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NORTHERN DISTRICT PATENT LITIGANTS MAY FACE INCREASED DISCLOSURE OBLIGATIONS UNDER RECENT INTERPRETATION OF PATENT LOCAL RULES

by Paul Schuck

Judge William Alsup has interpreted the Northern District of California's Patent Local Rules in a manner that increases the disclosure obligations of litigants. On August 25, 2020, the court ruled in *Fluidigm Corp. v. IONPath, Inc.* (Case No. C 19-5639 WHA) that a party has an obligation to amend its infringement or invalidity contentions to preserve arguments in case the Court adopts the opposing party's claim construction. These "back-up" contentions must be served *before* claim construction and failure to serve contingent "back-up" contentions can result in waiver.

Under the Patent Local Rules, parties must serve infringement contentions and invalidity contentions early in the litigation, before claim construction. (Pat. L.R. 3-1, 3-3.) Amendment of contentions is limited, allowed only by Court order with a showing of good cause and no prejudice to the opposing party. (Pat. L.R. 3-6.) Rule 3-6(a) states that a "claim construction by the Court different from that proposed by the party seeking amendment" may present a circumstance that constitutes good cause for amendment. In the past, litigants often interpreted the rules to require amendment of contentions to account for alternate constructions *after* the court adopts a claim construction.

In *Fluidigm*, the court ruled that a party must serve "back-up" contentions "promptly" after receipt of the opposing party's proposed claim constructions under Rule 4-2. These back-up contentions would be contingent upon the court's adopting the opposing party's proposed constructions. "Promptly means with 28 days at the latest." (Order, at 4.) Thus, under the schedule set forth in Patent Local Rule 4, these back-up contentions would be due *before* the joint claim construction and prehearing statement, claim construction briefing, and the claim construction order. A party failing to serve timely back-up contentions waives any new arguments or theories that the party may seek to assert in response to a court adopting the other side's claim construction. (*Id.*) This obligation encompasses both infringement and invalidity contentions. Litigants must remember that despite this obligation to serve back-up contentions, Rule 3-6 still requires that a party obtain a court order to amend contentions.

The *Fluidigm* court noted that a litigant need not provide for any potential claim construction with back-up contentions. The obligation is triggered only by a formal claim construction disclosure under Rule 4-2 and "extends only to a cogent claim construction without variables or alternatives." (Order, at 4-5 & 7.) Waiver does not apply if the opposing party modifies its proposed construction during the meet and confer process or briefing. However, a new, formal, proposed construction proffered by the opponent during that period could trigger a new obligation to amend.

Ultimately, in *Fluidigm,* the court permitted amendment after the 28-day period due to the circumstances of that particular case. Nonetheless, the Court attempted to adopt "a bright line rule that eliminates guesswork." (Order, at 7.) Presumably, this rule will apply in future litigation before Judge Alsup. Litigants may wish to consider this disclosure requirement when negotiating case management schedules, especially in cases before Judge Alsup.

Whether other Northern Districts courts will adopt this rule is not certain. The *Fluidigm* court recognized that its "holding may go a step further than some judges in this district have gone." (Order, at 7.) Nonetheless, prudent litigants must be aware that this obligation may exist even if it is not set forth expressly in the Patent Local Rules.

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