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## PERSPECTIVE

## Practical considerations for joint defense groups in patent cases

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Although the Leahy-Smith America Invents Act made it harder for patent holders to sue multiple, unrelated defendants for patent infringement in a single lawsuit, it is still quite common for patent holders to file separate, simultaneous lawsuits against multiple defendants in the same court. Courts may relate these cases and set identical pretrial schedules to conserve judicial resources, and judges expect defendants to collaborate to facilitate case management. Forming a joint defense group can yield several advantages for parties accused of patent infringement — chief among them, improving organization and cost-sharing. But forming a joint defense group does not eliminate the fact that different defendants often have different business and legal interests, and planning for these differences is essential to a positive experience with a joint defense group.

### Benefits of Joint Defense Groups

Joint defense groups can be formed pursuant to a written or oral agreement. And, while the terms of joint defense agreements vary widely, the main benefit of such agreements is that they allow otherwise unrelated parties to communicate about their defenses without waiving privilege. In theory, this means that defendants can exchange information and eliminate (or at least reduce) inconsistent litigation positions that a patentee may otherwise exploit.

Joint defense groups also have the potential to yield significant cost savings in patent cases, particularly in asserting invalidity

defenses. For example, in a case involving multiple defendants and multiple patents, the defendants can split the costs of searching for prior art. Defendants can also save time and effort by dividing the labor of preparing invalidity contentions. Defendants can realize additional cost savings by splitting the expenses for expert witnesses, graphics consultants, and others.

### Timing and Budget

Before entering a joint defense agreement, it can be helpful to compare the various defendants' timing objectives. For example, a company that is planning to redesign an accused product may want to delay a judgment, while a company that is attempting to break into a new market may want to promptly resolve a dispute to gain legal certainty and reassure investors. A defendant should not assume that other defendants have the same timing preferences.

Relatedly, settlements by joint defense group members can significantly affect budget, and each defendant will want to have a plan to advance its own case if other defendants settle at an inconvenient time. For example, a defendant that wants to work aggressively to invalidate patents before engaging in settlement talks may face an unpleasant surprise if other defendants who were assigned to work on invalidity contentions settle first. Working with a joint defense group requires planning for unequal contributions by different defendants.

It is important to discuss timing, budget, and other considerations with a client at the start of any case, but these discussions are even more important to avoid strategic conflicts in a joint defense group.

### Protection from Other Defendants

Joint defense groups typically include competitors, and no defendant wants information that it shares with a joint defense group to be used against it later. In drafting a joint defense agreement, each defendant should consider how much information it will share with other defendants about its own products and how that information can be used. Additionally, a joint defense agreement can specify whether joint defense group members' patents that are cited as prior art to a plaintiff's asserted patent will provide notice to other members for purposes of willfulness or indirect infringement in later litigation. Defendants may also want to specify that the agreement does not tie them together as real parties-in-interest in one another's inter partes review proceedings. Defendants should also make the joint defense agreement itself confidential.

### Avoiding Inconsistent Claim Construction Positions

Claim construction is one of the most common issues that can lead to disputes among patent defendants. Most patent cases have some kind of formal process to determine the meaning of disputed claim language. Some defenses may depend on receiving a favorable claim construction, but defendants may have different goals. For example, a first defendant might want the court to construe a claim element narrowly to help distinguish it from the first defendant's accused product, but a second defendant might prefer the court to construe the claim element broadly to support an easier comparison to potentially invalidating prior art.

Additional claim construction disputes may arise when defendants pursue inter partes review proceedings at the Patent Trial and Appeal Board. Unlike district courts, the PTAB lacks the power to cancel claims based on indefiniteness. If one or more defendants aggressively argues that claim terms are indefinite, the PTAB may decline to institute review of an otherwise meritorious petition. See *Samsung Elecs. Am., Inc. v. Prisia Eng'g Corp.*, 948 F.3d 1342, 1353 (Fed. Cir. 2020).

To minimize conflicts among defendants, it is important to assess the strengths and weaknesses of a client's case, particularly regarding non-infringement. It may be relatively easy to reach consensus among a joint defense group regarding the strength of shared prior art. But defendants may not even be aware of differences among accused products due to

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protective order issues, and such differences make it harder to assess the strength of others' non-infringement positions. Thus, early communication regarding preferred claim construction positions is key. If a defendant is

unable to persuade the group to adopt its preferred position, the defendant will need to consider compromising its position or breaking from the group.

In conclusion, joint defense groups can facilitate collaboration

and decrease costs of pursuing invalidity defenses in patent cases, but they also introduce complexity that can offset the benefits of collaboration. Each defendant should plan for what to do if others settle first and consider

how other defendants might use shared information. Moreover, joint defense group members should develop their non-infringement positions and communicate their claim construction preferences to the group early. ■