



Patent Nation Seminar

Where to Bring Your Next Patent Suit? ITC and Madison as Rocket Docket Alternatives

A Web Conference hosted by Foley & Lardner LLP

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Moderator



Patent Nation Seminar



Larry Shatzer

Partner

- Chair, IP Litigation
- International Business Industry Team

- 19 years of experience in litigating complex intellectual property matters which includes both jury and non-jury trials as well as arguments before the U.S. Courts of Appeal for the Federal and Fourth Circuits
- Substantial experience in Section 337 investigations before the U.S. International Trade Commission
- Cases involving all areas of technology including biotechnology (e.g., transdermal patch technology for estrogen delivery, phage display of antibodies); chemical (e.g., production of artificial sweeteners), electrical (e.g., fabrication technology for semiconductors, global positioning systems, telecommunications systems), and mechanical (e.g., manufacture of airbags, paintball gun loaders)

Presenter



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Simon Dance Partner

- IP Litigation
- General Commercial Litigation
- Environmental Regulation
- Business Reorganizations
- International Business Industry Team

- Focuses his practice on counseling and representing clients for litigation, environmental, and transactional matters
- Has served as counsel and/or co-counsel for all aspects of complex litigation matters, including appellate and Supreme Court practice, IP Litigation, Section 337 unfair trade practices cases, and federal district court actions involving natural resources damages, contract claims, CERCLA contribution and cost recovery, and the misappropriation of trade secrets

Presenter



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Allen Arntsen
Partner

- Intellectual Property Litigation
- Tax, Valuation & Fiduciary Litigation
- Energy Industry Team

- Trial lawyer
- Represents and counsels clients in energy and land use litigation; patent, trademark and copyright protection and enforcement actions; and general commercial matters
- Successfully represented clients in over 40 trials, most to a jury, and has obtained preliminary injunctive or dispositive relief for his clients in scores of other cases



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Section 337 Investigations Before The International Trade Commission

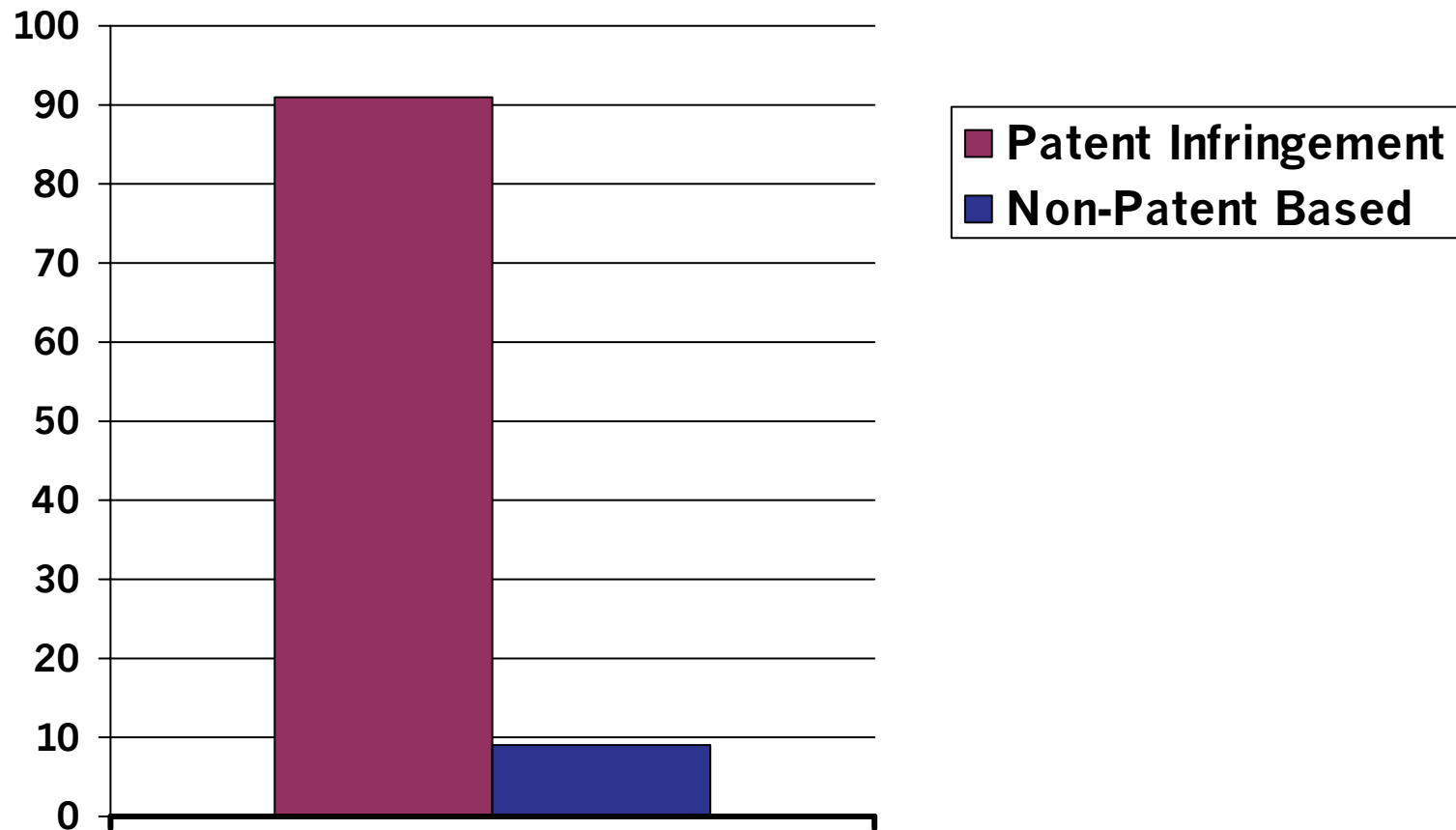
The Other Rocket Docket

Overview of Section 337 Investigations



- What Is The Purpose of The Trade Statute?
- What Elements Are Required to Obtain Jurisdiction?
 - Importation of accused products
 - Unfair trade practice
 - Domestic industry
 - Technical prong
 - Economic prong

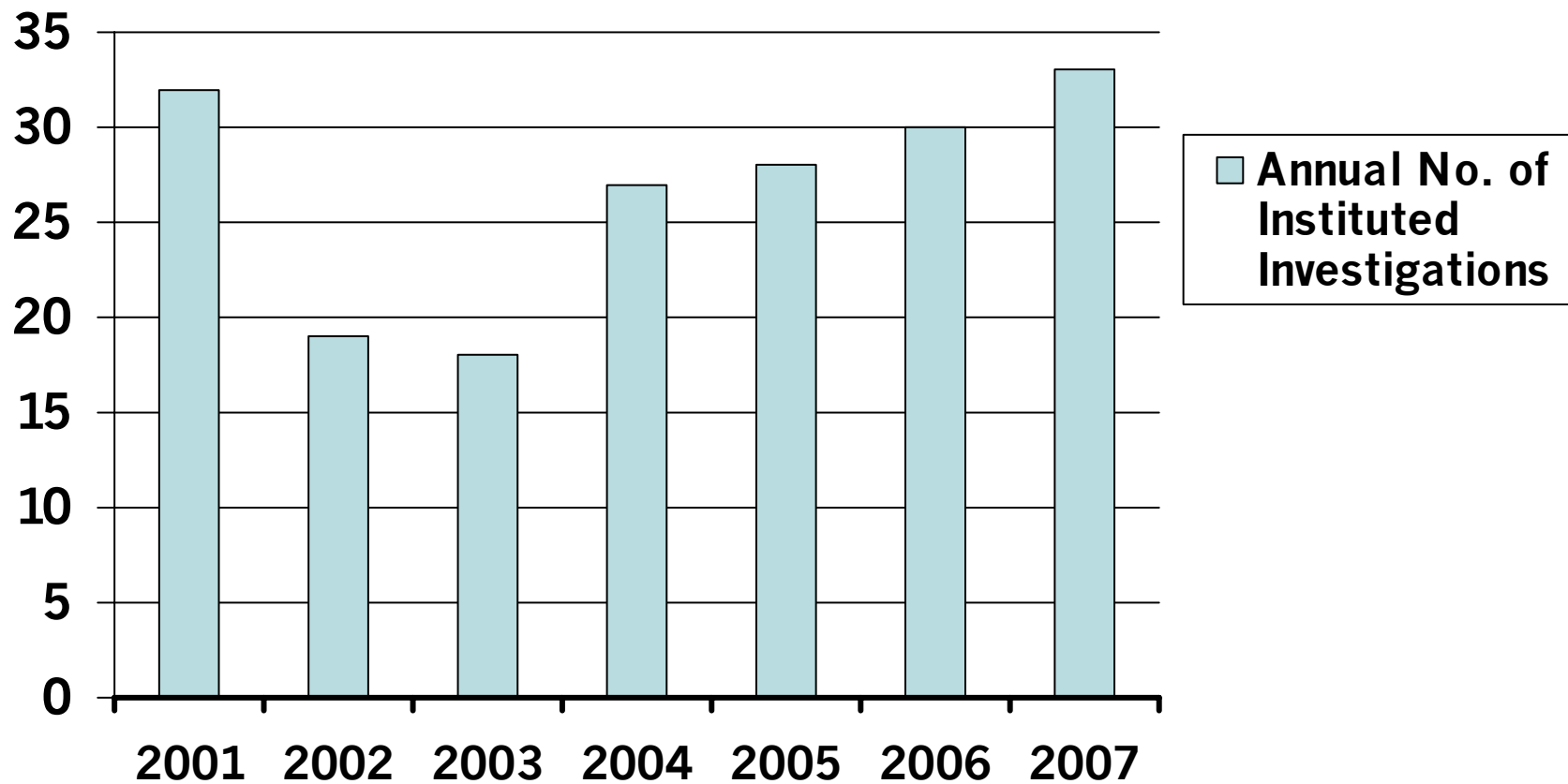
Overview of Section 337 Investigations



Overview of Section 337 Investigations



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Overview of Section 337 Investigations



- *In Rem* Jurisdiction
- Parties to Proceeding
 - Complainant
 - Respondents
 - ITC Staff Attorney
- Roles of ALJ and Commission
- Case Timeline and Target Dates

Overview of Section 337 Investigations



- Available Remedies
 - General Exclusion Order
 - Widespread infringement from many sources
 - Other infringing parties may enter marketplace
 - Limited Exclusion Order
 - Cease and Desist Order
 - Downstream Products
 - Temporary Exclusion Order
 - Civil Penalties

Overview of Section 337 Investigations

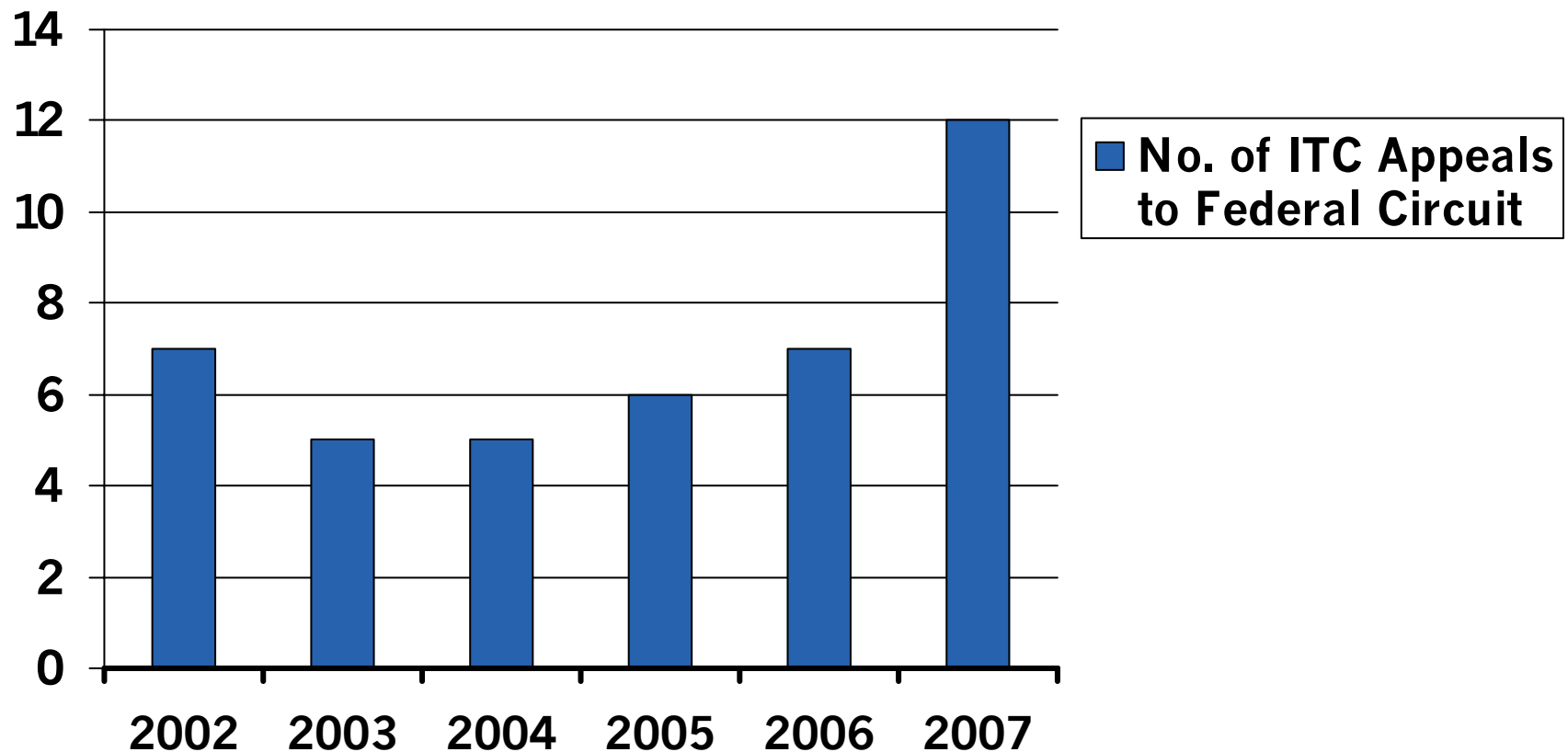


- Enforcement Procedures
 - Role of Customs and Border Patrol
 - Certification
 - Advisory Opinions
- Review of Commission decisions

Overview of Section 337 Investigations



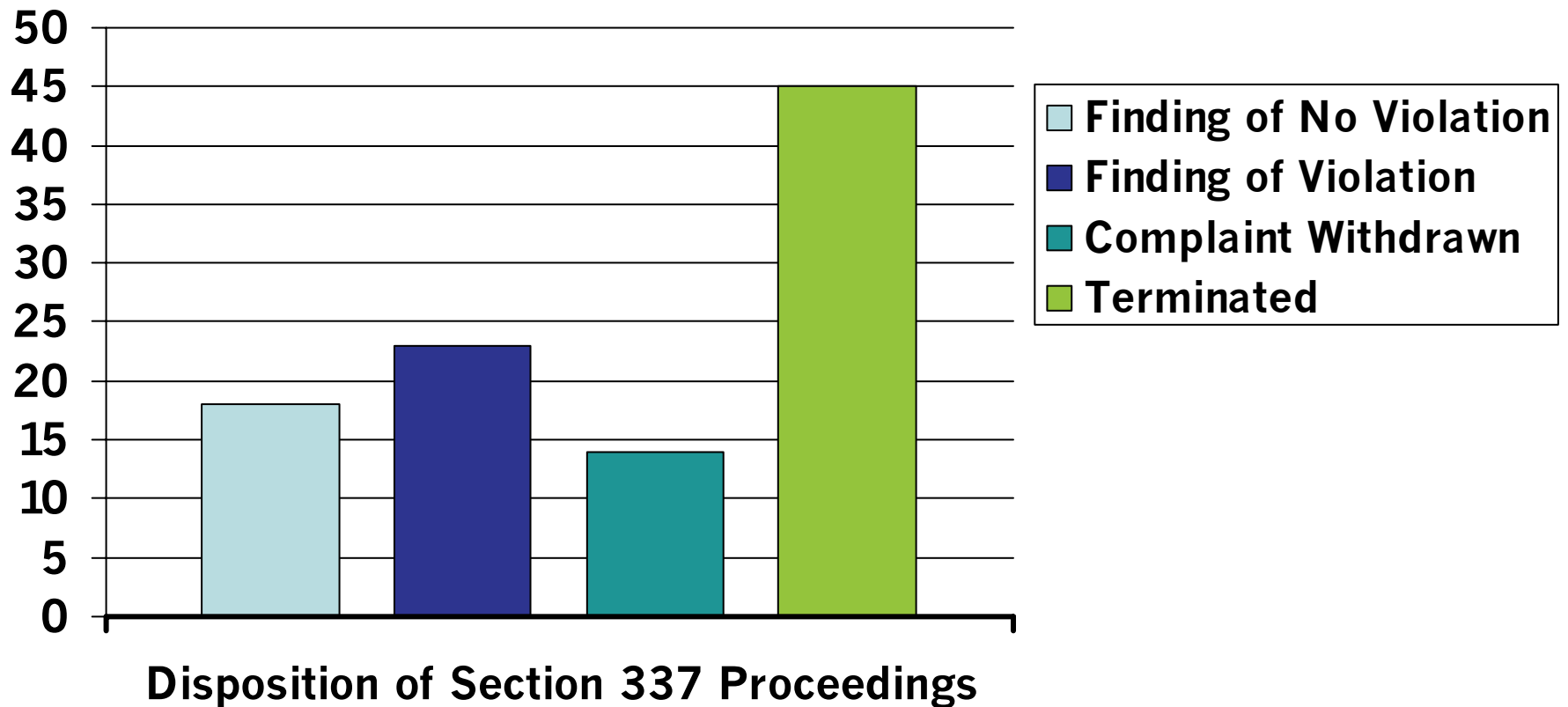
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Overview of Section 337 Investigations



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Differences Between ITC and District Court Litigation



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- Commencement of the Action
 - Complaint/participation of ITC Staff Attorneys/Institution of Case
 - Service of Process by ITC
- Broad *In Rem* Jurisdiction
 - Foreign discovery, plant inspections, nationwide subpoena power, enforcement
 - Single Action Against Multiple Respondents
- ALJs Issue Individual Ground Rules
- Speed of Proceedings

Differences Between ITC and District Court Litigation



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- No Jury Trials
- Discovery May Be Affected By ALJ Assignment
- General Exclusion/Limited Exclusion Orders
- Injunctive Relief Uncertain in District Courts after *eBay*
- Limited *Res Judicata* or Collateral Estoppel
- Unavailability of 35 U.S.C. Section 271(g) Defenses

Differences Between ITC and District Court Litigation



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- Concurrent District Court Action
 - Counterclaims Filed in ITC Are Removed to District Court
 - Mandatory Stay of District Court Litigation If Requested By Respondent in ITC Investigation Involving Same Patents and Claims
 - Discovery Taken in One Proceeding Can Be Used in Both Actions

Strategic Considerations and Advantages of Choosing ITC



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- Broad Jurisdiction (*In Rem* Proceeding)
- Prompt And Predictable Time Frame
- Expert Judges
- General Exclusion Order Possible
- Injunctive Relief Available
- Exclusion Orders Enforced By Customs & Border Patrol
- Parallel Proceedings

Strategic Considerations and Advantages of Choosing ITC



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- Counterclaims Removed
- Single Action Against Multiple Parties
- Expense of Proceeding Predictable
- Quick, Effective Marketplace Relief
- Leverage/Strategic Weapon for IP Owner to Force License and/or to Bar Imports From Defaulting Respondents
- No Preclusive Effect But ITC Decision Strongly Persuasive in District Court

Strategic Considerations and Disadvantages of ITC Litigation



- No Money Damages
- No Jury
- Must Prove Domestic Industry



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Federal District Court for the Western District of Wisconsin

Madison, Wisconsin

Rocket Docket



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- Over past 10 years has ranked between first and fourth among district courts in time to disposition of civil cases
- In all but one year has been among top 5 district courts in time to trial

Rocket Docket



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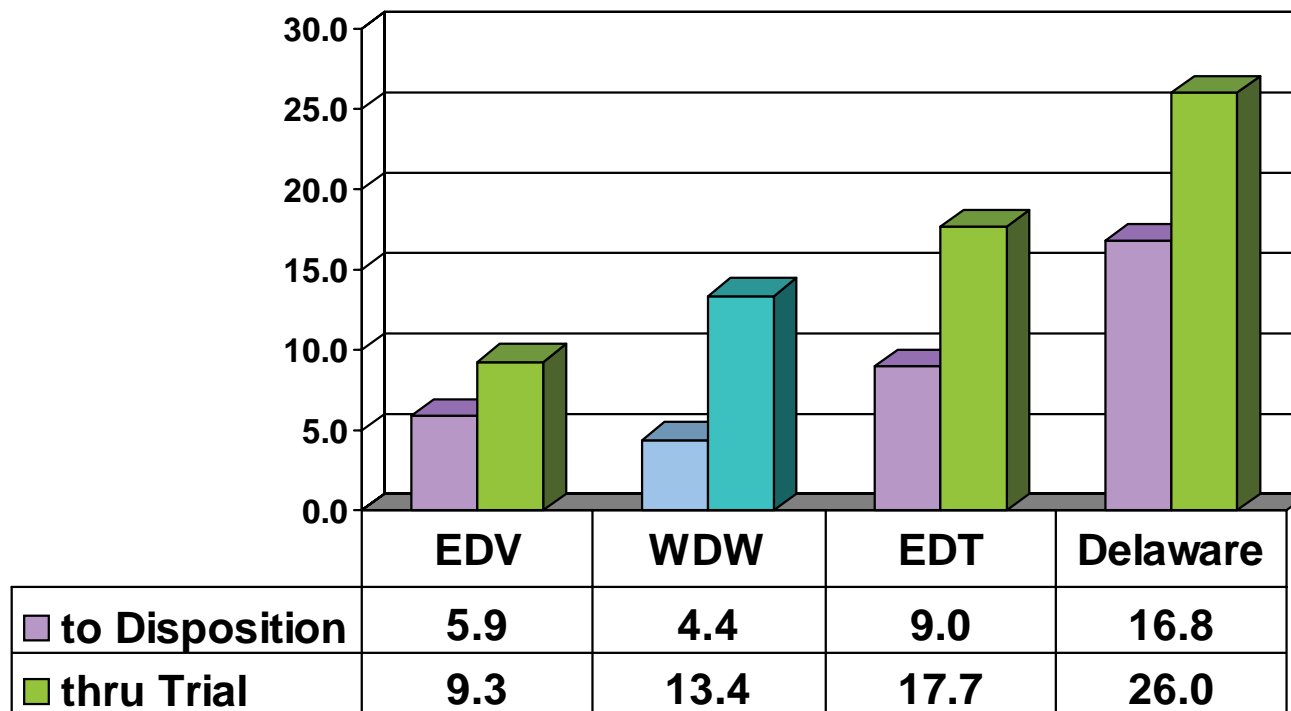
- 2006 Statistics (civil cases)
 - 4.4 months average time to disposition
 - Second nationally
 - 13.4 months average time to trial
 - Fourth nationally
 - Only 3 civil cases over 3 years old
 - First nationally

Rocket Docket

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- Comparison of District Courts

Median # of Months from Filing



Favorable Patent Venue



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- 2007 PWC Study
 - Analyzed 1995-2006 information
 - Most pro-patentee district court
 - 63% patentee win rate
 - 91% patentee win rate after summary judgment

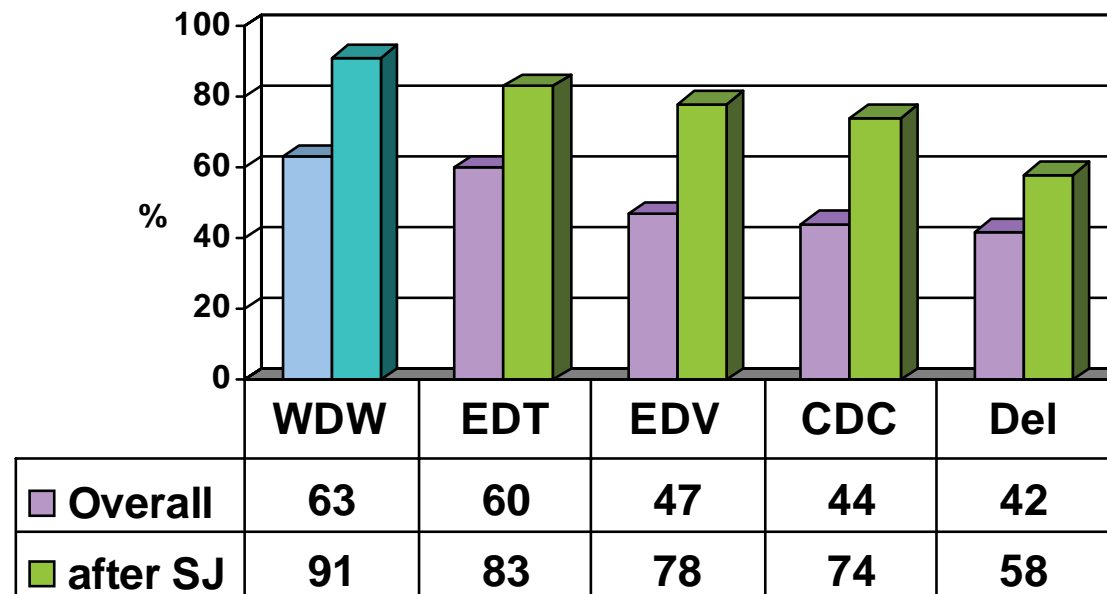
Favorable Patent Venue



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- 2007 PWC Study
 - Comparison of district courts

**Average Plaintiff % Win Rate ('95-'06)
Top 5 Districts**



Favorable Patent Venue



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- Jury Pool
 - Liberal community
 - Large university presence
 - High-tech economy
 - High level of education

Judges



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- Chief Judge Barbara B. Crabb
 - Appointed in 1979 by Pres. Carter
 - Prior service as Magistrate judge
 - 68 years old
 - Magistrate Judge Stephen Crocker handles pretrial and discovery matters

Judges



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- Judge John C. Shabaz
 - Appointed in 1981 by Pres. Reagan
 - Prior service as Republican legislator
 - 76 years old
 - Does not use a Magistrate judge
 - Announced retirement upon appointment of successor

Judges



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- Experience with Patent Cases
 - Judge Crabb
 - Over 150 patent cases
 - 15 patent jury trials
 - Over 25 federal circuit appeals
 - Judge Shabaz
 - Over 150 patent cases
 - 13 patent jury trials
 - Over 25 federal circuit appeals

Rules and Procedures



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- Few Local Rules
- Established Local Procedures Set Forth in Standard Orders
 - Pretrial scheduling, report and hearing
 - Claim construction
 - Crabb: Markmann briefing and hearing
 - Shabaz: summary judgment
 - Discovery disputes

Rules and Procedures



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- Pretrial Procedure
 - Premark and rulings on exhibits
 - Motions *in limine*
 - Disputed and contested facts and issues

Rules and Procedures



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- Trial Management
 - Judge Crabb
 - Technology equipped courtroom
 - Trials rarely last over two weeks
 - Judge Shabaz
 - Low-tech courtroom
 - Limited uses of depositions
 - Limits on cumulative testimony
 - Trials rarely last over one week

Audience Questions



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Follow-up Information



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