



**MEETING RECAP FOR
THE PAULINE NEWMAN
IP AMERICAN INN OF COURT
WEDNESDAY, APRIL 23, 2014**

The fourth Inn meeting of the 2014 calendar year, and the last in the 2013-2014 Inn year with a substantive program, took place in the federal courthouse of the Alexandria Division of the Eastern District of Virginia. There was a reception beginning at 6:00 p.m. with food and drink. The presentation began at 7:10 p.m. President Liam O'Grady made introductory remarks, mentioning that new officers will be elected at the Annual Dinner Meeting next month..



Micheal O'Neil, the leader of the pupillage group making the presentation, introduced the program, which explained and compared trials in the Eastern District of Virginia and Investigations at the International Trade Commission ("ITC"). The story of Dr. Rube Goldberg and his cold fusion reactor was continued. Litigation was stayed, pending the outcome of an Inter Partes Review. Counterfeit products are being imported from India and North Korea (the latter called "Dear Energy Leader"). His trademark application is being opposed at the USPTO. He is deciding whether to sue in the Eastern District of Virginia, go to the ITC, or take other action.

If an alleged patent or trademark infringer is threatened by litigation, they may want to file a declaratory judgment action, rather than waiting to be sued. This can remove uncertainty, allowing investment and development to proceed. The judge does not have to automatically let a declaratory judgment action proceed. There is a two-prong test: 1. Is there a reasonable apprehension of litigation? 2. Has the IP owner taken active steps toward litigation? A declaratory judgment action may be filed to control the timing of a suit and where the suit is brought.

The Eastern District has the slogan over the front doors of its Alexandria courthouse "justice delayed is justice denied". If a court allows a case to languish, the plaintiffs may never

get the relief they deserve. The Eastern District is known as the “rocket docket”, and cases go faster through discovery, and faster to judgment or settlement, than in any other federal district court in the country.

Aggressive and diplomatic cease and desist letters were compared and contrasted, and it was discussed whether or not they could provide grounds for declaratory judgment actions. If a letter suggests that the dispute may be settled, judges may be skeptical of a declaratory judgment action. Clients need to be advised of litigation holds, so they do not write over backup tapes and inadvertently spoliate evidence.



In the Eastern District, you need to prepare in advance for a case, because things move quickly once a complaint is filed and served. Judge Walter E. Hoffman invented the rocket docket in the Eastern District. Lawyers do not have months to work on briefs, and may be expected to work through the weekend. Litigation is less expensive when you have less time. Discovery is completed within seven months of filing. A trial may be within eight months. Trial also moves quickly. You have to focus on your best claims, as you do not have time for mediocre claims. Motions can be decided within two weeks of filing. The court does not allow documents to be filed under seal without good reason. Most cases filed in the Eastern District



stay in the division that they are filed in, but patent cases are randomly assigned to the four divisions, regardless of where they are filed, so filing a patent case is like spinning a roulette wheel. If you file a patent case in Alexandria, you may end up having to drive six hours to a motion hearing on the other side of the state in Norfolk. Magistrate Judges in the Eastern District mediate cases for free, unlike other districts where mediation is expensive.

Judge Anderson answered a question about whether or not the entire firm of an attorney who prosecutes a patent is conflicted out of representing the patentee in infringement litigation. He said that “it depends”. The rule in Virginia is that if one attorney is conflicted out, the entire firm is conflicted out. But if the prosecuting attorney only testifies about factual issues in a deposition, rather than about substantive issues, then he may not be conflicted out. It is seldom that a prosecuting attorney really has to be deposed. These situations are often “worked out” to avoid creating a conflict. Judge Payne has authored important opinions about this issue.

Judge Essex said that the ITC can stop infringing products at the border. It does not award damages. There must be a domestic industry that is being harmed. The ITC can respond to a complaint in twenty days, not thirty (as in the Eastern District). The ITC can conclude discovery in six months, not seven. It decides motions in ten days, not fourteen. “So take that, Eastern District of Virginia!” The ITC does not have any juries. The ITC settles fewer cases

than the district courts.

Patents that are “rock solid” are the kind that you want to enforce in the ITC. You do not want to bring patents that are slipshod before the experienced patent judges at the ITC.; you may have better luck with those before a jury (if you can survive summary judgment).

There now has to be actual article for licensing to meet the domestic industry requirement to bring a case before the ITC. “If all you have is licensing, you will not know if you have a domestic industry until after the fact.” In the ITC there is world wide discovery; it can be taken overseas. (So you have to know about procedures in foreign countries.) Not only the respondent’s product, but the complainant’s product has to be covered by the same patent. The complainant in effect has to “prove an infringement case against his own product.” Claims have to reach the articles of both sides; but not necessary the same claims, so long as they are in the same patent.



The ITC uses fact pleading, rather than notice pleading as in the district courts. The ITC is strict about enforcing deadlines. If you blow a deadline before the ITC, your client may still have a remedy (but it will be to sue his lawyer for malpractice). Trials are usually limited to five days. The ITC is good about keeping confidential information from being disclosed. (The Eastern District takes a dim view of keeping evidence used in trial under seal.) Testimony is on questions written beforehand. This allows objections to be ruled on in advance. Jurors do not have to be told to ignore what they just heard. The Federal Rules of Evidence do not apply in the ITC; hearsay is allowed if it has appropriate indices of reliability.

The ITC issues General Exclusion Orders, barring a product from the U.S.A. regardless of what company makes it. The ITC issues Limited Exclusion Orders, barring a product of a particular company. It also issues cease and desist orders, preventing a product from being moved out of a warehouse after it has been imported.

President Liam O’Grady made concluding remarks, and the meeting adjourned at 8:20 p.m.

*Photographs were taken by Doug Pearson
Assistant Secretary-Treasurer*

Respectfully submitted,

Stephen Christopher Swift
Secretary-Treasurer