New product launches;

(5) Amendments to the complaint or counterclaim adding or removing one or more asserted patents; and

(6) Information learned from or positions taken by another party during the exchange of contentions set forth in Local Rules 303.1 through 303.5.

Rule 303.8 Willfulness; Discovery Of Opinions Of Counsel

(a) The substance of any advice of counsel tendered in defense to a charge of willful infringement, and any other information which might be deemed to be within the scope of a waiver attendant to disclosure of such advice, shall not be discoverable until the earlier of:

(1) 7 days after a ruling on summary judgment indicating a triable issue of fact to which willfulness would be relevant; or

(2) 30 days prior to the close of fact discovery under the Scheduling Order.

(b) On the day such willfulness information becomes discoverable, the party relying on such advice shall produce the following:

(1) a copy of all written opinions to be relied on by the party opposing the claim of infringement;

(2) a copy of all materials or information related to the opinion that were provided to the attorney in the course of preparation of each such opinion;

(3) a copy of all written attorney work product related to each such opinion that (i) was developed in the course of preparation of the opinion and (ii) was disclosed to the client;

(4) identification of the date, sender and recipient (but not necessarily the substance) of all written and oral communications between the party opposing the claim of infringement and the attorney or law firm rendering any opinions to be relied on, which communications discuss the same subject matter as such opinion;

(5) any other opinion(s) that discuss the same subject matter as such opinion and that were provided to the party opposing the claim of infringement by any other attorney or law firm, whether or not the party relied on such additional opinions; and

(6) identification of the date, sender and recipient (but not necessarily the substance) of all written and oral communications between the party opposing the claim of infringement and the attorney or law firm rendering such opinions that were not relied on, which communications discuss the same subject matter as such opinion.

(c) After such willfulness information becomes discoverable, a party claiming willful infringement shall be entitled (subject to any limitations, including limitations on numbers of depositions, otherwise imposed by the Scheduling Order) to take the deposition of any attorneys rendering the advice relied on and any persons who received such advice, including but not limited to any person who claims to have relied on such advice.

(d) A party opposing a claim of patent infringement who does not comply with the requirements of this Local Civil Rule 303.8 shall not be permitted to rely on an opinion of counsel as part of a defense to willful infringement

absent a stipulation of all affected parties or by order of the court, which shall be entered only upon a showing of good cause.

Rule 304.1 Exchange Of Proposed Terms And Claim Elements For Construction

(a) Not later than 21 days after service of the "Preliminary Invalidity Contentions" pursuant to Local Civil Rule 303.3, each party shall simultaneously exchange a list of claim terms, phrases, or clauses which that party contends should be construed by the court, and identify any claim element which that party contends should be governed by the sixth paragraph of 35 U.S.C. § 112.

(b) The parties shall thereafter meet and confer for the purposes of finalizing this list, narrowing or resolving differences, and facilitating the ultimate preparation of a Joint Claim Construction Statement in accordance with Local Civil Rule 304.3.

Rule 304.2 Exchange Of Preliminary Claim Constructions And Extrinsic Evidence

(a) Not later than 21 days after the exchange of "Proposed Terms and Claim Elements for Construction" pursuant to Local Civil Rule 304.1, the parties shall simultaneously exchange a preliminary proposed construction of each claim term, phrase, or clause which the parties collectively have identified for claim construction purposes. Each such "Preliminary Claim Construction" shall also, for each element which any party contends is governed by the sixth paragraph of 35 U.S.C. § 112, identify the structure(s), act(s), or material(s) corresponding to that element.

(b) At the same time the parties exchange their respective "Preliminary Claim Constructions," they shall each also provide a preliminary identification of extrinsic evidence, including without limitation, dictionary definitions, citations to learned treatises and prior art, and testimony of percipient and expert witnesses they contend support their respective claim constructions. The parties shall identify each such item of extrinsic evidence by production number or produce a copy of any such item not previously produced. With respect to any such witness, percipient or expert, the parties shall also provide a brief description of the substance of that witness' proposed testimony.

(c) The parties shall thereafter meet and confer for the purposes of narrowing the issues and finalizing preparation of a Joint Claim Construction Statement in accordance with Local Civil Rule 304.3.

Rule 304.3 Joint Claim Construction Statement

Not later than 60 days after service of the "Preliminary Invalidity Contentions," the parties shall complete and file a Joint Claim Construction Statement, which shall contain the following information:

(a) The construction of those claim terms, phrases, or clauses on which the parties agree.

(b) Each party's proposed construction of each disputed claim term, phrase, or clause, together with an identification of all references from the specification or prosecution history that support that construction, and an identification of any extrinsic evidence known to the party on which it intends to rely either to support its proposed construction of the claim or to oppose any other party's proposed construction of the claim, including, but not limited to, as permitted by law, dictionary definitions, citations to learned treatises and prior art, and testimony of percipient and expert witnesses.

(c) The anticipated length of time necessary for the Claim Construction Hearing.

(d) Whether any party proposes to call one or more witnesses, including experts, at the Claim Construction Hearing, the identity of each such witness, and for each expert, a summary of each opinion to be offered in sufficient detail to permit a meaningful deposition of that expert.

No other Fed. R. Civ. P. 26 report or disclosure shall be required for testimony directed solely towards claim construction.

Rule 304.4 Completion Of Claim Construction Discovery

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

Rule 304.5 Claim Construction Briefs

(a) Not later than 45 days after serving and filing the Joint Claim Construction Statement, each party shall serve and file and opening brief and any evidence supporting its claim construction.

(b) Not later than 21 days after service upon it of an opening brief, the opposing party shall serve and file its responsive brief and supporting evidence.

(c) Prior to the Claim Construction Hearing, the court may issue an order stating whether it will receive extrinsic evidence, and if so, the particular evidence that it will exclude and that it will receive, and any other matter the court deems appropriate concerning the conduct of the hearing.

Rule 304.6 Claim Construction Hearing

Subject to the convenience of the court's calendar, the court shall conduct a Claim Construction Hearing to the extent the court believes a hearing is necessary for construction of the claims at issue.

Rule 305.1 Disclosure Of Experts And Expert Reports

(a) For issues other than claim construction to which expert testimony shall be directed, expert witness disclosures and depositions shall be governed by this rule.

(b) No later than 30 days after (1) the normal close of discovery pursuant to the Scheduling Order, or (2) the close of discovery after claim construction, whichever is later, each party shall make its initial expert witness disclosures required by Fed. R. Civ. P. 26 on the issues on which each bears the burden of proof;

(c) No later than 30 days after the first round of disclosures, each party shall make its initial expert witness disclosures required by Fed. R. Civ. P. 26 on the issues on which the opposing party bears the burden of proof;

(d) No later than 14 days after the second round of disclosures, each party shall make any rebuttal expert witness disclosures permitted by Fed. R. Civ. P. 26.

Rule 305.2 Depositions Of Experts

Depositions of expert witnesses disclosed under this Rule shall commence within 7 days of the deadline service of rebuttal reports and shall be completed within 30 days after commencement of the deposition period.