



Portfolio Media. Inc. | 648 Broadway, Suite 200 | New York, NY 10012 | www.law360.com
Phone: +1 212 537 6331 | Fax: +1 212 537 6371 | customerservice@portfoliomediamedia.com

Will NJ Be The Next 'Rocket Docket'?

Law360, New York (March 05, 2009) -- On Dec. 23, 2008, the District Court for the District of New Jersey entered new Local Patent Rules, L. Civ. R. 9.3, which became effective as of Jan. 1, 2009.

The New Jersey Local Patent Rules were modeled after the local patent rules of the Northern District of California but were modified to adapt to the New Jersey practice of allowing magistrate judges particular discretion in handling pretrial activities.

Importantly, the New Jersey Local Patent Rules also added distinct provisions regarding Hatch-Waxman cases. The new Local Patent Rules will likely dramatically change the manner in which patent cases, and especially Hatch-Waxman cases, are litigated in New Jersey, which has always been a popular district for Hatch-Waxman cases.

Less Delay Under the New Rules

If New Jersey L. Civ. R. 9.3 is implemented with few modifications by the magistrate judges, patent litigations will move at a much swifter pace.

First, there should be fewer delays in producing documents. According to L. Pat. R. 2.2, the parties must present a consent discovery confidentiality order within 30 days of the initial Scheduling Conference.

In the absence of consent, the parties are required to apply to the court for a discovery confidentiality order. The court can then decide the open issues or enter the approved Discovery Confidentiality Order found at Appendix S to the Rules.

Until a discovery confidentiality order is in place, confidential information is to be immediately produced on an outside counsel only basis. As a result, parties may no longer be able to delay producing documents by arguing that there is no confidentiality order in

place.

In non-Hatch-Waxman patent cases, the party asserting infringement must serve a Disclosure of Asserted Claims and Infringement Contentions under L. Pat. R. 3.1 not later than 14 days after the initial Scheduling Conference.

This disclosure should include the claims of each patent-in-suit allegedly infringed, each accused product or process of which the party claiming infringement is aware and a claim chart identifying each limitation of each asserted claim found within the accused product or process.

This disclosure must be accompanied by documents on which the party asserting infringement will rely, such as patent file histories, evidence of conception and reduction to practice and evidence of ownership.

In return and not later than 45 days after service of the disclosure, the party opposing infringement must serve its Invalidity Contentions under L. Pat. R. 3.3, along with a similar production of documents. This document production should include prior art and documents sufficient to show the operation, composition or structure of the accused product or process.

This strict schedule is buttressed by a provision under L. Pat. R. 3.7 stating that amendments to invalidity and non-infringement contentions may only be revised upon a showing of good cause. As such, patentees and alleged infringers will need to be organized and diligent in formulating their litigation strategies early on.

Special Hatch-Waxman Provision

The same is true in Hatch-Waxman cases with a few unique caveats. First, under L. Pat. R. 3.6, the alleged infringer (a filer of an Abbreviated New Drug Application ("ANDA") and Paragraph IV certification with the Food and Drug Administration) must produce its ANDA at or before the initial Scheduling Conference.

Then, not more than 14 days after that initial Scheduling Conference, the alleged infringer must provide both Non-Infringement and Invalidity Contentions, along with accompanying documents, prior to the patentee's submission of Infringement Contentions 45 days later.

As a result, ANDA filers will need to do even heavier lifting upfront to fully map out invalidity and non-infringement arguments in their Notice Letters or soon thereafter.

Although the schedule benefits ANDA filers in that a faster litigation may shorten the 30 month stay of FDA approval imposed under 21 U.S.C. §355 when a patent owner files suit, the ANDA filer will be required to provide its contentions prior to knowing which claims the patentee would otherwise assert in the litigation.

By flipping the typical burdens between the patentee and alleged infringer, the District of New Jersey has placed a unique burden on ANDA filers and may further encourage the filing of additional Hatch-Waxman cases in New Jersey.

Keep an Eye on New Jersey

The influence of the New Jersey Local Patent Rules on patent litigation, and particularly in Hatch-Waxman cases, will be an interesting phenomenon to watch in the coming months and years.

Whether these new rules will speed up patent cases and lead to a new "rocket docket" in the Northeast remains to be seen. It will be particularly interesting to see if even more Hatch-Waxman cases are filed in New Jersey given the new disclosure requirements.

In the meantime, patent litigators in the District of New Jersey should be mindful of the new rules and prepared to address the substantive merits in a case from day one.

--By Andrea Johnson, Axinn Veltrop & Harkrider LLP

Andrea Johnson is an associate with Axinn Veltrop & Harkrider in the firm's Hartford, Conn., office.

The opinions expressed are those of the author and do not necessarily reflect the views of Portfolio Media, publisher of Law360.

All Content © 2003-2009, Portfolio Media, Inc.