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PERSPECTIVE

# Northern District amends Local Rules on claim construction disclosures

**By Matthew A. Chivvis**

On Nov. 4, the Northern District of California amended its Patent Local Rules to clarify when, and to what extent, disclosures are due for claim construction experts. Why does this matter? In *Teva Pharmaceuticals USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831 (2015), the Supreme Court held that claim construction fact determinations based on extrinsic evidence may only be reviewed for clear error. This increased the importance of experts, as findings based on expert testimony would now be subject to a heightened standard of review.

The Northern District of California has long had Patent Local Rules allowing expert testimony in claim construction proceedings. But the rules governing when that testimony need be disclosed, and to what extent, have been the subject of dispute. Prior to Nov. 4, the rules provided that a "summary" of any expert opinions should be disclosed with parties Joint Claim Construction Statement. *See* N.D. Cal. Patent L.R. 4-3. The opening brief on claim construction is due 45 days later. *Id.* 4-5.

There was some confusion about what qualifies as sufficient disclosure. Often parties would provide only high-level summaries — which could range from a few topical sentences to a longer written narrative — with the Joint Claim Construction Statement, and fuller report-like declarations later on with their claim construction briefs. Some judges within the district found these high-level disclosures to be sufficient under the rules. *See, e.g.*, *Reflex Packaging, Inc. v. Lenovo (U.S.), Inc.*, 2011 WL 7295479, at *2 (N.D. Cal. Apr. 7, 2011). And there were some benefits to this practice. It allowed the parties some flexibility to adapt the testimony of their experts to the positions in their briefs. It also allowed defendants to craft expert opinions responsive to those of plaintiffs' experts. But the practice made meaningful expert depositions before the commencement of claim construction briefing difficult. Under Patent Local Rule 4-4, the deadline for such discovery is 30 days after the joint claim construction statement. Lacking reports, parties would often waive expert depositions, or delay them until the briefing phase.

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Some judges in the district, however, took the view that high-level disclosures of this kind do not comply with the Patent Local Rules. District Judge Jon Tigar, for example, held that Patent Local Rule 4-3 requires the disclosure of "expert reports" on any claim construction issues with the Joint Claim Construction Statement. *Tristrata, Inc. v. Microsoft Corp.*, 2013 WL 12172909, at *2 (N.D. Cal. May 13, 2013). And he has granted motions to strike expert opinions that were not disclosed with that statement. *See, e.g.*, *id.*

The difference in views led some to advocate for clearer rules on whether reports are required with the Joint Claim Construction Statement. As a result, the Northern District of California proposed revisions to the Patent Local Rules to "clarif[y] the disclosure obligations of parties who intend to introduce expert evidence." https:// www.cand.uscourts.gov/notices/ proposed-amendment-to-patent-local- rule-4-3/. Those revisions were open from comment until January. The amendment formally became part of the Patent Local Rules on Nov. 4..

The amendment removes any ambiguity as to the expert disclosure requirement in conjunction with Joint Claim Construction Statement under Patent Local Rule 4-3. Now, the parties must provide expert reports on the due date for the Joint Claim Construction Statement. The language of the rule is as follows:

"Unless the parties agree otherwise, not later than 60 days after service of the "Invalidity Contentions," any party that intends to rely on any witness who will give expert testimony to support that party's proposed constructions shall serve the other party or parties with a claim construction expert report for that witness. Such reports shall comply with the disclosure requirements of Fed. R. Civ. P. 26(A)(2) (B)."

The amendment will require parties to give a lot more up front thought to whether they plan to use claim construction experts. The requirement for reports that comply with Fed. R. Civ. P. 26(A)(2)(B), in particular, will take some getting used to. Prior to the rule change, few parties prepared disclosures that would have met all the requirements of this rule, and now they will have to unless they can agree otherwise.

From a strategic perspective, this may put defendants at a disadvantage because they will not have the same opportunity to craft responsive expert opinions after seeing the plaintiff's opening brief and declaration. This was a common practice before the rule change. For a well-prepared defendant, however, the impact should be minimal, as the likely opinions of a plaintiff's claim construction expert can often be sussed out through meet and confer and discovery. Under the amended Patent Local Rules, parties must also now identify expert opinions with their Rule 4-2 disclosures, which should allow some lead time for crafting a responsive report. As for plaintiffs, the amendment may be a welcomed relief that levels the playing field for disclosure of expert evidence.

There may also be another upside for all parties. Prior to the revision, the period for expert depositions allowed under Rule 4-4 would be of limited usefulness. Without a full report to test, these depositions (to the extent they were even taken) would end up being largely a discovery exercise, where the examination would seek to find out what the expert's testimony might be. The amended rules should allow pre-briefing depositions Rule 4-4 to be more meaningful. Now each party will have the benefit of a full report before the depositions commence.

As to those who preferred the old paradigm, worry not. The amended rules allow parties to agree to an alternative framework. But now that the rules have been clarified, there will be a presumption that they control, so any agreement to deviate from them should be clear and undisputed. Otherwise, parties may risk having the opinions of their experts stricken, and be unable to avail themselves of the potential for clear error review under *Teva*. ■

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