

**PRESENTATION:**

**QUICKER AND LESS EXPENSIVE ENFORCEMENT  
OF PATENTS: UNITED STATES COURTS**

**Judge T.S. Ellis, III\***

It is a great pleasure and distinct honor to be here among you today. As professor Takenaka told you, I sit in a district that is either famous or infamous, depending on your perspective, for the so-called “rocket docket.” There, everything goes from birth to death in six to eight months, regardless of the nature or dimension of the case—and that includes patent cases. The only rare exceptions that come immediately to my mind are the Dalkon Shield class action litigation<sup>1</sup> and the asbestos class action litigation.<sup>2</sup>

My goal here is to describe to you how this so-called “rocket docket” works with respect to intellectual property cases, particularly patent cases. To accomplish this, I will describe what typically happens in a patent case from start to finish, in the course of which, in passing, I will mention some of the more interesting patent issues that are alive in patent litigation in our district today.

Before beginning, let me offer five prefatory comments—five observations that I think are necessary to put my remarks in the proper perspective. First, the name “rocket docket” is not one chosen by the judges of the Eastern District of Virginia; it is not a name that we use at home. I use it here only because I am told that some of you are familiar with what we do in the Eastern District by that name. Second, I have no pride of authorship or of parenthood with respect to the “rocket docket” system. I did not conceive of it, I did not design it, I did not build it, and I am not the architect; I merely joined it some twelve to thirteen years ago when I was first appointed, and I now find it most congenial. I must say that as a practitioner

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\* U.S. District Court, Eastern District of Virginia, Alexandria.

1 See *In re A.H. Robins Co., Inc.*, “Dalkon Shield” IUD Products Liability Litigation, 610 F. Supp. 1099 (Jud. Pan. Mult. Lit. 1985).

2 See *In re Asbestos Products Liability Litigation*, 771 F. Supp. 415 (Jud. Pan. Mult. Lit. 1991).

this was not always my view, but my perspective has changed. Third, I am not here today to advertise the process; I'm not here to recommend it to other districts. Nor am I here to suggest that it is the best way to organize a trial docket, or the only way to do it. Nor am I here to criticize what other districts may do; there are many effective ways to skin the cat. Rather, I am simply here to describe the system to you because Professor Takenaka has invited me to do so. She is under the impression, possibly mistaken, that some of you may be interested in what we do in the Eastern District of Virginia.

The fourth comment I want to make, by way of a prefatory comment, is probably the most important I will make in this regard, and it concerns local legal cultures. Many of you know about and are familiar with the Federal Rules of Civil Procedure, and you know these rules apply to all federal courts nationwide. Many of you are also aware that federal courts across the country process cases at varying rates. I am sure that many of you are familiar with the fact that cases last years in some districts, and only months in others. Therefore, you may reasonably wonder how this can be so if the same rules are operable in all districts. There are many answers to that question, but perhaps the most important is that there are very different legal cultures across this country. If any of you have tried a case in the Southern District of New York or in the Eastern District of New York, or have tried a case perhaps in the District of New Mexico, then you know those are very different trial experiences. Legal cultures vary widely across this land and trying cases is a very different experience depending on where you are.

Let me also say that local legal cultures are very difficult to change, and very slow to change. I served for six years on the Judicial Conference of the Standing Committee on Rules of Practice and Procedure, and I was quite amazed to find, again and again, many persons who believed that if we only changed the rules, we would change the practice across this country. I spent six years trying to persuade the Committee members that rule changes were not always effective to change engrained legal practices and cultures. More often, rules are interpreted or adapted to fit the local culture.

My final prefatory comment is to tell you what I think are the three main ingredients of the so-called "rocket docket" that you will see as I go through the process. Indeed, these are the three most important ingredients of any system promising brisk or rapid disposition of cases. The first ingredient is the early setting of a fixed and immutable trial date, and I do mean fixed and immutable. Let me tell you a little anecdote from my practice days. Many years ago, one of my former partners had a very important municipal bond case set for trial. Regrettably, on the way to the first day of

trial, he suffered a serious heart attack. We all assumed, myself included, that the case would be continued. It was, but only for one day. The following day, I found myself in court trying the case. Now, admittedly, there were some other factors operative here, but the point is that trial dates in the Eastern District of Virginia are fixed and immutable; they rarely, if ever, get moved unless there are truly exigent circumstances. In twelve years now, I have not granted a motion to continue a civil trial, nor do I know that any of my colleagues have for anything less than a truly exceptional reason. More significantly, I can remember only six times when I have been asked to move a trial.

This leads to a second feature of the “rocket docket” that is important to its success. There is a discipline that is accepted in our local legal culture, where everyone knows that the trial date is fixed and immutable, and they do not ask to move or continue trial dates. There is a discipline that is accepted in our local legal culture, where everyone accepts that it is fair and reasonable to go to trial as rapidly as we do, and that when a suit is filed, they must be ready to hit the ground running. There is also a discipline imposed on judges; they must promptly consider and decide various non-dispositive and dispositive motions that are presented in the course of a trial. No expeditious docket system can tolerate dilatory judging. It means that we cannot sit on cases; they must be promptly decided.

The third feature of the so-called “rocket docket” is a master docket. We are the only district in the country that uses a master docket. Let me explain briefly. Everywhere else in the country, judges have individual dockets; that is, they each have a group of cases assigned to them individually, and they deal with those cases from beginning to end. We do not do that in the Eastern District of Virginia. Rather, every case goes on a master docket, and this means that if I am fortunate enough to be invited to a session out in Seattle, I can attend, knowing that all trials and hearings will still be heard and resolved while I’m gone, as they will be handled by any of my colleagues who are there. Moreover, if a trial I’m handling lasts longer than anticipated, so that it conflicts with another trial I am scheduled to try, then one of my colleagues will step into the breach and try the second case so there is no need for a continuance. In the Eastern District of Virginia, the absence of a judge is never a reason to postpone a trial or hearing.

Another point I might add about our master docket system is the fragility of it. Every time a new judge is appointed, this judge may elect to have an individual docket. The next federal judge appointed in our district may come and say, “I don’t want to participate in a master docket; I want my own docket.” Should that occur, it might spell the end of the “rocket

docket”—a system which has been in effect since the 1950s, largely as the result of the efforts of Judge Albert Bryan, who is a Senior District Judge and still hearing cases.

Now, let us talk about some pre-filing activities and the track of a typical patent case filed in the Eastern District of Virginia. Let us assume, for example, a foreign patentee, perhaps in Germany, Japan or Taiwan, or somewhere in Korea, has a corresponding American patent that it believes is being infringed in the United States. They will have an American counsel, who will suggest bringing the suit in the Eastern District of Virginia, believing they can obtain a rapid disposition in six to eight months. That would likely be to the patentee's advantage. Now, you must of course have local co-counsel in addition to counsel in the United States, and the local counsel must be someone admitted to practice, and preferably experienced in practice, in the Eastern District of Virginia.<sup>3</sup>

In the last year, we have experienced an explosion of intellectual property cases in the Eastern District of Virginia. It's hard to know precisely why this has occurred. Perhaps it is the reputation of the “rocket docket,” or it may be the proximity of the Patent and Trademark Office (PTO).<sup>4</sup> In any event, the explosion of patent cases is real—and I am astonished at what appears to me to be a lack of forethought that has gone into many of these filings. For example, very few litigants seem to give consideration to the typical venue and jurisdiction questions that crop up in patent cases, and which lead to significant litigation and expenditure of resources. One example of this is *DeSantis v. Hafner Creations, Inc.*<sup>5</sup> In that case, a patentee filed suit in the Eastern District of Virginia because, as his lawyer admitted, he wanted to take advantage of the “rocket docket.” To create personal jurisdiction, a paralegal from the patentee's law firm ordered the infringing device, made in Florida, and had it shipped to Virginia. The ultimate dismissal for lack of personal jurisdiction could not have come as a surprise to the plaintiff.

Another area of non-merits litigation that is often wasteful concerns motions to transfer under section 1404(a). Section 1404(a) grants district judges the discretion to transfer cases to other districts in the interests of justice, and for the convenience of the witnesses and parties. A vast amount

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3 See Rule 83.1, Local Rules of Practice, E.D. Va.

4 The PTO now plans to build a palatial new complex of buildings adjacent to our courthouse.

5 949 F. Supp. 419 (E.D. Va. 1996).

of jurisprudence has grown up under that provision and much of it is usefully chronicled, for those of you that are interested, in ALR Fed.<sup>6</sup>

There is one transfer consideration that has not yet made it into ALR Fed. It arises where a foreign patentee has no offices in the United States, but has a very important patent that is infringed by a number of different infringers across the country. These situations arise not infrequently and present the patentee with difficult forum selection issues. In one instance, I presided over a case in which a single patent was being infringed by eight putative infringers in eight different states. This patentee, facing the daunting prospect of filing suit in eight different jurisdictions across the country, elected instead to bring all of the suits in the Eastern District of Virginia and to have the cases consolidated there. When I was presented with the consolidation motion, it was clear to me the cases did not deserve to be consolidated because several involved different defenses. In addition, there was very little commonality in the cases, except for the important commonality of the patent and the validity of the patent, and several, but not all, *Markman* issues.<sup>7</sup> Inevitably, the defendants made motions to transfer, and each sought a transfer to its own district. I denied the motions because I found the transfers would not serve the “interests of justice” under 28 U.S.C. § 1404(a). It did not make sense to me to have eight district judges around the country making the same *Markman* determinations. Rather, I denied the transfer motions and loosely consolidated the cases for discovery only. Then, after a concerted settlement and mediation effort by our magistrate judges, six of the eight cases were settled and I then *sua sponte* called for a renewal of the motion to transfer. In the course of hearing that motion, the seventh case settled and I thereafter transferred the eighth and final case to a more convenient forum. This is a new consideration in the transfer calculus; it does not make sense to have district judges across the country deciding the same *Markman* issues if they can all be decided by a single judge.

Now let me see if I can skip ahead. As a plaintiff in the Eastern District of Virginia, you must be ready to proceed expeditiously to complete your discovery. You will have only three to four months of discovery, so at or before the time of filing you must be fairly clear about what you are going to do by way of discovery. In this regard, one area I find plaintiffs are

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6 See Annotation, Questions as to Convenience and Justice of Transfer Under Forum Non Conveniens Provision of Judicial Code (28 U.S.C. § 1404(a)), 1 A.L.R Fed. 15 (1969).

7 *Markman v. Westview Instruments Inc.*, 517 U.S. 370 (1996).

frequently unclear about and unprepared on is damages discovery. No plaintiff ought to file in the Eastern District of Virginia without already having retained a trial expert, both on the issues of liability (that is, infringement and any *Markman* issues that may be determined) and damages. In other words, a plaintiff filing in the Eastern District of Virginia must have the reasonable royalty or lost profits damage claim ready to go. Surprisingly, several plaintiffs filed their cases in the Eastern District of Virginia thinking that they would formulate their lost profits or reasonable royalty damage claim in the course of discovery. That is a luxury that you will not have in the Eastern District of Virginia; you must be prepared to move more briskly than that. You must have your experts ready on liability and damages issues. Now as a plaintiff you may not be able to anticipate all the *Markman* issues that a clever and ingenious defendant may raise, but an effort to do so must be made.

Let me move on to the defendant. As far as a defendant is concerned, in pre-filing activities, if, as often occurs, the suit is filed only after licensing negotiations, then the alleged infringer may want to consider filing a declaratory judgment action. I won't discuss the problems relating to that course of action, but let me refer you in that instance to a case entitled *CAE Screenplates*.<sup>8</sup> That case deals with the case-in-controversy requirement. As that case reflects, it is not always appropriate for a defendant to file a preemptive declaratory judgment. Defendants must also promptly prepare independent experts, including one who can testify as to the reasonableness of continuing to make, use or sell the allegedly infringing product or method in the face of an infringement claim. In this country, as many of you know, damages for infringement may be enhanced at the discretion of the trial judge to an amount up to three times the amount of actual infringement damages, if there is a finding by clear and convincing evidence that the infringement was willful, and if the totality of the circumstances warrants the enhancement.<sup>9</sup> Without going into any detail, I simply note that it is important to have an expert in this regard, separate from your trial attorney. Such an expert should be retained by a putative infringer as soon as notice of the alleged infringement is received from the patentee.

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8 *CAE Screenplates, Inc. v. Beloit Corp.*, 957 F. Supp. 784 (E.D. Va. 1997) (no subject matter jurisdiction over declaratory judgment action unless it is clear that negotiations are at an impasse and patentee will sue).

9 See 35 U.S.C. § 284. See also *Applied Medical Resources Corp. v. United States Surgical Corp.*, 967 F. Supp. 861 (E.D. Va. 1997).

One further pre-filing point merits mention, namely the jury. When I was first at the bar, patent jury trials were a rarity. Indeed, most lawyers thought they were unavailable because patent trials were deemed to be predominantly equitable in nature. This, of course, has now changed. It appears that jury trials occurred in less than 5% of patent cases in the 1960s, but began thereafter to grow steadily, so that today jury trials occur in almost 95% of patent cases.<sup>10</sup> Whether jury trials in patent cases make sense is debatable, but I will cite one instance to you where I think we can all agree a jury trial would have been inappropriate.<sup>11</sup>

When you file a lawsuit in the Eastern District of Virginia, your answer or responsive pleading is due in twenty days, pursuant to Rule 12, Fed. R. Civ. P. Very often counsel will agree to extend the time to respond. Significantly, however, in the Eastern District of Virginia, such extensions do not extend the time to trial. Within twenty days of the filing of the complaint, or soon thereafter, the pretrial order will be issued. This order sets the pretrial discovery period and final pretrial conference date, at which conference the trial date will be set. All trials are set between four to six weeks after the final pre-trial conference. In summary, the six to eight month clock in the Eastern District of Virginia begins ticking as soon as the initial pre-trial order is issued. This occurs when the responsive pleading is filed or when an extension of time is sought. The initial pre-trial order establishes the discovery cut-off date and the final pre-trial conference date, as well as an expert discovery schedule. The trial date, set at the final pre-trial conference, is invariably four to six weeks from the conference date.

In patent cases, unlike most other cases in the Eastern District of Virginia, a specific district judge is assigned to hear the case.<sup>12</sup> Therefore,

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<sup>10</sup> See Schwartz, *Patent Law & Practice* 127-131 (2d ed. 1995).

<sup>11</sup> The unusual case in which this occurred involved 21 patents in issue, all involving either transistor circuitry or computer chip fabrication processes. It was inconceivable to me that a jury would have either the patience or the desire to sit through days of complex testimony on these subjects. Fortunately, counsel agreed and withdrew their requests for a jury trial. Thereafter, the case proceeded, complete with four Rule 706(a) experts. *Seriatim* trials were held on each patent, with decisions rendered from the Bench following the trial of each patent. See *NEC Corp. v. Hyundai Electronics Industries Co., Ltd.*, 30 F. Supp. 2d 546 (E.D. Va. 1998); *NEC Corp. v. Hyundai Electronics Industries Co., Ltd.*, 30 F. Supp. 2d 561 (E.D. Va. 1998).

<sup>12</sup> This also occurs in some other large or complex cases, such as large criminal drug conspiracies, spy prosecutions and class actions.

in a patent case, the same judge will preside throughout the case, including threshold dismissal motions, *Markman* motions, summary judgment motions and the trial. Similarly, a single magistrate judge will be assigned in a patent case to preside over all discovery matters. The assigned magistrate judge will hold a hearing early on to set a discovery schedule and to enter a standard patent case discovery order, designed to ferret out early on any particular *Markman* issues. A different magistrate judge will preside over any settlement or mediation efforts in a patent case. As a trial judge, I do not become involved in settlement or mediation efforts because I do not want the parties' settlement positions to infect my judgment on the merits.<sup>13</sup> Magistrate judges in the Eastern District of Virginia are experienced in facilitating settlement and mediation of patent cases and have succeeded in resolving many of the cases filed in the district.

Also worth emphasizing is that district judges in the Eastern District of Virginia do not typically handle discovery issues; these are delegated to the assigned magistrate judge. Of course, appeals may be taken from discovery rulings of magistrate judges,<sup>14</sup> but such appeals are relatively rare, both because the magistrate judges are knowledgeable and experienced in this area and because their rulings are properly given great deference. *De novo* review of a magistrate judge's legal rulings on matters of law such as privileges present the quite rare occasions that, in my experience, have led to a reversal of a magistrate judge's discovery ruling.

In the Eastern District of Virginia, we strive for early hearings on claim determinations under *Markman*. As many of you know, *Markman* was a watershed event in the history of patent litigation, where the Supreme Court definitively held that the meaning of patent terms is a question of law for the court, not the jury. Prior to *Markman*, claim interpretation issues were typically left to the jury on the basis of the parties' conflicting expert testimony. And typically the jury would be asked to render its decision by way of a general verdict in which the jury would simply indicate whether it found for the patentee or the defendant, without indicating what claim interpretation decisions the jury had made. To put it mildly, under the pre-*Markman* regime, general jury verdicts concealed a multitude of sins. Now, in the post-*Markman* era, the claim determination issues must be decided by the judge, who must articulate reasons. In other words, district judges must come to

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<sup>13</sup> I also do not become involved in settlement discussions because I'm not particularly good at it.

<sup>14</sup> See Rule 72, Fed. R. Civ. P.

grips with the technology at issue and must make highly visible determinations about the meaning of claim language, and therefore the scope of the patent.

*Markman* hearings in the Eastern District of Virginia are held as early as practicable. The reasons for this are obvious. Experts must know the meaning of disputed terms as soon as practicable so that they can predicate their opinions on a correct interpretation of the patent. On relatively rare occasions, *Markman* decisions are not made early and experts may be required to render their opinions based on alternative assumptions about disputed claim terms. In even rarer instances (once in my experience), the jury is asked to make its determination on alternative assumptions about the meaning of disputed claim terms. This occurred where the *Markman* determination was especially difficult and I deemed it prudent to provide the Federal Circuit with the jury's conclusions on alternative assumptions as to the meaning of a disputed claim term. In this one instance, the case settled and no appeal was taken.

Now let us turn to the summary judgment stage of the case. Although summary judgment motions may be filed before the end of discovery, they are far more typically presented at or near the end of discovery. Sometimes, a summary judgment motion is filed immediately following a *Markman* ruling if that ruling is deemed to be dispositive of some validity or infringement issue. Rule 56 permits summary judgment on all or part of any claim.<sup>15</sup>

In the Eastern District of Virginia, a final pre-trial conference is set in the initial scheduling order. At this conference, a trial date is set four to six weeks from the date of the conference. Also, on the day of the final pre-trial conference, the parties exchange their witness and exhibit lists, and motions *in limine* may be filed and resolved as well.

Now let me turn to a number of techniques we use in the Eastern District of Virginia to enhance jury understanding of complex patent issues. First, and perhaps most importantly, I provide the jury with initial instructions on the law they are to apply, so as to focus their attention on the relevant testimony as it's presented. In this regard, I also allow counsel to

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15 See, e.g., *Hester Industries, Inc. v. Stein, Inc.*, 963 F.Supp. 1403 (E.D. Va. 1997) (defendant's motion for summary judgment granted on question of validity), *aff'd*, 142 F.3d 1472 (Fed. Cir.), *cert. denied*, 119 S.Ct. 372 (1998); *Black & Decker (U.S.) Inc. v. Universal Sec. Instruments, Inc.*, 931 F.Supp. 427 (E.D. Va. 1996) (one defendant's motion for summary judgment granted on issue of infringement in multi-defendant patent case).

make mini-arguments to the jury in the course of the trial so that the jury will understand clearly what the parties positions are on the various issues as they are hearing the testimony. These mini-arguments typically last less than five minutes. Another helpful jury aid is the use of demonstrative evidence of all kinds, including video animations, although these often raise troublesome relevancy and admissibility issues. Finally, I invariably use special verdict forms designed to provide the jury with an analytical pathway for their decision-making.<sup>16</sup>

One often-proposed technique to enhance jury understanding that I shun is allowing jurors to ask questions. I think it a mistake to do so. I tried this technique once, and the questions I received from the jury confirmed my judgment to avoid this practice; jurors focused on irrelevant matters. Their questions were unhelpful and reflected more desire to take over the lawyers' jobs than to understand the case. Another sometimes-proposed technique that I do not agree with is the suggestion that jurors should be allowed to discuss the case prior to their deliberations at the end of the case. This technique seems likely to create more heat than light in the jury, because those who think (usually mistakenly) they understand the issues early on in the case will try to persuade those who are more cautious in their assessments, and this can lead to resentment among the more cautious jurors.

Finally, I should note that the most important factor in jury understanding is a good trial lawyer who lucidly tells an entertaining and informative story. Every trial lawyer must entertain and inform. Without doing both, the lawyer will not persuade the jury. To be entertaining, the trial lawyer must be brief and lucid. It is no accident that TV shows are more often than not one-half hour long in length, rather than two or three hours in length. It is difficult to retain a juror's attention for long periods of time.

Well, let me end by asking the question that I can only partially answer: Is this so-called "rocket docket" really a good way to process complex patent litigation? There are several components to this question: Does the "rocket docket" allow enough time for a full and fair hearing of the issues? That is, does it give the judge enough time to come to grips with the technical issues and to understand and decide them? I think it does, but of

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<sup>16</sup> The Federal Circuit strongly urges district courts to use special verdicts of this sort. See *American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350 (Fed. Cir. 1984) (recognizing that the use of special interrogatories facilitates appellate review, as it frees the reviewing court from having to survey every possible basis for a jury's decision, and helps avoid lengthy retrials).

course, I may not be the best arbiter of this. Second, do the parties feel they have been fully and fairly heard? This is an important question. Again, I cannot give you an answer, but there are plenty of consumers of the “rocket docket,” so you should ask them. Finally, is it cheaper? Well, this, too, is an empirical question. Intuitively, I think it must be cheaper. Some will say that if you have a shorter discovery and trial preparation period, the parties will be more focused. In any event, whether a “rocket docket” is cheaper is an empirical question worth exploring, as is the overall question of whether the “rocket docket” is a good method of processing patent litigation. I would be delighted to have any of your comments on any of these matters. Thank you.

