

## Report of the Local Patent Rules Committee

### Explanatory Notes for 2016 Amendments

The Local Patent Rules were implemented in September 2008, and certain amendments to the Rules were adopted with the March 2011 revision to the Rules.

Over the course of the last ten months, the Local Patent Rules Advisory Committee has once again examined the operation of the Local Patent Rules and, consistent with past history, has found that the Rules generally are operating well, and provide a rational and reasonably efficient structure for the judicial administration, litigation and trial of patent matters in the District of New Jersey.

However, as a result of learning from experiences in operating under the Rules since they were last amended, certain issues have arisen that led to the Committee's consideration of possible modifications to the Rules. In order to balance and clarify certain issues, expedite issues for the Court and Magistrate Judges in particular, and attempt to enhance the overall pretrial process, the Committee considered several potential amendments to the Rules..

**Committee Process**-- Committee members identified issues of interest or potential amendments for consideration by the entire Committee . The Committee then identified the issues of highest order of priority. That process resulted in the appointment of subcommittees directed to each such issue. Each subcommittee investigated, examined and evaluated the issues, and determined whether an amendment or Rule revision was necessary.

The subcommittees then submitted reports to the Committee as a whole, and those reports and any potential amendments to the Rules were then discussed at length by the entire Committee. Ultimately, the Committee voted to approve certain amendments.

**Amendments** -- The following amendments were approved by the Board of Judges after submission by the Patent Rules Advisory Committee:

**Rule 2.1(a)(6)**- With respect to matters to be discussed for the purpose of preparing the Joint Discovery Plan for submission to a Magistrate Judge in advance of the initial Scheduling Conference, a new subpart is included that expands the topics to be discussed between the parties in order to expedite matters, and attempt to avoid more protracted disputes later in the discovery process (e.g., availability of invention records, product samples, whether there is a 30-month stay and when it ends). The Committee recommended encouraging a complete and thorough discussion of issues that need to be addressed by the Court at the initial Rule 26 conference.

**Rule 2.2-** The Committee recommended that the Discovery Confidentiality Order be submitted in 14 days rather than 30 days subsequent to the initial Scheduling Conference in an attempt to expedite the exchange of foundation discovery, which in many instances comprises commercially sensitive information.

**Rules 3.3(d) (Invalidity Contentions) and 3.4A (Responses to Invalidity Contentions)-** This amendment would require a party asserting invalidity under Sec. 112 of the Patent Act to set forth the factual basis for that assertion, and would require the patent owner to respond with a detailed explanation of how the claim complies with Section 101 and 112.

**Rule 3.6 (c) and (e)-** With regard to Hatch-Waxman matters, the Committee recommended that the time for submission of invalidity and noninfringement contentions be extended from 14 days to 30 days from the date of the Scheduling Conference. The Committee concluded that the current 14-day period presented too compressed a schedule, and that the additional time for such submissions would not significantly impact overall case management, particularly in light of other changes under these Rules.

**Rules 4.1 and 4.2 (Exchange of claim terms for construction)-** Pursuant to this amendment, parties would be required to explain the meaning of “plain and ordinary” assigned to each claim term. The Committee determined that parties often rely on the Court to determine what the parties mean by that phrase. The Committee concluded that the Local Patent Rule should be amended to require a party to define its understanding of the phrase “plain and ordinary meaning” for each claim term for which that phrase is asserted.

In May 2016, the Committee submitted the proposed amendments to the Board of Judges for their consideration.

#### **Local Patent Rules Advisory Committee**

Hon. Stanley R Chesler, U.S.D.J., *Chair*  
Hon. Jerome B. Simandle, U.S.D.J., Chief Judge, Ex officio  
Hon. Patty Shwartz, U.S.C.J.  
Hon. Mary L. Cooper, U.S.D.J.  
Hon. Douglas E. Arpert, U.S.M.J.  
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Hon. Joel Schneider, U.S.M.J.  
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**REPORT**  
**of the**  
**LOCAL PATENT RULES ADVISORY COMMITTEE**

**May 2016**

The Local Patent Rules were implemented in September 2008, and certain amendments to the Rules were adopted with the March 2011 revision to the Rules.

Over the course of the last ten months, the Local Patent Rules Advisory Committee has examined the operation of the Local Patent Rules and, consistent with past history, has found that the Rules generally are operating well, and provide a rational and reasonably efficient structure for the judicial administration, litigation and trial of patent matters.

However, we have learned from our further experiences in operating under the Rules since they were last amended. As a result, certain issues have arisen that led to the Committee's consideration of possible modifications to the Rules in order to balance and clarify certain issues, expedite issues for the Court and Magistrate Judges in particular, and attempt to enhance the overall pretrial process.

**Committee Process--** Members of the Committee were asked to identify issues of interest or potential amendments so that the entire Committee could consider same. The Committee then met as a whole, which resulted in a winnowing process where the issues of highest order of priority were determined. That process resulted in the appointment of subcommittees directed to each such issue. Each subcommittee (usually composed of attorney members as well as Judges), met separately to further investigate, examine and evaluate the issue, and determine whether an amendment or Rule revision was necessary.

The subcommittees then submitted reports to the Committee as a whole, and those reports and any potential amendments to the Rules were then discussed at length at a meeting of the entire Committee. At that meeting, the Committee voted to approve certain amendments, and also determined that certain other issues were not required to be addressed at this time because the process, after further analysis, appeared to be working well as to those issues.

**Proposed Amendments for consideration by the Board of Judges--** The Committee is pleased to report that each of the following proposed amendments were approved and adopted by the Committee. The following is a brief identification of the proposed amendments to the referenced Rules, followed by a more specific description of each for your consideration:

**Rule 2.1(a)(6)-** With respect to matters to be discussed for the purpose of preparing the Joint Discovery Plan for submission to a Magistrate Judge in advance of the initial Scheduling Conference, a new subpart is proposed that expands the topics to be discussed between the parties in order to expedite matters, and attempt to avoid more protracted disputes later in the discovery process (e.g., availability of invention records, product samples, whether there is a 30-month stay and when it ends, and scheduling order issues, etc.).

**Rule 2.2-** Requiring the Discovery Confidentiality Order to be submitted in 14 days rather than 30 days subsequent to the initial Scheduling Conference.

**Rules 3.3(d) (Invalidity Contentions) and 3.4A (Responses to Invalidity Contentions)-** This amendment would require a party asserting invalidity under Sec. 112 of the Patent Act to set forth the factual basis for that assertion, and would require the patent owner to respond with a detailed explanation of how the claim complies with Section 101 and 112.

**Rule 3.6 (c) and (e)-** Modifies the obligation in Hatch-Waxman matters from 14 days to 30 days from the date of the Scheduling Conference within which a party must produce non-infringement and invalidity contentions.

**Rules 4.1 and 4.2 (Exchange of claim terms for construction)-** Parties would be required to explain the meaning of “plain and ordinary” assigned to each claim term.

The following provides further details regarding these proposed amendments as approved by the entire Committee. We look forward to the Board of Judges considering these proposals.

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