

**Morgan Lewis**  
**NOW. NORMAL.**  
**NEXT.**

**Effective Initial Actions  
In US Patent Litigation**  
**Considering Effects Under COVID-19**

**Jitsuro Morishita**  
**Janice Logan**  
**John Gorman**

**June 17, 2020**

# Overview

- Patent Litigation In Normal Times
  - Analysis of the Complaint
  - Initial Litigation Timeline
- How COVID-19 Is Impacting Patent Litigation
- The Morgan Lewis IP practice & COVID-19 Resources

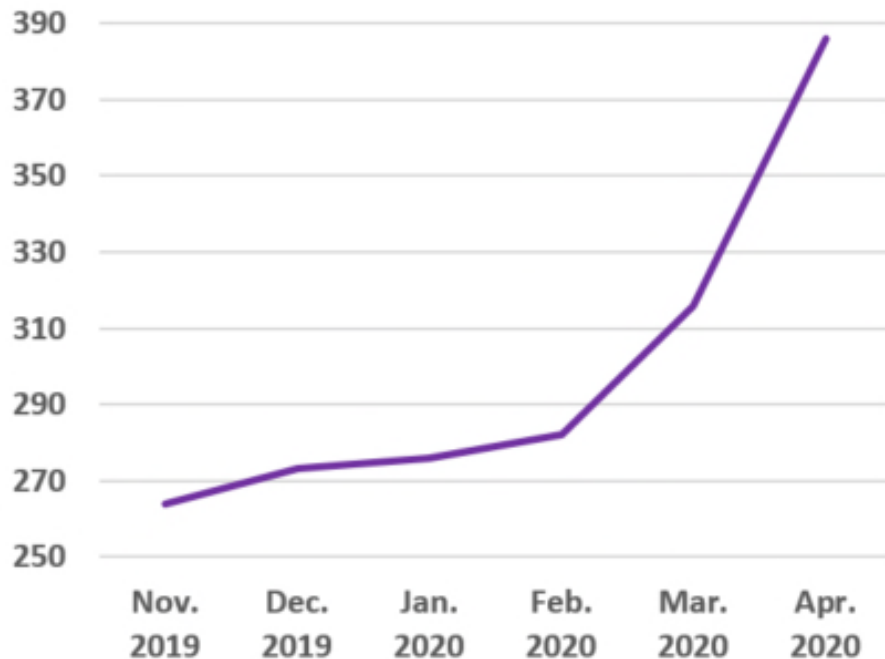
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# **Patent Litigation in Ordinary Times**

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# Patent Cases in US District Courts Are on the Rise

Data Source: Docket Navigator



- Number of patent cases also rose during the 2009 financial crisis, possibly due to
  - **alternative or non-cyclical** investments
  - **cheaper and higher-quality** patent portfolios
  - **contingency or lower fees**





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# **Analysis of the Complaint**

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# Analysis of the Complaint

ORIGINAL

Case 4:11-cv-01846-LB Document 1 Filed 04/15/11 Page 1 of 39

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APPLE INC.  
9

10 UNITED STATES DISTRICT COURT  
11 NORTHERN DISTRICT OF CALIFORNIA

12 APPLE INC., a California corporation,  
13 Plaintiff,

14 v.

15 SAMSUNG ELECTRONICS CO., LTD., a  
Korean corporation; SAMSUNG  
16 ELECTRONICS AMERICA, INC., a New  
York corporation; SAMSUNG  
17 TELECOMMUNICATIONS AMERICA,  
LLC, a Delaware limited liability company.  
18

19 Defendants.  
20

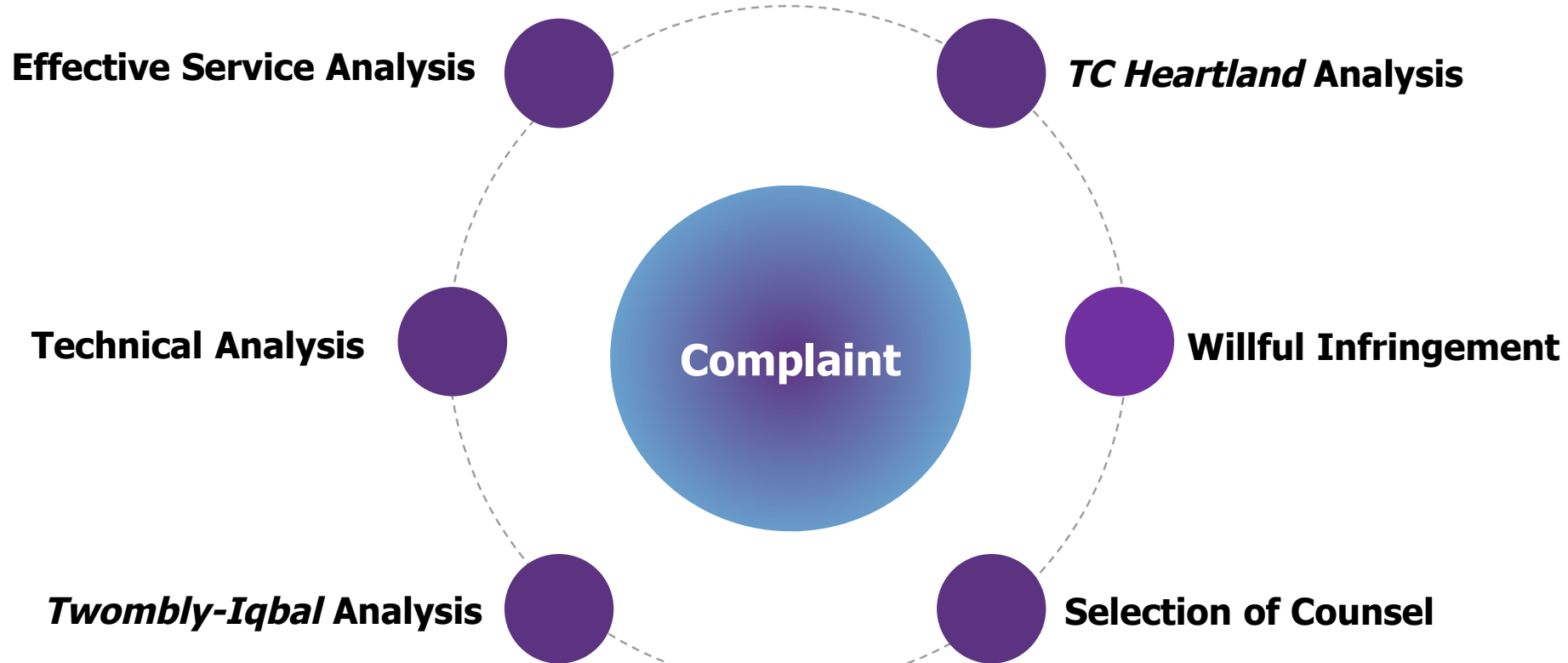
Case No. **CV 11 1846**  
JURY TRIAL DEMAND

COMPLAINT FOR PATENT  
INFRINGEMENT, FEDERAL FALSE  
DESIGNATION OF ORIGIN AND  
UNFAIR COMPETITION, FEDERAL  
TRADEMARK INFRINGEMENT,  
STATE UNFAIR COMPETITION,  
COMMON LAW TRADEMARK  
INFRINGEMENT, AND UNJUST  
ENRICHMENT

FILED  
APR 15 2011  
RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
E-filing

LB

# Analysis of the Complaint



# Effective Service Analysis

- Analyze the country of incorporation of each defendant
- A Japanese corporation defendant must be served through the service process appropriate under the Hague Convention unless there is a waiver of service
- The plaintiff may sue a US subsidiary along with its Japanese parent company and serve the US subsidiary first
- The most common outcome is the parties agree on the **extension** (e.g., 90 days) of the deadline to answer the complaint in exchange for waiver of service.



# Technical Analysis



## Non-Infringement Analysis

Asserted patent claims  
versus products

Design-around of the  
asserted products



## Invalidity Analysis

Asserted patent claims  
versus relevant prior arts

Prior art searches



## Damages Calculation

Internal investigation  
of prior sales

Prior licenses

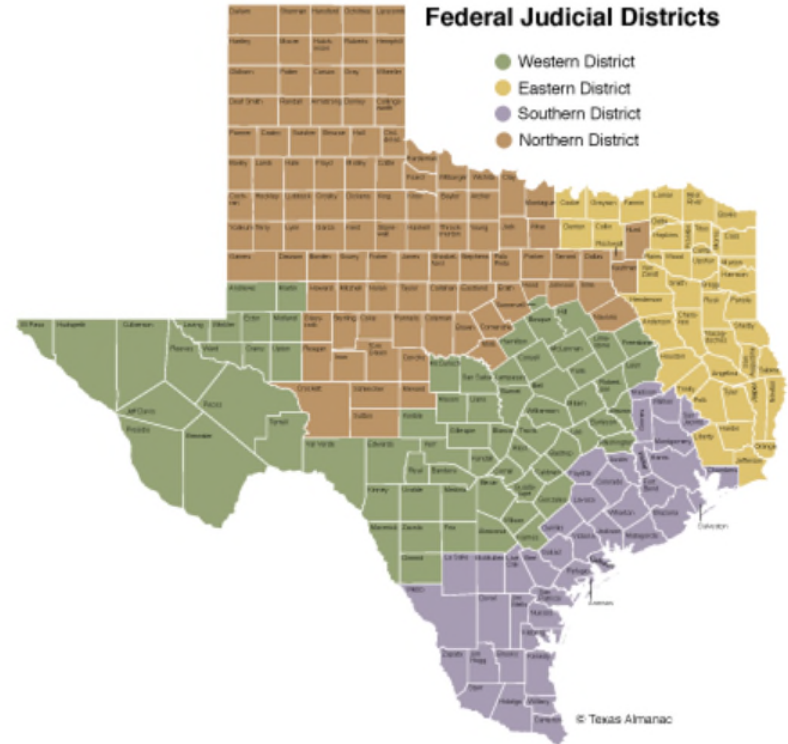
# *Twombly-Iqbal* Analysis

- An increased pleading standard (*Twombly-Iqbal* : alleging of plausible claims) since the abrogation of Form 18 in 2015
  - motion to dismiss under the *Twombly-Iqbal* standard is of merit?
  - must respond within 21 days of being served (FRCP 12(a)(1)(A)(i))
    - NOT affected by COVID-19 under current court orders

# TC Heartland Analysis

## *TC Heartland LLC v. Kraft Food Brands Grp. LLC* (U.S. 2017)

- may be sued in a venue with “a regular and established place of business”
- district lines determines district court’s jurisdiction
- does NOT affect venue analysis of foreign corporations



# Willful Infringement Analysis

- The Patent Act provides that once infringement has been established, a district court may “increase the damages **up to three times** the amount found or assessed.” 35 U.S.C. § 284
  - lack of pre-suit “knowledge” can be a **strong defense**
  - **opinions** of counsel can support that accused did not know of infringement and was not willful
  - be aware of most recent U.S. Supreme Court decision on willfulness
    - *Halo Electronics, Inc. v. Pulse Electronics, Inc.* (U.S. 2016)

# Selection of Counsel

- Consider retaining counsel prior to internal analysis of the complaint
  - protect internal analysis through Attorney-Client Communication Privileges and Work Product Doctrine
  - increased possibility of discoverability under the effects of COVID-19

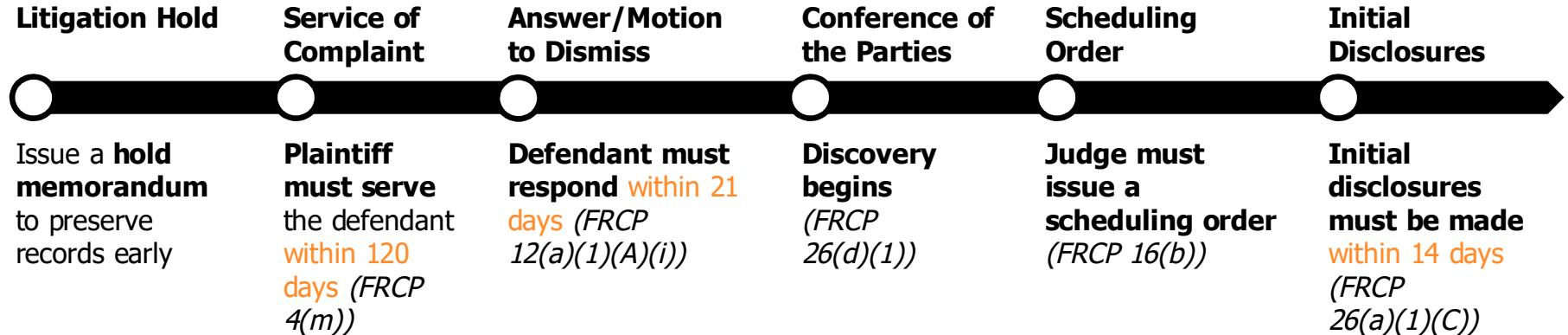


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# **Initial Litigation Timeline**

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# Initial Litigation Timeline



# Litigation Hold – Best Practices

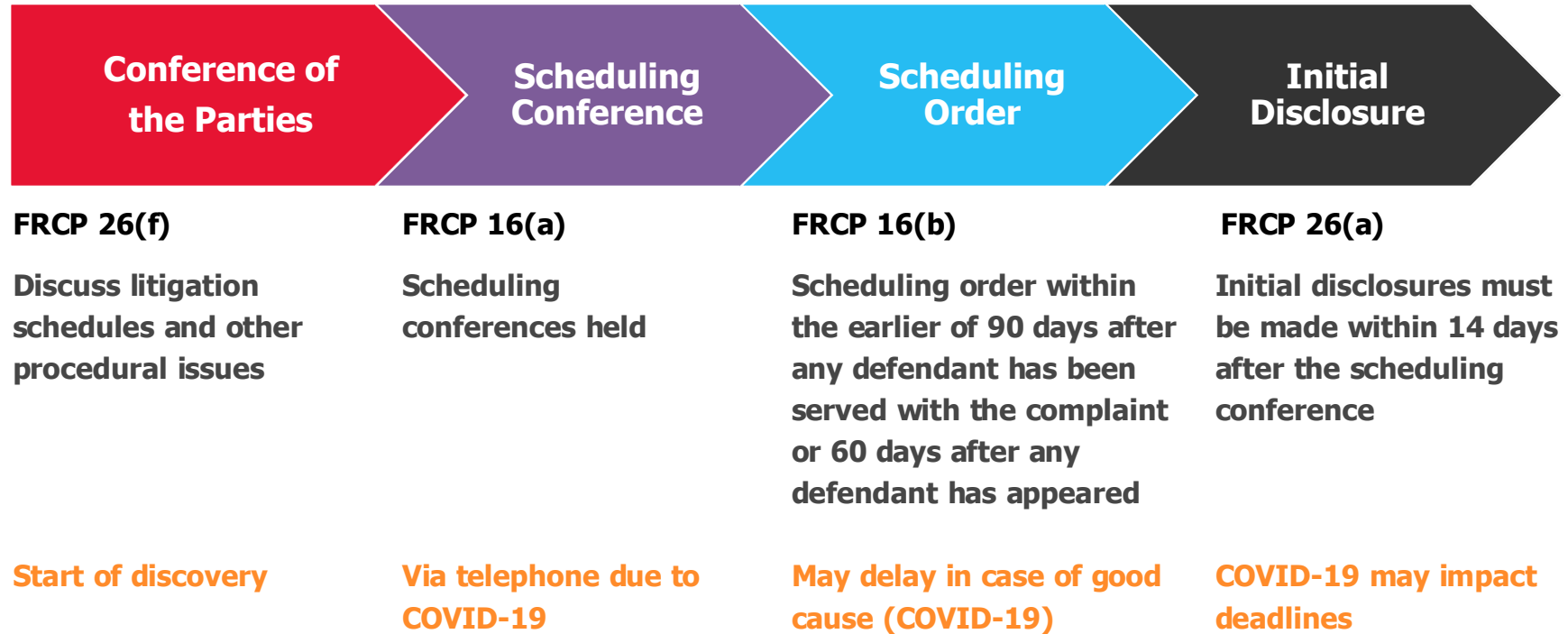
Preserve records when learn of pending or imminent litigation

- Internal memo to preserve relevant documents
- Effects under COVID-19 would likely NOT excuse from preservation obligation

## Litigation may be reasonably anticipated when

- Notice letter alerting patent infringement **received**
- Threat of litigation **made** during negotiation
- Other competitors selling similar products being **sued**

# Conference of the Parties/Scheduling Order



# Initial Disclosure

- **FRCP 26(a) REQUIRED DISCLOSURES**

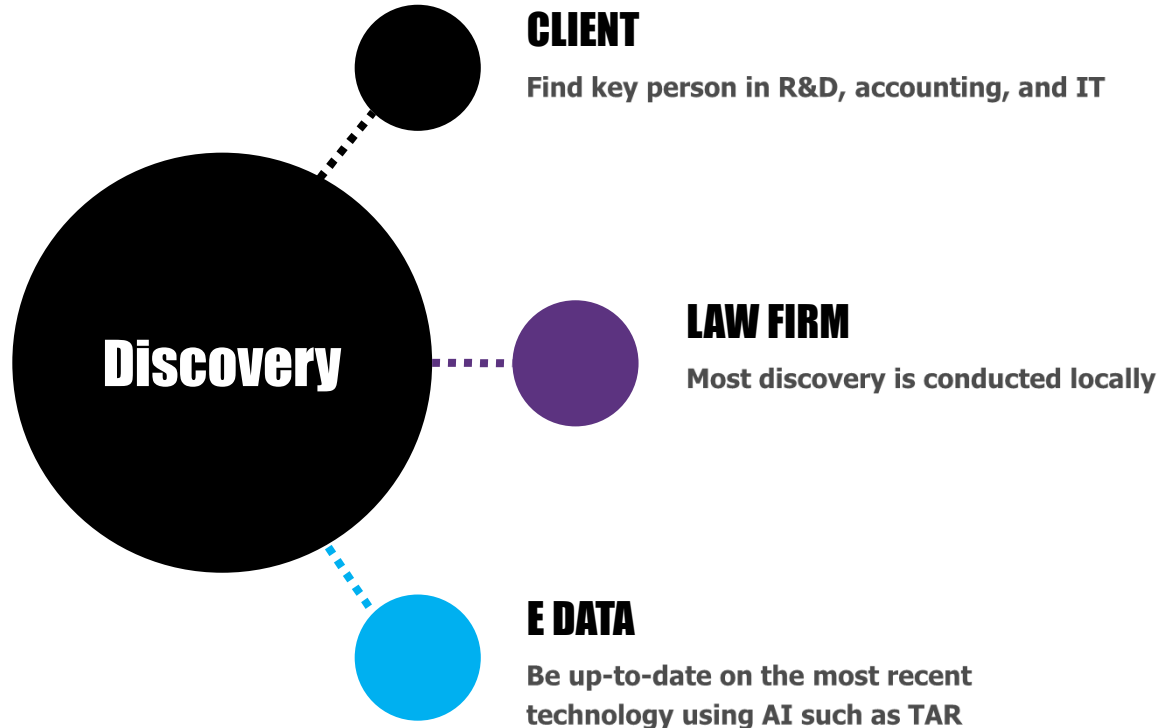
- (1) *Initial Disclosure*

- (i) the **name** of each individual likely to have discoverable information the disclosing party may use to support its claims or defenses
    - (ii) a copy—or a description by **category** and **location**—of all documents, electronically stored information, and tangible things that the disclosing party has in its possession, custody, or control



# Preparing for Discovery

- Large portion of the litigation budget
- Early preparation and tight coordination with your attorneys
  - avoid heightened budgets and unwanted sanctions
  - successful discovery outcomes



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# **How COVID-19 Is Impacting Patent Litigation**

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# How Patent Litigation Hotspots Are Reacting

*As of June 1, 2020*

## **DISTRICT OF DELAWARE**

- Court open for business
- Visitors (not sick) must wear face masks or coverings
- Jury trials and jury selections scheduled before June 30 postponed
- Other deadlines remain in effect unless modified by Court

## **EASTERN DISTRICT OF TEXAS**

- Court has opened and trials are resuming, with social distancing accommodations

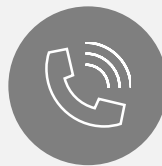
## **NORTHERN DISTRICT OF CALIFORNIA**

- No new civil jury trials before Sept. 30
- All civil matters will be decided on papers or through remote hearing through Sept. 30

# General Trends



**Minimize person-to-person conduct**



**Remote hearings, conferences, depositions**



**Push jury trials**



**Accommodate requests to extend other deadlines**



**Less pressure to push bench trials**

*Ferring B.V. et al. v. Serenity Pharma, LLC et al., No. 17-cv-9922 (S.D.N.Y.)*

# What Does This Mean for Cases Involving Foreign Litigants?

- Judicial officers encouraged to
  - conduct proceedings by phone or video
  - take reasonable measures avoid the necessity of out-of-town travel of any litigant, witness, counsel or the public



# Effective Advocacy During the Pandemic

- Working with technology platforms with which the Court is familiar
- Being flexible to accommodate judicial preferences
- Using remote deposition procedure
- Getting electronic discovery done
- Morgan Lewis Controversy COVID-19 Task Force

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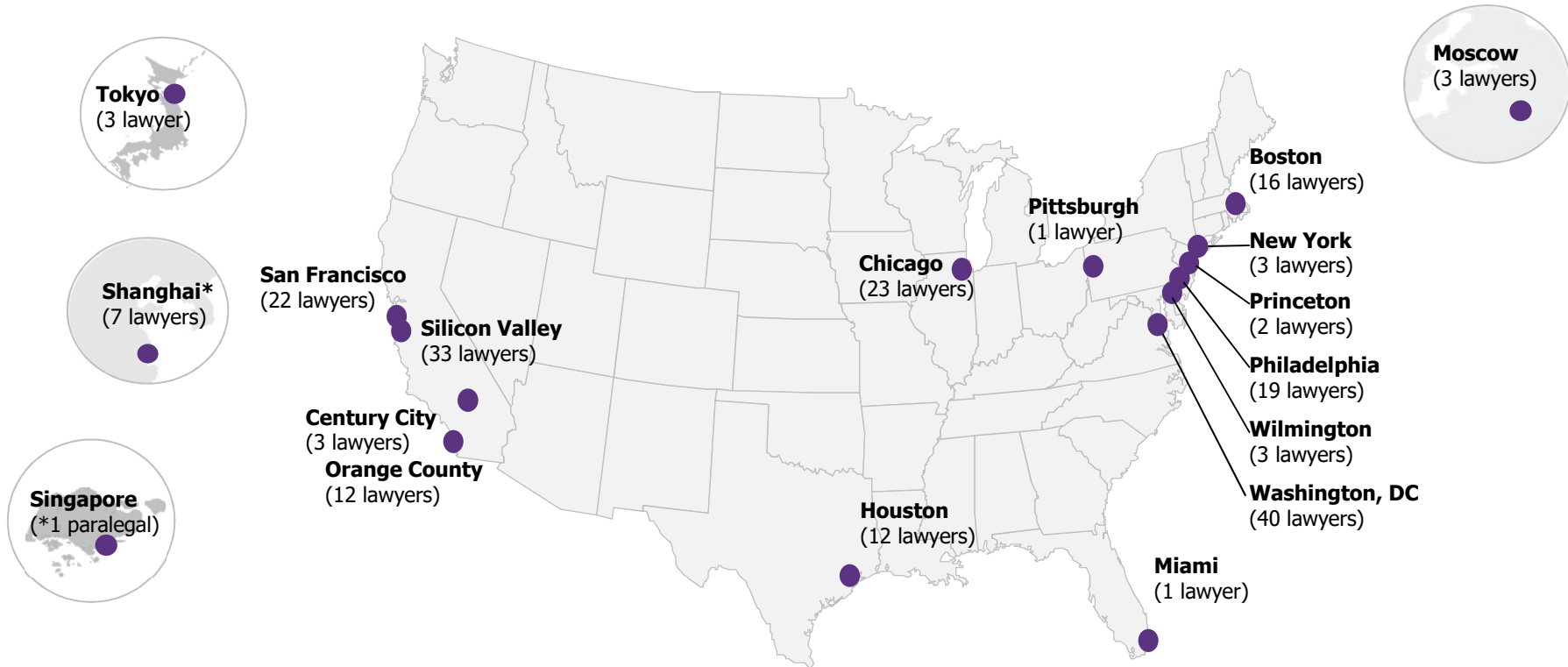
# **Morgan Lewis IP Practice & COVID-19 Resources**

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# Intellectual Property Practice

- Patent Group established December 1, 1994
- Global IP team located across **18 offices**
  - **203** Attorneys
  - **27** Patent Agents and Technical Specialists
  - **19** Paralegals
- Total number of patent application cases in docketing system: **170,867**  
(Active cases: 62,109)
- **More than 70** lawyers and professionals with advanced scientific and engineering degrees, including **more than 40** PhDs

# Geographic Footprint of IP Practice



# Full Service IP Practice

**Patent**  
**Trademark**  
**Copyright**  
**IP Litigation**  
**IP Licensing**

**IP Enforcement  
Programs**  
**Trade Secrets**  
**Franchises**  
**Internet**  
**Advertising**

**Unfair Competition**  
**Outsourcing and  
Managed Services**  
**IP Issues in  
Business  
Transactions**



# Select Accolades

**Practice  
Group of the  
Year,  
Intellectual  
Property**

*Law360  
(2019)*

**Litigation  
Department  
of the Year—  
Intellectual  
Property**

*The American  
Lawyer  
(2019)*

**Top 50  
Global  
Firms in  
Asia**

*The American  
Lawyer  
(2016-2019)*

**7 IP Law  
Firms  
Rankings**

*Asian Legal  
Business  
(2019)*

**Top 10  
US Law  
Firm Brand  
Index**

*Acritas  
(2013-2019)*



# COVID-19 Resources

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Our Practice Our People **Our Thinking** Our Firm Careers

Home > Our Thinking > Trending Topics > Coronavirus COVID-19

## CORONAVIRUS COVID-19

### ADDRESSING TODAY'S CRISIS, TOMORROW'S LEGAL CHALLENGES

As the coronavirus COVID-19 crisis rapidly evolves, global companies are looking for resources to protect their people and their businesses. Morgan Lewis lawyers are providing guidance on healthcare provider issues, business supply chain disruption, data privacy concerns, employer questions, energy and environmental industry ramifications, financial services guidelines, immigration status requirements, life sciences protocols, tax implications, and ongoing government guidance from around the world, among many other issues.

- > The Latest
- > Webinars
- > Topics
- > Regions
- > Industries

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COVID-19 POST-PANDEMIC  
How to reopen, rebuild, recover >>

**STAY UP TO DATE**

- > Subscribe to the latest COVID-19 updates
- > Access the COVID-19 RSS Feed
- > Sign-up for the COVID-19 Legal Issue Compendium

**IMPORTANT EXTERNAL GUIDANCE**

- > The Centers for Disease Control and Prevention (CDC)
- > World Health Organization (WHO)

**INSIGHT**

**DOWNLOAD THE COVID-19 LEGAL ISSUE COMPENDIUM**  
2020

**EVENT**

**FAST BREAK: ELECTIVE PROCEDURES**  
6/23/2020

○○○○●○

View our [COVID-19 page](#)

View our [NOW. NORMAL. NEXT. page](#) for resources on how to cope with the post-pandemic reality

[Subscribe](#) to receive a Daily Digest of our COVID-19 alerts

Download our biweekly [COVID-19 Legal Issue Compendium](#)

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# **Biographies**

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# Jitsuro Morishita



## Jitsuro Morishita

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Jitsuro Morishita devotes his practice to resolving complex global disputes in the areas of intellectual property, antitrust, governmental investigations, environmental issues, and labor.

Early in his career, he worked in-house for two global technology companies, Pioneer Corporation and Fujifilm Corporation, bringing unique expertise to advocate using profound understanding of Japanese company cultures.

Jitsuro is devoted to bringing his clients (i) easy communication using excellent communication skills, (ii) pleasant surprises from creative and out-of-the-box ways of thinking, and (iii) deep satisfaction through great results and client-friendly experiences.

# John V. Gorman



## John Gorman

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John V. Gorman is the managing partner of the firm's Wilmington office, and a leader of the firm's intellectual property (IP) disputes practice. With more than 20 years of litigation experience, John's practice focuses on complex commercial and IP disputes. He counsels a diverse group of clients, from global corporations to nonprofits, and represents both plaintiffs and defendants on high-stakes patent, trademark, trade secret, and copyright disputes in federal and state courts throughout the United States. John handles all phases of litigation from inception through trial and post-trial appeals.

John has litigated dozens of patent infringement and commercial disputes. He represents clients across a broad range of industries and technologies, including consumer and industrial products, medical devices, computers, printers, software, gaming, mobile devices, industrial tools, lighting systems, academic standardization tests, wireless products, and automatic fire protection equipment.

John is active in the firm's pro bono practice focusing on asylum and citizenship issues.

# Janice H. Logan, Ph.D.



## Janice Logan

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Janice (Lee) Logan brings an extensive science and engineering background to her intellectual property law practice, focusing primarily on biotechnology, chemistry, and materials engineering matters. She guides clients through complex patent procurement and patent litigation matters, and handles patent portfolio management and development. She also manages due diligence for intellectual property asset transactions. Janice is fluent in Korean and Japanese.

Prior to entering legal practice, Janice developed bio-synthetic hybrid polymer materials and stem cell coculture systems for musculoskeletal tissue engineering as her Ph.D. studies and her dissertation research focused on stem cell differentiation in 3D hydrogel environments. She also has published various articles and is an inventor of several patent and patent applications in the field.

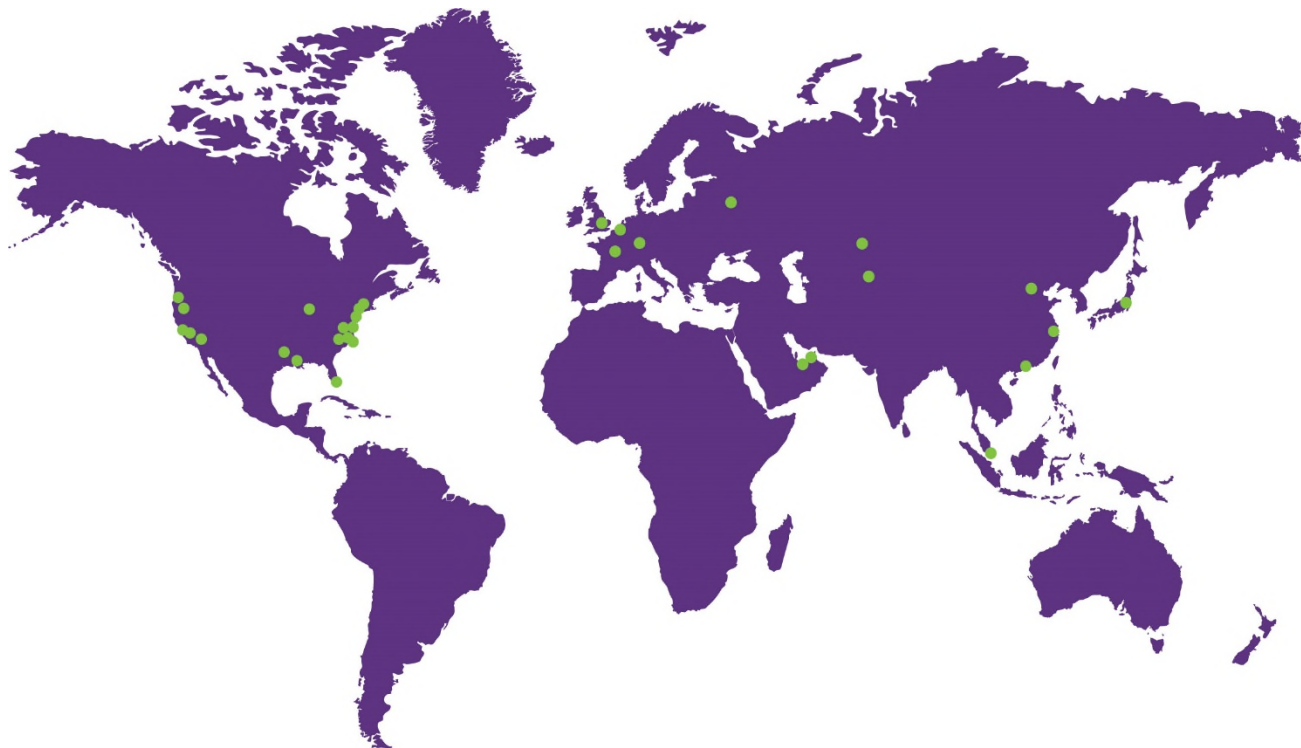


## Our Global Reach

Africa  
Asia Pacific  
Europe  
Latin America  
Middle East  
North America

## Our Locations

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Almaty  
Beijing\*  
Boston  
Brussels  
Century City  
Chicago  
Dallas  
Dubai  
Frankfurt  
Hartford  
Hong Kong\*  
Houston  
London  
Los Angeles  
Miami  
Moscow  
New York  
Nur-Sultan  
Orange County  
Paris  
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Washington, DC  
Wilmington



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