

LITIGATORS CORNER:

Let's Fight Over Everything



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Tuesday morning's weekly meeting at the law firm began with some pleasant news. "Well, our biggest client just got sued," the senior partner announced. "We told Global Amalgamated Conglomerated Corporation that the inventor would never sue, but he went ahead and did it anyway. We've got to beat this guy to death. I don't want him — or anyone else — to get the idea that GACC is an easy mark. He's got to be pounded into paste."

"What should we do?" asked one of the gaggle of junior partners and associates. "I remember looking at his patent. To be honest, this guy seems to have a pretty good infringement case."

"Fight him on everything," answered the senior partner. "Find a way to get GACC out of this case as soon as possible. Squash the inventor. That's why GACC hired us; we're big, and we can out-paper the guy. That's what I want to do, and I want to do it now. I don't want to be embarrassed by this case. What's our strategy going to be?"

"Well," said the younger lawyer, "maybe we should offer to take a license. The inventor did offer us one, and he does have a pretty good infringement case. He even said he'd sell us the patent for \$250,000. That wouldn't cost GACC nearly as much as a lawsuit." The senior partner scowled. "We can't do that now. GACC won't let us roll over." So much for that idea.

"Well," said another lawyer, "you know what they say: the best defense is delay, delay, delay. Let's tire him out with procedure. We'll make some motions to dismiss, and move to transfer the case. That'll wear him out; we'll deluge the sucker — and his lawyer — with paper."

"Hey! Maybe we can make a Rule 11 motion, and scare the hell out of his lawyer, too!" someone else piped up.

"Yeah, but that won't get rid of the case as soon as I'd like," the senior partner griped, "and in the meantime, his lawyer will start taking discovery and being a real pain in the neck. We don't want him to find out that GACC decided to copy his ideas," said the senior partner.

"So, if he takes discovery, two can play at that game. We'll bury him in document requests and interrogatories, and we'll depose him for two weeks," another lawyer volunteered.

"But that won't get this thing over with, either. We've got to cut him off at the pass," the senior partner complained. "Otherwise GACC is going to get nailed for willful infringement. I knew I should have finished that opinion letter. Dammit. You guys aren't giving me any good ideas."

Another of the lawyers speculated, "Maybe we should try an early Markman hearing."

"What's *Markman*?" asked the senior partner.

"That's a case from the Federal Circuit that deals with infringement," said one of the lawyers. "It says that a patent is a legal document, just like a contract, and that a judge can construe it like a contract. That means we might be able to get a judge to read the patent in a way that will mean GACC doesn't infringe. And, because it's just like a contract, a judge can interpret it without hearing evidence or having a trial. That means we can tell the judge that he doesn't have to allow any discovery at all. He has to buy it."

Another lawyer, obviously impressed, interjected: "That would be great; judges don't like patent cases because they are so much more work than other cases. That's why the motions don't get ruled on. A lot of judges try to avoid them and that's why they procrastinate until the Biden reports in the spring and fall force them to rule on the motions."

"Well, how do we do this?" asked the senior partner.

"It's easy. The patent from the inventor has three independent claims on widgets. Each independent claim has several elements. All we have to do is get the judge to interpret one of the elements of each claim our way, so we can set up a summary judgment motion. The inventor will never know what hit him. He won't even be able to depose our guys beforehand. At the same time, we make a motion to stall any discovery, and tell the judge that — since this is just a legal question — no discovery is needed."

"Yeah, but what if he tries to take discovery anyway?"

"No problem. We tell him that everything is confidential, and that GACC can't afford to have him see anything confidential because he's a competitor. We can stiff him, but good."

"A competitor? You've got to be kidding."

"It doesn't have to work forever, just for a while. A judge will buy it long enough until we've gotten to the Markman hearing. We can move for a protective order and the motion will get sent to a magistrate. Then, we can appeal anything the magistrate does that we don't like. It'll be a piece of cake."

Another lawyer chimed in. "I have an even better idea. Let's attack every element of the claims."

"But our widget has three out of the four things that claim 1 of the patent includes, and we're in big trouble on the fourth one, too," contended the skeptical lawyer.

"So what?" said the senior partner. "So what?" echoed several shrewd younger lawyers.

"But didn't our engineer say that we easily had three out of the four?" persisted the skeptical lawyer.

"So what!" said the phalanx. The senior partner continued: "The plaintiff will never get to our engineers. We'll move for a claim construction hearing, and tell the judge that the patent is supposed to be construed based on the intrinsic evidence. If we need some extrinsic evidence, we'll float up some gunslinger expert. We won't ever have to put one of our engineers on the stand. We can get some 'Howdy Doody' to say any-

thing we want. The court won't hear anything from anyone who knows anything about anything. It's perfect."

"And that'll really put the inventor on the spot. He'll have to hire his own expert, and that'll cost him a bundle." Most of the group chortled.

"But won't that mean that the judge has to construe all four elements of the claim?" the skeptic asked.

"Sure, but who cares? In fact, that's the whole idea. The more work we make the judge do, the more likely it is that we'll get lucky. You know how they like to split the baby; let's maximize the chances he'll do that. If he gives us any of our constructions, we're off the hook. Fighting over all the elements increases our chances by a factor of four. At the very least, it puts the case into limbo. Oh, man, I really like this."

"But isn't the court likely to make a mistake — especially if we ask it to construe everything?"

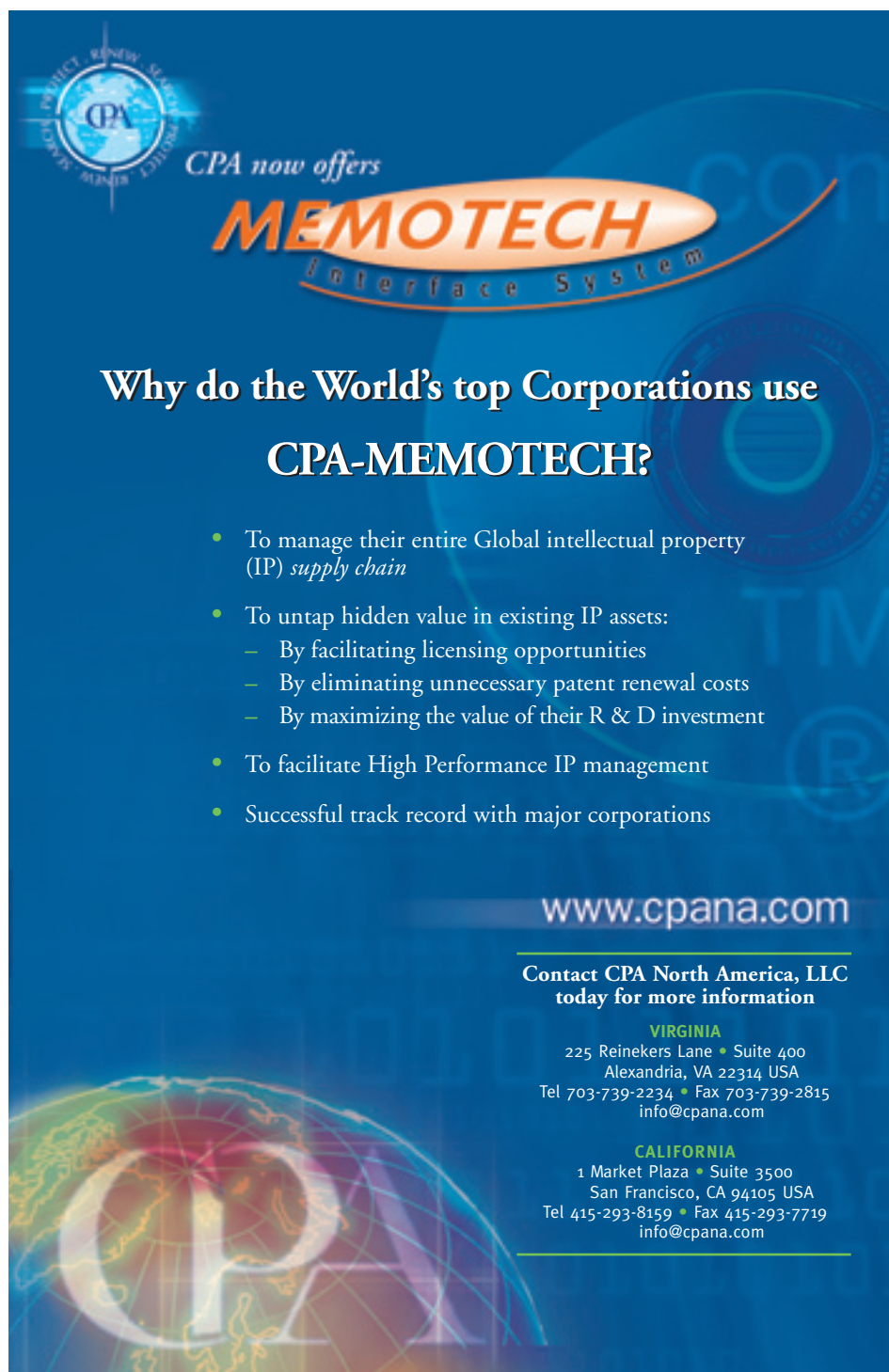
"Sure. But who cares? And, even if it does make a mistake, that just gives us more delay. Once we have a ruling in our favor, we move for summary judgment. Then, when the inventor appeals, we've got another year at least. What a bonanza!"

"I read in January that the reversal rate on Markman rulings is still about fifty percent or so. It doesn't seem like a good idea," the skeptical lawyer said. "We'll just wind up with the case getting reversed on appeal; these Markman rulings aren't reliable, according to what I see."

"That's why we have to fight on everything. It increases our chances of winning on something; who cares if the feds reverse? All they have to do is agree with us on one element. If we fight on everything, the judge has to rule on everything. So do the feds because they have this *de novo* review; they look at everything fresh. If we fight all four elements, we increase our chances of winning by a factor of four. That's the beauty of it. That will make it impossible for the inventor to prove infringement. In fact, the more uncertainty there is, the better I like it."

Of course, like *Law and Order*, all of the above is fictional. This conversation never really happened. On the other hand, I've seen cases play out this way, and I am sure you have, too.

What's the solution? I wish that *Markman* had never been written because it has been so misused, but we cannot rewrite the past. However, we can pay attention to its statement that claim construction — the first step in analyzing infringement — should be done when the jury is charged, or when a dispositive

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motion is made. That means claim construction will occur near in time to the second step of the analysis — applying the claims to an accused product. That, in turn, means that discovery will have preceded claim construction. This way, the parties will not be acting in a vacuum; instead, they will have the benefit of knowing how the inventor, and the defendants' employees — real persons of skill in the art — see things. Patent cases might even get shorter if a litigant understands that the case has to be resolved on the merits, not on procedure.

The abuse of the *Markman* decision causes our judicial system to take a step backwards. Not only have we greatly increased our work, we are resolving patent cases on a basis that is more procedural than substantive. As the Second Circuit said in another context: "We have come a long way since the days of Baron Parke, who, it will be recalled, was proud of the fact that he had decided all cases on procedural grounds..." *Hill v. W. Bruns & Co.*, 498 F.2d 565, 568-69 (2d Cir. 1974). But in patent cases, we have gone backwards. **IPT**