

# THE LOCAL RULES OF PATENT PROCEDURE

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## ABSTRACT

Congress, the Executive, and the Judiciary have all had “patent litigation abuse” on their minds recently. The concern is that too many frivolous patent suits are being filed and used to extract unwarranted settlements. The story is that bad actors—patent assertion entities (PAEs) or, more pejoratively, “patent trolls”—are suing small companies and end users for patent infringement even though PAEs make no patented products themselves. Over the past two years, Congress proposed nearly a dozen bills aimed at curbing patent litigation abuse, the Executive took various anti-troll measures, and the Supreme Court decided a pair of cases that make it easier to shift fees based on patent litigation misconduct.

In the meantime, federal district courts have been addressing the patent litigation situation for years through procedural reform. Beginning in 2000, districts started adopting local patent rules to manage patent litigation. Today, thirty district courts in twenty different states have comprehensive local patent rules, and many more individual judges have adopted “local-local” rules or standing orders that apply to patent cases in their courts. While commentators have generally lauded the efforts of district courts to manage patent litigation, the consequence is highly divergent patent practice from one federal district court to the next.

This Article is the first academic treatment of local patent rules to consider their effect both on patent policy and our federal system of civil procedure. It argues that the local patent rules movement undermines policies germane to patent law, particularly uniformity, and transgresses the trans-territorial and trans-substantive ideals of the Federal Rules of Civil Procedure. Yet, specialized procedural rules appear not only to be the current reality in patent litigation, but the inevitable future as well. The Article therefore proposes the promulgation of a national set of procedural

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rules to govern patent litigation—the Federal Rules of Patent Procedure—which will borrow from and be shaped by the local patent rules experiment.

## INTRODUCTION

More than three decades ago, Congress established the United States Court of Appeals for the Federal Circuit to restore uniformity to the patent laws and reduce forum shopping.<sup>1</sup> The idea was that litigants would no longer forum shop because Federal Circuit law would apply to all patent cases, and any patent appeals would be heard by the centralized court.<sup>2</sup> By specializing in patents, moreover, the Federal Circuit would develop expertise in this complicated, yet critically important, area of the law. Increased uniformity and predictability, it was believed, would strengthen the patent system and help grow our economy.

From the start of this experiment, it was clear that Congress intended for Federal Circuit law to govern substantive issues of patent law, such as claim construction, infringement, and obviousness. The question Congress apparently failed to anticipate, however, was how to treat procedural issues that arise in patent cases.<sup>3</sup> Should regional circuit law control as in non-patent cases, or should the Federal Circuit develop its own patent-specific procedural rules for uniformity's sake? As other scholars have discussed, the Federal Circuit has taken a middle ground, applying regional circuit law to some procedural issues, but often applying its own law to create special procedures for patent cases.<sup>4</sup>

Yet, the Federal Circuit is not the only federal court to single out patent cases for special treatment. With the surge of patent litigation in recent years, district courts around the country have crafted unique procedural rules for patent suits.<sup>5</sup> The U.S. District Court for the Northern District of California was the first to adopt local patent rules back in 2000,<sup>6</sup> and so far twenty-nine other districts in twenty states have followed suit. Some courts have adopted patent rules that require early disclosure of infringement and validity contentions. Other courts have severely limited patent litigants' rights to obtain discovery. And still others have implemented mandatory

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1. Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25 (codified as amended in scattered sections of 28 U.S.C.).

2. See *infra* Part III.A (discussing Congress's reasons for establishing the Federal Circuit).

3. See *Litton Sys., Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1437 (Fed. Cir. 1984), *overruled on other grounds by* *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 763 (1992).

4. See *infra* Part III.B (canvassing the scholarship on the Federal Circuit's choice of law doctrine).

5. See Travis Jensen, *Local Patent Rules—Patent Rules Made Easy*, LOCAL PATENT RULES, <http://www.localpatentrules.com/> (last updated Nov. 2014).

6. James Ware & Brian Davy, *The History, Content, Application and Influence of the Northern District of California's Patent Local Rules*, 25 SANTA CLARA COMPUTER & HIGH TECH. L.J. 965, 967 (2009).

procedures to promote early resolution of these cases through settlement or summary judgment. On the rare occasion when these local patent rules have been challenged, the Federal Circuit has consistently upheld them as a proper exercise of the trial court's case-management discretion.<sup>7</sup>

What is more, even in district courts without local patent rules, specialized procedures often govern patent cases based on standing orders or agreements of the parties. Standing orders, sometimes referred to as "local-local rules,"<sup>8</sup> are issued by individual judges as opposed to the district court as a whole. Local-local patent rules may address a few isolated aspects of patent litigation or they may provide an entire set of procedural rules to govern patent cases.<sup>9</sup>

Since the local patent rules movement began more than a decade ago, it has garnered some attention. For the most part, though, commentators have focused on the intricacies of the rules, their pragmatic costs and benefits, and the near-term impact of the rules on patent litigation.<sup>10</sup> This Article, on the other hand, explores the normative implications of local patent rules, contextualizing them within the framework of both patent law policy and federal procedure. Viewed through that lens, I conclude that the consequence of local patent rules is highly fragmented patent practice from one federal district court to the next.<sup>11</sup> I argue that, in their current form, local patent rules not only work against the underlying objectives of the Federal Circuit—to promote uniformity in patent law and reduce forum shopping—but also undermine the trans-territorial and trans-substantive nature of the Federal Rules of Civil Procedure.<sup>12</sup>

To be sure, local patent rules have served important purposes. For one, local patent rules signal a lacuna in the current procedural framework for

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7. See, e.g., *O2 Micro Int'l Ltd. v. Monolithic Power Sys., Inc.*, 467 F.3d 1355, 1363 (Fed. Cir. 2006); see also *Genentech, Inc. v. Amgen, Inc.*, 289 F.3d 761, 774 (Fed. Cir. 2002). But see *infra* note 215 (discussing recent case related to local patent rules where Federal Circuit reversed for abuse of discretion).

8. Paul D. Carrington, *Renovating Discovery*, 49 ALA. L. REV. 51, 56 (1997) [hereinafter Carrington, *Renovating Discovery*].

9. See *infra* Part III.B.

10. See, e.g., Arthur Gollwitzer III, *Local Patent Rules—Certainty and Efficiency or a Crazy Quilt of Substantive Law?*, 13 ENGAGE: J. FEDERALIST SOC'Y PRAC. GRPS. 94, 94 (2012); Pauline M. Pelletier, *The Impact of Local Patent Rules on Rate and Timing of Case Resolution Relative to Claim Construction: An Empirical study of the Past Decade*, 8 J. BUS. & TECH. L. 451, 455 (2013); Ware & Davy, *supra* note 6, at 967.

11. See *infra* Part III.

12. See *infra* Part IV. Trans-substantivity refers to the principle that the Federal Rules of Civil Procedure apply to all civil cases regardless of the underlying substance of the claims, and trans-territoriality means that the same rules apply regardless of the location of the federal court.

patent cases.<sup>13</sup> Claim construction, the process by which district courts define disputed patent terms, provides a useful example. In *Markman v. Westview Instruments, Inc.*, the Supreme Court held that claim construction is a matter of law that must be determined by the district court.<sup>14</sup> Neither the Supreme Court nor the Federal Circuit have provided any guidance on the procedure for claim construction, however, leaving district courts to fend for themselves.<sup>15</sup> Consequently, district courts have served as laboratories, testing different procedures for claim construction and an array of other matters in patent cases.

This Article urges the beginning of the end of the local patent rules movement and lays out a proposal for transitioning from disparate, balkanized local patent rules to a unified set of Federal Rules of Patent Procedure. Although substance-specific procedural rules may be less than ideal, circumstances suggest they are the inevitable future for patent litigation. First, a substantial portion of district courts and district judges already utilize special procedural rules for patent cases, so abandoning local patent rules altogether seems unrealistic.<sup>16</sup>

Second, and perhaps more importantly, lawmakers are focused on patent litigation, suggesting an open policy window and a real opportunity for reform.<sup>17</sup> In 2011, Congress established the Patent Pilot Program “to encourage enhancement of expertise in patent cases among district judges.”<sup>18</sup> Two years later, the House passed the Innovation Act—legislation aimed at curbing PAEs and “patent litigation abuse.”<sup>19</sup> Although the Innovation Act was tabled in the Senate last spring, Representative Goodlatte recently reintroduced the bill.<sup>20</sup> And with the shift in power as a result of the mid-term elections, patent litigation reform has been declared a high priority for the current Congress.<sup>21</sup>

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13. Lee H. Rosenthal, *The Summary Changes That Weren't*, 43 LOY. U. CHI. L.J. 471, 484 (2012) [hereinafter Rosenthal, *Summary Changes*] (“Such a patchwork of local rules in an area that the national rules occupy may . . . indicate deficiencies in the national rule.”).

14. 517 U.S. 370, 372, 391 (1996).

15. See *Ballard Med. Prods. v. Allegiance Healthcare Corp.*, 268 F.3d 1352, 1358 (Fed. Cir. 2001) (“*Markman* does not require a district court to follow any particular procedure in conducting claim construction.”).

16. See Jensen, *supra* note 5 (listing the districts with local patent rules).

17. See JOHN W. KINGDON, *AGENDAS, ALTERNATIVES & PUBLIC POLICIES* 1, 165–67 (2d ed. 2011).

18. See *infra* Part V.B (detailing the Patent Pilot Program).

19. See *infra* Part V.B (discussing the patent reform proposals before Congress).

20. Press Release, Rep. Bob Goodlatte, Goodlatte Introduces Patent Litigation Reform Bill (Feb. 5, 2015), available at [http://goodlatte.house.gov/press\\_releases/660](http://goodlatte.house.gov/press_releases/660).

21. See, e.g., Ashby Jones, *Patent Reform Bill Arises Again in Congress*, WALL ST. J. L. BLOG (Feb. 5, 2015, 12:42 PM), <http://blogs.wsj.com/law/2015/02/05/patent-reform-bill-arises-again-in-congress/>.

Although these efforts address some of the shortcomings in patent litigation, they give short shrift to local patent rules and the integral role they play in patent disputes today.<sup>22</sup> For example, the Innovation Act heightens the pleading standard for patent cases and bifurcates discovery, but is silent as to how these new procedures will interact with local patent rules.<sup>23</sup> This Article thus suggests a different path than what Congress is contemplating: comprehensive national patent procedural reform that is informed by and benefits from the local patent rules experiment.

The Article proceeds in five parts. Part I discusses the adoption of the Federal Rules of Civil Procedure and the transformation of federal civil litigation over the past seventy-five years. Part II turns to local rules and examines various factors that have contributed to their proliferation. Part III shifts to patent litigation and addresses the current crisis of confidence in the system and the spread of local patent rules, beginning with the Northern District of California. Part IV explores the effect of local patent rules on our patent system and our system of federal civil procedure. Finally, Part V proposes the promulgation of the Federal Rules of Patent Procedure. While contravening the trans-substantive principle of the Federal Rules of Civil Procedure, a national set of patent rules will enhance uniformity and predictability and improve the overall quality of patent litigation in the future.

## I. THE FEDERAL RULES OF CIVIL PROCEDURE

The year before last marked the seventy-fifth anniversary of the Federal Rules of Civil Procedure (FRCP).<sup>24</sup> The adoption of the FRCP has been described as “revolutionary,”<sup>25</sup> a “formidable accomplishment,”<sup>26</sup> and even “an epoch-making event in the history of jurisprudence.”<sup>27</sup> For a time, the Rules were heralded for their many achievements: trans-substantivity,<sup>28</sup>

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22. *Id.*

23. Innovation Act, H.R. 9, 114th Cong. § 3 (2015).

24. STAFF OF H. COMM. ON THE JUDICIARY, 111TH CONG., FEDERAL RULES OF CIVIL PROCEDURE, at vii (Comm. Print 2010), available at <http://www.uscourts.gov/uscourts/rulesandpolicies/rules/2010%20rules/civil%20procedure.pdf>.

25. Armistead M. Dobie, *The Federal Rules of Civil Procedure*, 25 VA. L. REV. 261, 275 (1939).

26. Judith Resnik, *Failing Faith: Adjudicatory Procedure in Decline*, 53 U. CHI. L. REV. 494, 494 (1986) [hereinafter Resnik, *Failing Faith*].

27. FED. R. CIV. P. 20 (West 1954); Alexander Holtzoff, *A Judge Looks at the Rules after Fifteen Years of Use*, 15 F.R.D. 155, 155 (1954).

28. Martin H. Redish, *Class Actions and the Democratic Difficulty: Rethinking the Intersection of Private Litigation and Public Goals*, 2003 U. CHI. LEGAL F. 71, 75.

trans-territoriality,<sup>29</sup> the merger of law and equity,<sup>30</sup> simplified pleading,<sup>31</sup> liberal joinder,<sup>32</sup> expansive discovery,<sup>33</sup> summary judgment,<sup>34</sup> and the creation of a class action device.<sup>35</sup> The Rules were viewed as an equalizing force; they were party and claim neutral and leveled the playing field for contesting litigants.<sup>36</sup>

Yet, as the complexion of federal civil litigation changed, the Rules came under attack. Critics directed their complaints principally at the FRCP's framework for pleading and discovery, which purportedly allowed for exploitation and manipulation of the civil justice system.<sup>37</sup> This criticism has provoked various responses over the past several decades, including amendments to the FRCP, judicial rulemaking, and—most germane to this Article—the proliferation of local rules.

### A. *Adoption of the FRCP*

The adoption of the FRCP in 1938 did not come easily: it was preceded by twenty-five years of debate over what rules and procedures should govern in federal court.<sup>38</sup> The crux of the disagreement was whether to continue the practice of “conformity,” whereby district courts applied the same procedures as the states in which they sat, or whether to shift to a national set of rules to uniformize practice across the federal court system.<sup>39</sup> The nationalists ultimately prevailed, and Congress passed the Rules

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29. Samuel P. Jordan, *Local Rules and the Limits of Trans-Territorial Procedure*, 52 WM. & MARY L. REV. 415, 421 (2010).

30. RICHARD H. FIELD ET AL., MATERIALS FOR A BASIC COURSE IN CIVIL PROCEDURE 22 (Foundation Press 5th ed. 1984).

31. Geoffrey C. Hazard, Jr., *Discovery Vices and Trans-Substantive Virtues in the Federal Rules of Civil Procedure*, 137 U. PA. L. REV. 2237, 2238 (1989).

32. *Id.*

33. *Id.*

34. Benjamin Kaplan, *A Toast*, 137 U. PA. L. REV. 1879, 1880 (1989).

35. Harry Kalven, Jr. & Maurice Rosenfield, *The Contemporary Function of the Class Suit*, 8 U. CHI. L. REV. 684, 695 (1941).

36. Arthur R. Miller, *Simplified Pleading, Meaningful Days in Court, and Trials on the Merits: Reflections on the Deformation of Federal Procedure*, 88 N.Y.U. L. REV. 286, 310 (2013) [hereinafter Miller, *Simplified Pleading*]; Arthur R. Miller, *From Conley to Twombly to Iqbal: A Double Play on the Federal Rules of Civil Procedure*, 60 DUKE L.J. 1, 102 (2010).

37. Resnik, *Failing Faith*, *supra* note 26, at 529.

38. See Stephen N. Subrin, *How Equity Conquered Common Law: The Federal Rules of Civil Procedure in Historical Perspective*, 135 U. PA. L. REV. 909, 910 (1987) [hereinafter Subrin, *Equity*].

39. See Erwin Chemerinsky & Barry Friedman, *The Fragmentation of the Federal Rules*, 46 MERCER L. REV. 757, 757 (1995).

Enabling Act of 1934 authorizing the Supreme Court to promulgate the FRCP.<sup>40</sup>

While a detailed discussion of all the FRCP's accomplishments is beyond the scope of this Article, a few are of particular import. Let's start with trans-substantivity, which refers to the principle that the same procedural rules "apply to all lawsuits regardless of the substance of the underlying claims."<sup>41</sup> Several factors influenced the rules' framers' decision to make the FRCP trans-substantive. First, trans-substantivity is simple, and an overarching goal of the Rules was to simplify federal civil practice.<sup>42</sup> Second, trans-substantivity instantiates the belief of the rules' framers that "procedure is materially distinct from substantive law."<sup>43</sup> Finally, and perhaps most significantly, trans-substantive rules are insulated from political pressure in a way that substance-specific rules are not.<sup>44</sup>

Closely related to trans-substantivity is trans-territoriality—a doctrine that requires the same rules to be applied despite differences in location.<sup>45</sup> The framers of the FRCP favored trans-territoriality over localism for two primary reasons: equality and efficiency. Trans-territoriality fosters equality because it subjects civil litigants to the same rules of practice whether they are in federal court in Alaska, Massachusetts, Florida, or Arizona.<sup>46</sup> As for efficiency, trans-territorial rules facilitate national law practice which benefits lawyers who can more easily navigate the federal courts across jurisdictions, as well as clients who no longer have to retain multiple lawyers in nationwide litigation.<sup>47</sup>

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40. Subrin, *Equity*, *supra* note 38; *see also infra* Part V (laying out the process for adopting and amending the FRCP).

41. *E.g.*, J. Maria Glover, *The Federal Rules of Civil Settlement*, 87 N.Y.U. L. REV. 1713, 1768 (2012).

42. Stephen N. Subrin, *The Limitations of Transsubstantive Procedure: An Essay on Adjusting the "One Size Fits All" Assumption*, 87 DENV. U. L. REV. 377, 383 (2010) ("[T]he whole atmosphere in which the Enabling Act was passed was infused with talk of simplicity.").

43. *Id.* at 382.

44. *See id.* at 384; Paul D. Carrington, *Making Rules to Dispose of Manifestly Unfounded Assertions: An Exorcism of the Bogy of Non-Trans-Substantive Rules of Civil Procedure*, 137 U. PA. L. REV. 2067, 2074–75 (1989); David Marcus, *The Past, Present, and Future of Trans-Substantivity in Federal Civil Procedure*, 59 DEPAUL L. REV. 371, 374 (2010).

45. *See, e.g.*, Jordan, *supra* note 29, at 416. Trans-territoriality includes both interdistrict court uniformity and intrastate uniformity. *See* Stephen N. Subrin, *Federal Rules, Local Rules, and State Rules: Uniformity, Divergence, and Emerging Procedural Patterns*, 137 U. PA. L. REV. 1999, 2006 (1989) [hereinafter Subrin, *Federal Rules*].

46. Jordan, *supra* note 29, at 428 ("The conformity regime meant that parallel cases were often subject to substantially different procedures, and these procedural variations could often directly lead to variations in case outcomes.").

47. *Id.* at 427–30.



The final hallmarks of the FRCP that deserve mention are simplified pleadings and expansive discovery, which worked hand in hand with each other.<sup>48</sup> Earlier procedural regimes were plagued by rigidity and precision, with pleadings being rejected (and cases dismissed) for technical defects.<sup>49</sup> The rule makers wished instead for cases to be decided on their merits; to that end, they implemented notice pleading and broad discovery.<sup>50</sup> The idea was that parties would not have to include details in their pleadings, but could rely on discovery to uncover the relevant facts. Not only was this type of procedural system supposed to lead to better, merit-based resolutions, it was expected to increase efficiency too:

It is probable that no procedural process offers greater opportunities for increasing the efficiency of the administration of justice than that of discovery before trial. Much of the delay in the preparation of a case, most of the lost effort in the course of the trial, and a large part of the uncertainty in the outcome, result from the want of information on the part of litigants and their counsel as to the real nature of the respective claims and the facts upon which they rest.<sup>51</sup>

The suggestion that expansive discovery improves the efficiency of litigation would be met with considerable skepticism today. This is not to say the framers of the FRCP were entirely wrongheaded, only that the nature of federal civil litigation has undergone a fundamental change over the past seventy-five years.

### *B. Modern Federal Civil Litigation*

When the FRCP were adopted in the 1930s, typical federal litigation involved private law disputes between individuals or businesses for money damages.<sup>52</sup> Of course, these were not the only cases on the federal docket: courts also heard admiralty cases, intellectual property cases, and cases

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48. Martin H. Redish, *Pleading, Discovery, and the Federal Rules: Exploring the Foundations of Modern Procedure*, 64 FLA. L. REV. 845, 870 (2012).

49. Miller, *Simplified Pleading*, *supra* note 36, at 288–89.

50. See Conley v. Gibson, 355 U.S. 41, 47–48 (1957).

51. Edson R. Sunderland, *Foreword to* GEORGE RAGLAND, JR., *DISCOVERY BEFORE TRIAL*, at iii (Callaghan & Co., 1932).

52. See Resnik, *Failing Faith*, *supra* note 26, at 508; see also Abram Chayes, *The Role of the Judge in Public Law Litigation*, 89 HARV. L. REV. 1281, 1285 (1976) (“[T]he courts could be seen as an adjunct to private ordering, whose primary function was the resolution of disputes about the fair implications of individual interactions.”).

where the United States was a party.<sup>53</sup> Yet, the paradigm of private damage actions appears to have been at the forefront of the rule makers' minds when establishing the procedural model of the FRCP.<sup>54</sup> Tenets like notice pleading and liberal discovery made good sense for these relatively simple and straightforward lawsuits.<sup>55</sup>

The 1950s, however, marked the beginning of a sea change in our federal civil system with public law or structural litigation emerging as a new form of adjudication.<sup>56</sup> Unlike private law disputes, public law litigation was "sprawling and amorphous."<sup>57</sup> It involved injunctive and other types of equitable relief, and impacted many parties not before the court.<sup>58</sup> One of the earliest and best examples of public law litigation is the NAACP's structural challenge to segregated public schools that culminated in the Supreme Court's landmark decision in *Brown v. Board of Education*.<sup>59</sup>

But structural litigation is not the only reason for this alteration of the federal docket over the past seventy-five years. The intervening decades have witnessed the emergence of the regulatory state and a proliferation of new federal laws, many of which provide private causes of action.<sup>60</sup> The upshot has been a dramatic increase not only in the sheer number of cases filed in federal court, but in their complexity and duration as well.<sup>61</sup> Civil rights, environmental, securities, and toxic tort cases—which were either extremely rare or unheard of when the FRCP were adopted—are commonplace in federal litigation today.<sup>62</sup>

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53. See Resnik, *Failing Faith*, *supra* note 26, at 510–11; Howard M. Wasserman, Iqbal, *Procedural Mismatches, and Civil Rights Litigation*, 14 LEWIS & CLARK L. REV. 157, 159 (2010) [hereinafter Wasserman, Iqbal].

54. See Resnik, *Failing Faith*, *supra* note 26, at 512.

55. See Robert G. Bone, Twombly, *Pleading Rules, and the Regulation of Court Access*, 94 IOWA L. REV. 873, 896 (2009) [hereinafter Bone, Twombly] ("It would have made sense in this earlier world to assume relatively manageable discovery and trial costs for most cases."); Wasserman, Iqbal, *supra* note 53, at 159 ("The litigation regime established by the Rules and *Conley v. Gibson* . . . made sense in these relatively straightforward, single-occurrence, few-party cases.").

56. See Megan M. La Belle, *Patent Law as Public Law*, 20 GEO. MASON L. REV. 41, 48 (2012). As originally conceived, public law was "the body of law dealing with the relations between private individuals and the government, and with the structure and operation of the government itself." *Id.*

57. Chayes, *supra* note 52, at 1302.

58. Carl Tobias, *Public Law Litigation and the Federal Rules of Civil Procedure*, 74 CORNELL L. REV. 270, 279–80 (1989).

59. 347 U.S. 483 (1954).

60. See Gil Seinfeld, *The Federal Courts as a Franchise: Rethinking Justifications for Federal Question Jurisdiction*, 97 CALIF. L. REV. 95, 125 (2009).

61. See *id.*

62. Jay Tidmarsh, *Civil Procedure: The Last Ten Years*, 46 J. LEGAL EDUC. 503, 505 (1996); Wasserman, Iqbal, *supra* note 53, at 160. Other factors contributing to federal courts'

Finally, in some ways, it is the Rules themselves that have effected this transformation of federal litigation. Some of the most complicated and time-consuming cases that federal courts hear today are class action suits—a procedural device codified and expanded by the FRCP.<sup>63</sup> Indeed, Congress recently expanded federal jurisdiction over class actions even further, so that most class action lawsuits are now heard by federal courts even if based on state law.<sup>64</sup> Relatedly, the Rules allow for broad and liberal joinder, which means that even non-class action lawsuits often involve multiple parties asserting various federal and state law claims.<sup>65</sup>

For better or worse, federal civil dockets today look very different than in the 1930s. As the landscape of federal civil litigation shifted, the rule makers' promises about the benefits of simplified pleading and expansive discovery rang hollow. Instead, the rising burden and costs of litigation caused many to question the efficacy, sustainability, and legitimacy of the Federal Rules of Civil Procedure.

### C. *Backlash Against the FRCP*

Many of the principles embodied by the FRCP have come under attack over the years, but none more than discovery. Discovery has been the target of criticism for a variety of reasons. First, as the size and scope of litigation expanded, so did discovery. Simply put, the more claims, parties, and issues involved in a case, the more relevant information there is to discover.<sup>66</sup> Consequently, parties and courts devote significantly more time and resources to discovery than the rule makers contemplated.

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overcrowded dockets include the federalization of criminal law enforcement and the Speedy Trial Act, which prioritizes criminal cases over civil cases. See Edward D. Cavanagh, *The Civil Justice Reform Act of 1990 and the 1993 Amendments to the Federal Rules of Civil Procedure: Can Systemic Ills Afflicting the Federal Courts be Remedied by Local Rules?*, 67 ST. JOHN'S L. REV. 721, 721–22 (1993).

63. Martin H. Redish & Andrianna D. Kastanek, *Settlement Class Actions, The Case-or-Controversy Requirement, and the Nature of the Adjudicatory Process*, 73 U. CHI. L. REV. 545, 545–46 (2006).

64. Class Action Fairness Act, 28 U.S.C. § 1332(d) (2006) (expanding diversity jurisdiction to putative class actions where the amount in controversy exceeds \$5 million and “any member of a class of plaintiffs is a citizen of a State different from any defendant”).

65. 28 U.S.C. § 1367 (allowing federal courts to hear certain state law claims); FED. R. CIV. P. 18 (joinder of claims); FED. R. CIV. P. 20 (joinder of parties); see also Robin J. Effron, *The Shadow Rules of Joinder*, 100 GEO. L.J. 759, 769 (2012) (exploring the importance of joinder in modern federal civil litigation).

66. See Bone, Twombly, *supra* note 55, at 896–97 (“There are many more large and complex lawsuits with high stakes, more large law firms and lawyers practicing nationwide who have much weaker incentives to build local reputations, and a much wider range of materials that can be targeted in discovery, including potentially massive electronic records.”).

Second, advances in technology have impacted discovery in fundamental ways.<sup>67</sup> In the 1930s, computers, fax machines, electronic mail, and the Internet did not exist, so the notion of broad discovery meant something very different compared to today. Where document production in a typical case once consisted of a few thousand pages, it is not unusual for parties to exchange millions of pages in modern civil litigation.<sup>68</sup> But it's not just the volume of information that may impose an undue burden; the manner in which electronic information is maintained and stored also can make it extremely difficult to produce without substantial effort and cost.<sup>69</sup>

Finally, critics argue that expansive discovery—especially when coupled with liberal pleading standards—allows unscrupulous plaintiffs to file meritless claims, go on “fishing expeditions,” and force defendants to settle simply to avoid the costs of discovery.<sup>70</sup> These frivolous lawsuits provide a windfall to plaintiffs and distract defendants from their ordinary business pursuits, or so the story goes.<sup>71</sup> Rather than facilitating merits-based decisions, many believed that liberal discovery contributed in large part to a litigation “crisis” in the federal courts.<sup>72</sup>

This perception that federal civil litigation faced a crisis spurred a call for reform, and lawmakers responded in different ways.<sup>73</sup> Beginning in the 1980s, Congress passed various federal statutes aimed at managing the

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67. See, e.g., Daniel C. Girard & Todd I. Espinosa, *Limiting Evasive Discovery: A Proposal for Three Cost-Saving Amendments to the Federal Rules*, 87 DENV. U. L. REV. 473, 476–77 (2010).

68. See, e.g., *id.* (“With the advent of electronic discovery, a whole new array of possibilities has arisen . . . [including] burying the propounding party in millions of pages of irrelevant or duplicative documents.”).

69. See, e.g., *Major Tours, Inc. v. Colorel*, No. 05-3091, 2009 WL 3446761, at \*1 (D.N.J. Oct. 20, 2009) (ordering the parties to share the \$1 to \$1.5 million to produce the archived emails that plaintiff sought through discovery).

70. See, e.g., *Chesbrough v. VPA, P.C.*, 655 F.3d 461, 466 (6th Cir. 2011) (internal citations omitted) (explaining that FRCP 9(b)'s heightened pleading standard helps to “prevent fishing expeditions”).

71. See Carl Tobias, *Civil Justice Reform and the Balkanization of Federal Civil Procedure*, 24 ARIZ. ST. L.J. 1393, 1395–96 (1992) [hereinafter Tobias, *Civil Justice Reform*] (explaining that many judges and commentators in the 1970s were concerned about litigation abuse and meritless suits).

72. See Chemerinsky & Friedman, *supra* note 39, at 758–59.

73. Resnik, *Failing Faith*, *supra* note 26, at 498–99. Not all scholars agreed that our litigation system actually faced a crisis. See Chemerinsky & Friedman, *supra* note 39, at 759 (stating that the question whether federal courts actually faced a litigation crisis is an open one); Carrington, *Renovating Discovery*, *supra* note 8, at 53 (internal citations omitted) (“Much of the hooplah about litigation costs may be traceable to those whose real complaint is that they or their clients are exposed to liabilities that they would prefer to avoid. Theirs is a disguised outcry for tort reform.”).

litigation crisis facing federal courts.<sup>74</sup> Along with these generally applicable reforms, Congress enacted legislation for certain classes of cases that supposedly consumed a disproportionate amount of federal courts' time, namely prisoner and securities cases.<sup>75</sup>

Between the 1980s and 2000s, the FRCP were amended several times to limit certain types of discovery, and to provide federal judges with greater discretion to manage civil litigation.<sup>76</sup> Early on, Rule 26 was amended to grant federal judges ad hoc power to limit overly burdensome or duplicative discovery.<sup>77</sup> Some years later, Rule 16 was amended to grant district judges broader authority to manage their dockets,<sup>78</sup> and Rules 30 and 33 were amended to presumptively limit parties to twenty-five interrogatories and each side to ten depositions of seven hours each.<sup>79</sup> More recently, the rule makers overhauled the FRCP to contemplate electronic discovery and cabin the costs associated with it.<sup>80</sup>

Together with Congress and the rule makers, federal courts have undertaken various efforts to address the perceived litigation crisis. To this end, federal trial judges have become “case managers” who play a much more active role in lawsuits than in the past.<sup>81</sup> Managerial judges are not passive umpires, but instead meet with the parties regularly, discuss the progress of the case, and actively encourage settlement and early resolution of the matter outside of court.<sup>82</sup> Another way many federal judges manage

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74. See *infra* Part II (discussing various reform efforts).

75. See Prison Litigation Reform Act of 1995, Pub. L. No. 104-134, 110 Stat. 1321, 1321-66 to 77 (codified at 18 U.S.C. § 3601); Private Securities Litigation Reform Act of 1995, Pub. L. No. 104-67, 109 Stat. 737 (codified in various sections throughout 15 U.S.C. §§ 77-78). These legislative schemes included various procedural reforms, such as exhaustion requirements for prisoner suits and heightened pleading requirements for securities cases. See Marcus, *supra* note 44, at 404-06.

76. See FED. R. CIV. P. 26(b)(2); FED. R. CIV. P. 16 (requiring trial judges to hold pre-trial conferences at which various subjects, including settlement, must be discussed).

77. FED. R. CIV. P. 26 advisory committee's note (1983) (explaining that the 1983 amendments to Rule 26 were directed as “excessive discovery and evasion or resistance to reasonable discovery requests”).

78. See Lee H. Rosenthal, *From Rules of Procedure to How Lawyers Litigate: 'Twixt the Cup and the Lip*, 87 DENV. U. L. REV. 227, 235 (2010).

79. See FED. R. CIV. P. 30 (limiting sides to ten depositions of seven hours each); FED. R. CIV. P. 33 (limiting parties to twenty-five interrogatories including subparts). So far document requests have not been limited, but that is something rulemakers recently considered.

80. See Richard L. Marcus, *The 2006 Amendments to the Federal Rules of Civil Procedure Governing Discovery of Electronically Stored Information: Fitting Electronic Discovery into the Overall Discovery Mix*, in ELECTRONIC DISCOVERY AND DIGITAL EVIDENCE: CASES AND MATERIALS, 1, 2-3 (Shira Scheindlin et al. eds., 2009).

81. Judith Resnik, *Managerial Judges*, 96 HARV. L. REV. 374, 433 (1982).

82. *Id.* at 377; see also Tobias Barrington Wolff, *Managerial Judging and Substantive Law*, 90 WASH. U. L. REV. 1027, 1027 (2013) (“[T]he figure of the proactive jurist, involved in

their dockets is through standing or scheduling orders that establish specialized procedures for different types of cases.<sup>83</sup> Finally, apart from individual judges, district courts as a whole have taken steps to handle heavy caseloads through the adoption of local rules.

## II. THE LOCAL RULES MOVEMENT

Uniformity was the driving force behind the nationalization of federal court procedure, and thus principles of trans-substantivity and trans-territoriality permeate the FRCP.<sup>84</sup> From the start, however, the Rules have made allowances for localism. While few local rules were adopted during the initial post-FRCP decades,<sup>85</sup> that began to change as the landscape of federal civil litigation evolved and became more complex.<sup>86</sup> By the 1980s, there was a proliferation of local rules that prompted criticism and calls for reform.

### A. Proliferation of Local Rules

The adoption of the FRCP marked a shift from conformity with local rules to a scheme of federal procedure. Still, the original FRCP preserved a continuing role for local rules, permitting district courts to make and amend rules governing their practice from time to time.<sup>87</sup> The rule makers believed such a provision was necessary so the FRCP could “be adjusted easily and without friction to the differing habits and customs of lawyers throughout the country.”<sup>88</sup> Notwithstanding this allowance, local rules activity was minimal for the first three decades following adoption of the FRCP.<sup>89</sup> The

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case management from the outset of the litigation and attentive throughout the proceedings to the impact of her decisions on settlement dynamics—a managerial judge—has displaced the passive umpire as the dominant paradigm in the federal district courts.”).

83. See Resnik, *supra* note 81, at 399–400.

84. See *supra* Part I.A (discussing motivating forces behind FRCP).

85. See Tobias, *Civil Justice Reform*, *supra* note 71, at 1394–95.

86. See *supra* Part I.B (discussing the transformation of federal civil litigation beginning in the 1950s).

87. 12 CHARLES WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE § 3151 n.1 (2d ed. 1997). Local rules can be adopted by a majority of the district judges on the court.

88. CHARLES CLARK, PROCEEDINGS OF MEETING OF ADVISORY COMMITTEE ON RULES FOR CIVIL PROCEDURE 1515 (Feb. 25, 1936), available at <http://www.uscourts.gov/uscourts/RulesAndPolicies/rules/Minutes/CV02-1936-min-Vol6.pdf>.

89. See Tobias, *Civil Justice Reform*, *supra* note 71, at 1394–95 (“The Civil Rules Committee and the federal judiciary were able to maintain simplicity and uniformity in federal civil procedure for approximately thirty years after the adoption of the original Federal Rules in 1938.”).

consensus during that period was that the FRCP were effective and easy to apply, making local rules unnecessary.<sup>90</sup>

This began to change in the 1970s with the so-called “explosion” of federal civil litigation,<sup>91</sup> and widespread adoption of local rules by district courts across the country.<sup>92</sup> Local rules were promulgated in large measure to provide judges with tools for managing their unwieldy civil dockets.<sup>93</sup> While nearly all ninety-four district courts in the country adopted local rules, there were vast differences among them. The Central District of California, for example, had hundreds of local rules (including sub-rules), whereas the Middle District of Georgia had only one.<sup>94</sup> Local rules varied too in subject matter, with some local rules addressing technical matters like page length and font size, while others administered more substantive matters such as discovery, alternative dispute resolution (ADR), and jury composition.<sup>95</sup>

Despite their time-honored status, the proliferation of local rules drew sharp criticism. The central critique was that local rules undermine the goal of national procedural uniformity. Worst case scenario were local rules that directly conflicted with the FRCP.<sup>96</sup> Yet, even local rules that were not inconsistent with the FRCP were still problematic because they controverted the trans-territoriality norm of the Rules.<sup>97</sup> Critics argued that this balkanization could disadvantage non-local counsel, lead to forum shopping, and create unnecessary confusion and expense for attorneys and

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90. *Id.* at 1395.

91. *See supra* Part I.B (discussing the transformation of federal civil litigation beginning in the 1950s).

92. *See* A. Leo Levin, *Local Rules as Experiments: A Study in the Division of Power*, 139 U. PA. L. REV. 1567, 1568 (1991) (“Important segments of the bar are most unhappy with Rule 83 and the plethora of local rules that have evolved pursuant to its authority.”); Subrin, *Federal Rules*, *supra* note 45, at 2012 (“This crack in the wall of uniformity has become a gaping hole.”).

93. *See* Tobias, *Civil Justice Reform*, *supra* note 71, at 1397–98 (“An important means by which courts accomplished much managerial judging, particularly before 1983, was through the promulgation of local rules.”).

94. *Id.* at 1399. Today, the Central District of California remains the leader in number of local rules, while the Western District of Wisconsin now has the fewest with five.

95. *See* Levin, *supra* note 92, at 1574–75.

96. *See* COMM. ON RULES PRACTICE & PROC. OF THE JUDICIAL CONF. OF THE U.S., REPORT OF THE LOCAL RULES PROJECT: LOCAL RULES OF CIVIL PRACTICE (1989) (finding more than 800 instances of “possible inconsistency” with the FRCP). By way of example, nearly every federal district court had adopted a local rule limiting the number of interrogatories parties could propound even though FRCP 33 contained no such limitation. *See* Carrington, *Renovating Discovery*, *supra* note 8, at 57–58.

97. Jordan, *supra* note 29, at 417.

parties.<sup>98</sup> Maybe most concerning, though, was the potential for fragmented local rules to impact the substantive rights of civil litigants.<sup>99</sup>

Local rules were also criticized because of the manner in which they were promulgated, especially as compared to the FRCP. The FRCP are adopted and amended through a process established by the Rules Enabling Act that roughly includes the following steps: (1) new rules and amendments are drafted by an advisory committee composed of judges, attorneys, and law professors; (2) the committee's drafts are circulated to the bench, bar, and public for comment; (3) the committee considers those comments and then makes any proposals to the Supreme Court; (4) a majority of Supreme Court justices decide whether to promulgate the rules; and (5) if the Court promulgates the rules, Congress has the opportunity to reject, modify, or defer to them.<sup>100</sup> This process has been touted as “perhaps the most thoroughly open, deliberative, and exacting process in the nation for developing substantively neutral rules.”<sup>101</sup> Local rules, on the other hand, could be promulgated quite easily by a simple majority of the district court judges.<sup>102</sup>

A final criticism concerned the mechanisms for challenging and reviewing local rules. Appellate review—the usual mechanism for policing district court decisions—often was not available for local rules, either because there was no final judgment in the case or because the litigant chose to comply with the local rule rather than risk losing on appeal.<sup>103</sup> And even in cases where local rules were subjected to review, the appellate court generally afforded substantial deference to the district court, meaning that the few local rules that were challenged tended to be upheld.<sup>104</sup> The result was a massive set of local rules that were nearly impossible to police.

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98. See, e.g., Chemerinsky & Friedman, *supra* note 39, at 759; Robert E. Keeton, *The Function of Local Rules and the Tension with Uniformity*, 50 U. PITT. L. REV. 853, 860 (1989).

99. Keeton, *supra* note 98, at 860.

100. 28 U.S.C. §§ 2072–74 (2012); see also Peter G. McCabe, *Renewal of the Federal Rulemaking Process*, 44 AM. U. L. REV. 1655, 1656–57 (1995).

101. JUDICIAL CONFERENCE OF THE U.S., LONG RANGE PLAN FOR THE FEDERAL COURTS COMMENTARY 58 (1995). *But see* Richard D. Freer, *The Continuing Gloom About Federal Judicial Rulemaking*, 107 NW. U. L. REV. 447, 448 (2013) (arguing that the process by which the FRCP are promulgated has been “a source of gloom for more than a generation”).

102. See Daniel R. Coquillette et al., *The Role of Local Rules*, 75 A.B.A. J. 62, 62 (1989) (noting that earlier versions of Rule 83 lacked an opportunity for notice and comment).

103. See Levin, *supra* note 92, at 1576 (“What litigant, what litigator, would willingly suffer an adverse final judgment by flouting a rule promulgated by the majority of the judges of the court in which the case is being tried, no matter how clear the inconsistency may appear?”).

104. See, e.g., *Fils v. City of Aventura*, 647 F.3d 1272, 1282–83 (11th Cir. 2011) (stating that it gives “great deference to a district court’s interpretation of its local rules”); *Crowley v. L.L. Bean, Inc.*, 361 F.3d 22, 25 (1st Cir. 2004) (“[W]e accord ‘a special degree of deference—



*B. Efforts to Reform Local Rules*

Since the 1980s, various efforts have been made to stem the proliferation of local rules. For starters, the Judicial Conference of the United States, the policymaking arm of the federal judiciary, launched the Local Rules Project (Project) in 1984.<sup>105</sup> The Project was an exhaustive, multi-year study of local rules adopted by district courts across the country.<sup>106</sup> The Project culminated in a report that identified more than 5,000 local rules or standing orders and more than 800 potential inconsistencies with the FRCP.<sup>107</sup>

These findings prompted several responses. First, the Judicial Conference ordered that local rules be made consistent with the FRCP.<sup>108</sup> Some, but not all, district courts complied with the order by deleting or modifying any inconsistent local rules.<sup>109</sup> Second, Rule 83—the provision in the FRCP governing local rules—was amended in 1985 to require “appropriate public notice of proposed rules and an opportunity to comment on them.”<sup>110</sup> While this certainly improved the process, it was still a relatively small, insular group of district judges that ultimately made decisions on local rules.<sup>111</sup>

Third, Congress enacted the Judicial Improvements and Access to Justice Act (JIA) in 1988.<sup>112</sup> Among other things, the JIA required all federal courts (other than the Supreme Court) to appoint advisory committees to assist in developing local rules, and assigned circuit judicial councils the task of policing local rules via periodic review.<sup>113</sup> The purpose of the JIA was to reverse the trend of proliferating local rules and restore the primacy of the

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above and beyond the traditional standards of decisionmaking and appellate oversight— . . . to a court’s interpretation of its own local rules.”).

105. See Patrick J. Schlitz, *Much Ado About Little: Explaining the Sturm Und Drang Over the Citation of Unpublished Opinions*, 62 WASH. & LEE L. REV. 1429, 1436–37 (2005).

106. COMM. ON RULES OF PRACTICE & PROC. ON THE JUDICIAL CONFERENCE OF THE U.S., REPORT OF THE LOCAL RULES PROJECT: LOCAL RULES OF CIVIL PRACTICE (1989).

107. *Id.*

108. Tobias, *Civil Justice Reform*, *supra* note 71, at 1399 & n.40.

109. See *id.* (stating that there was not substantial nationwide compliance with the Judicial Conference’s order); Jodi S. Balsam, *The New Second Circuit Local Rules: Anatomy and Commentary*, 19 J.L. & POL’Y 469, 481 n.34 (2011) (stating that some district courts voluntarily modified rules).

110. FED. R. CIV. P. 83 (1985); see also *Hollingsworth v. Perry*, 130 S. Ct. 705, 708–12 (2010) (per curiam) (emphasizing the role of notice and comment in the promulgation of local rules).

111. See *Jordan*, *supra* note 29, at 433.

112. Judicial Improvements and Access to Justice Act, Pub. L. No. 100-702, 102 Stat. 4642 (1988) (codified as amended in scattered sections of 28 U.S.C.).

113. *Id.*; see also Gregory C. Sisk, *The Balkanization of Appellate Justice: The Proliferation of Local Rules in the Federal Circuits*, 68 U. COLO. L. REV. 1, 57 (1997).

FRCP.<sup>114</sup> Yet, the JIA never had the chance to accomplish these goals because, just two years later, Congress passed the Civil Justice Reform Act, which worked at cross-purposes with the JIA by encouraging experimentation at the district court level.<sup>115</sup>

### C. Civil Justice Reform Act

In 1990, Congress enacted the Civil Justice Reform Act (CJRA) in response to the perceived litigation crisis in federal courts.<sup>116</sup> The CJRA aspired to reduce costs and eliminate delay in civil litigation by encouraging experimentation in case management and ADR in district courts.<sup>117</sup> The idea, apparently, was to achieve “bottom up” reform whereby district courts would devise individual plans for improving the state of litigation.<sup>118</sup>

To be able to test these new procedures empirically, the CJRA established both a demonstration program and a pilot program.<sup>119</sup> The demonstration program required five district courts, including the Northern District of California, to experiment with various case management procedures such as case tracking and ADR.<sup>120</sup> In a similar vein, the pilot program designated ten “pilot” districts and ten “comparison” districts, each of which was required to develop a plan for streamlining litigation.<sup>121</sup> The

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114. Walter W. Heiser, *A Critical Review of the Local Rules of the United States District Court for the Southern District of California*, 33 SAN DIEGO L. REV. 555, 560 (1996).

115. Sisk, *supra* note 113, at 57 (arguing that “Congress’s recent forays into this area [of local rules] have been schizophrenic”).

116. 28 U.S.C. §§ 471–82; Cavanagh, *supra* note 62, at 722. The CJRA is sometimes referred to as the “Biden Bill” because then-Senator and now Vice President Biden was the primary sponsor of the legislation. *Id.* at 723.

117. Joseph R. Biden, Jr., *Introduction*, 67 ST. JOHN’S L. REV. at i (1993) (stating that the CJRA “was intended to reverse a recent trend in which one’s bank balance, rather than the merits of the case, controlled a decision to file suit”).

118. See Chemerinsky & Friedman, *supra* note 39, at 765–66.

119. See Judicial Improvements Act of 1990, tit. I, Pub. L. No. 101-650, § 104(c), 104 Stat. 5097.

120. *Id.* The other four district courts in the demonstration program were the Western District of Michigan, Northern District of Ohio, Northern District of West Virginia, and Western District of Missouri. *Id.*

121. JAMES S. KAKALIK ET AL., INST. FOR CIVIL JUSTICE, JUST, SPEEDY, AND INEXPENSIVE? AN EVALUATION OF JUDICIAL CASE MANAGEMENT UNDER THE CIVIL JUSTICE REFORM ACT 3 (Rand 1996), available at [http://www.rand.org/content/dam/rand/pubs/monograph\\_reports/2007/MR800.pdf](http://www.rand.org/content/dam/rand/pubs/monograph_reports/2007/MR800.pdf). The ten pilot districts were the Southern District of California, District of Delaware, Northern District of Georgia, Southern District of New York, Western District of Oklahoma, Eastern District of Pennsylvania, Western District of Tennessee, Southern District of Texas, District of Utah, and Eastern District of Wisconsin. *Id.* at 3. The comparison districts were the District of Arizona, Central District of California, Northern District of Florida, Northern District of Illinois,

difference was that the pilot districts had to incorporate certain case management principles in their plans, while the comparison districts simply had to develop some type of plan.<sup>122</sup> These different programs were scheduled to run between four and five years.<sup>123</sup>

It is difficult to say whether the CJRA achieved its objectives of reducing cost and delay in litigation.<sup>124</sup> What's clear is that the Act led to further proliferation of local rules and further fragmentation of federal procedure.<sup>125</sup> For instance, several districts approved local rules to encourage settlement, but their approaches varied dramatically. In some districts, cases were assigned to a panel of neutral attorneys for evaluation, while other cases were presented to juries for non-binding decisions.<sup>126</sup> District courts also promulgated a host of local rules relating to discovery and mandatory disclosures, some of which directly conflicted with the FRCP.<sup>127</sup> Finally, as a result of the CJRA, certain districts adopted specialized procedures—including rocket dockets and firm trial dates—that have come to play an important role in patent litigation.<sup>128</sup> As a matter of fact, it was participation

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Northern District of Indiana, Eastern District of Kentucky, Western District of Kentucky, District of Maryland, Eastern District of New York, and Middle District of Pennsylvania. *Id.*

122. *Id.* The case management principles included: (1) differential case management; (2) early judicial management; (3) monitoring and control of complex cases; (4) encouragement of cost-effective discovery through voluntary exchanges and cooperative discovery devices; (5) good-faith efforts to resolve discovery disputes before filing motions; and (6) referral of appropriate cases to ADR programs. *Id.*

123. See Judicial Improvements Act of 1990 § 104(c).

124. See KAKALIK ET AL., *supra* note 121, at 1 (finding that “[t]he CJRA pilot program . . . had little effect on time to disposition, litigation costs, and attorneys’ satisfaction and views of the fairness of case management”); Steven S. Gensler & Lee H. Rosenthal, *The Reappearing Judge*, 61 U. KAN. L. REV. 849, 870–71 & n.74 (2013) (stating that there’s no empirical evidence demonstrating whether active case management reduces the costs of litigation).

125. See Balsam, *supra* note 109, at 481 & n.34; Chemerinsky & Friedman, *supra* note 39, at 764–65 (discussing the fragmentation of process that resulted from the CJRA).

126. Chemerinsky & Friedman, *supra* note 39, at 762–63.

127. See, e.g., Carrington, *Renovating Discovery*, *supra* note 8, at 57–58 (stating that almost every district limited the number of interrogatories parties could propound in contradiction with the FRCP). Indeed, in some instances, districts were clearly aware of these conflicts with the FRCP. See Lauren Robel, *Fractured Procedure: The Civil Justice Reform Act of 1990*, 46 STAN. L. REV. 1447, 1453–54 (1994) (quoting the Eastern District of Texas’ CJRA plan which provided: “to the extent that the Federal Rules of Civil Procedure are inconsistent with this Plan, the Plan has precedence and is controlling”).

128. See, e.g., Carrie E. Johnson, *Rocket Dockets: Reducing Delay in Federal Civil Litigation*, 85 CALIF. L. REV. 225, 235 (1997) (discussing the local rules and standing orders that facilitate the Eastern District of Virginia’s rocket docket); William J. Marsden, Jr. & Robert M. Oakes, *To Promote the Progress of Science and Useful Arts*, 29 DEL. LAW. 18, 22 (2011) (explaining that, as a pilot district under the CJRA, the District of Delaware adopted local rules mandating early and firm trial dates that ultimately made it “enormously popular with patent owners”).

in the CJRA's demonstration program that inspired the Northern District of California to propose and ultimately adopt the first set of local patent rules.<sup>129</sup>

### III. PATENT LITIGATION AND PROCEDURE

Patent litigation is nothing new, but it has attracted a lot of attention in recent years.<sup>130</sup> This can be explained, at least in part, by high-profile lawsuits between giants like Apple and Samsung.<sup>131</sup> Yet the principal reason patent litigation is suddenly newsworthy is because there's a supposed crisis that demands reform.<sup>132</sup> Much as Congress responded to the litigation explosion in the 1980s with measures like the JIA and CJRA, Congress has been considering legislation to curb "patent litigation abuse."<sup>133</sup> Also similar to the situation thirty years ago, district courts are adopting local rules to manage the crisis.<sup>134</sup> This time, though, the local rules are substance specific, which raises different and possibly more serious concerns about their impact not only on federal procedure, but on patent policy too.

#### A. Patent Policy and the Federal Circuit

The United States patent system has a storied history, with the strength of patent rights ebbing and flowing over time.<sup>135</sup> The latter half of the

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129. See Ware & Davy, *supra* note 6, at 973–74.

130. When President Reagan signed legislation permitting patent cases to be resolved through private party arbitration, 35 U.S.C. § 294, he cited the "inordinately high cost of patent litigation." Presidential Statement on Signing the Patent and Trademark Office Appropriations Bill, 18 WEEKLY COMP. PRES. DOC. No. 1089 (Aug. 28, 1982).

131. See Jessica E. Vascellaro, *Apple and Samsung Trade Jabs in Court*, WALL ST. J., July 31, 2012, <http://www.wsj.com/articles/SB10000872396390444226904577561141756660360> (describing in detail the opening statements of one such trial and noting the crowd that gathered in the courthouse).

132. See, e.g., DAN L. BURK & MARK A. LEMLEY, *THE PATENT CRISIS AND HOW THE COURTS CAN SOLVE IT* 1 (2009); James Bessen & Michael J. Meurer, *The Patent Litigation Explosion*, 45 LOY. U. CHI. L.J. 401, 401 (2013). While garnering significant attention, scholars argue that our patent system has faced similar challenges in the past. See, e.g., Colleen V. Chien, *Reforming Software Patents*, 50 HOUS. L. REV. 325, 344–46 (2012) (chronicling the agrarian and railroad patent crises).

133. See, e.g., Innovation Act, H.R. 3309, 113th Cong. (2013); Patent Transparency and Improvements Act, S. 1720, 113th Cong. (2013); Patent Abuse Reduction Act, S. 1013, 113th Cong. (2013); Patent Litigation Integrity Act, S. 1612, 113th Cong. (2013).

134. See *infra* Part III.D (discussing the local patent rules trend).

135. See ROBERT P. MERGES ET AL., *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE* 127 (6th ed. 2012) ("The history of the U.S. patent system in the twentieth century reflects swings between greater and lesser protection.").

nineteenth century witnessed a spate of innovative activity with patents granted for key inventions like the light bulb, telephone system, and airplane.<sup>136</sup> Beginning in the 1920s, however, this trend of robust patent protection began to reverse as large companies unfairly exploited their patent portfolios.<sup>137</sup> Two decades later, World War II heralded a new era of protectionism as technologies were developed and patented as a corollary of the war effort.<sup>138</sup>

But, once again, the pendulum swung back and a “low-water mark” for patent protection was reached in the 1960s and 1970s.<sup>139</sup> With the passage of the 1952 Patent Act,<sup>140</sup> inventors were filing more patent applications and the United States Patent and Trademark Office (PTO) was issuing more patents. Yet federal courts were more willing than ever to invalidate those patents; indeed, an estimated sixty percent of litigated patents were adjudged invalid or unenforceable during the 1970s.<sup>141</sup> Further complicating patent litigation during this time were the numerous circuit splits on substantive matters of patent law.<sup>142</sup> Fractured patent doctrine not only created confusion and a sense of unfairness, it allegedly led to rampant forum shopping as well.<sup>143</sup> Anecdotes suggest that patent owners would

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136. *Id.*

137. *Id.*; see also Steven P. Reynolds, *Antitrust and Patent Licensing: Cycles of Enforcement and Current Policy*, 37 JURIMETRICS J. 129, 133–34 (1997) (“The 1920s saw the development of large, often international, patent pooling arrangements. Companies entered cross-licensing arrangements with their competitors, limiting entry to those that participated in the arrangement.”).

138. MERGES ET AL., *supra* note 135, at 127 (“By the time the war was over, there was a consensus in Congress in favor of a strong patent system.”).

139. *Id.*

140. U.S. Patent Act of 1952, Pub. L. No. 82-592, 66 Stat. 781 (codified as amended in 35 U.S.C.).

141. John R. Allison & Mark A. Lemley, *Empirical Evidence on the Validity of Litigated Patents*, 26 AIPLA Q.J. 185, 206 (1998) (reporting that in the 1970s, only about thirty-five percent of litigated patents were held valid, while in the 1990s, the figure increased to about fifty-six percent); see also Steven Z. Szczepanski, *Licensing or Settlement: Deferring the Fight to Another Day*, 15 AIPLA Q.J. 298, 301 (1987) (“The statistics on adjudication of invalidity by Federal Courts of Appeals for the time period from 1953 to 1977 reveals that about sixty percent of the adjudicated patents were held invalid.”).

142. See David O. Taylor, *Formalism and Antiformalism in Patent Law Adjudication: Rules and Standards*, 46 CONN. L. REV. 415, 468 (2013).

143. See COMM’N ON REVISION OF THE FED. COURT APPELLATE SYS., COMM’N ON REVISION OF THE FED. COURT APPELLATE SYS. STRUCTURE & INTERNAL PROCEDURES: RECOMMENDATIONS FOR CHANGE (1975), reprinted in 67 F.R.D. 195, 220 (“[D]isparity in results in different circuits leads to widespread forum shopping . . . [which] demeans the entire judicial process and the patent system as well.”). Some commentators have questioned whether forum shopping was really that widespread. See, e.g., Craig Allen Nard, *Legal Forms and the Common Law of Patents*, 90 B.U. L. REV. 51, 75 n.116 (2010) (collecting works challenging the rampant forum shopping claim).

“scramble to get into the 5th, 6th and 7th circuits since the courts there [were] not inhospitable to patents whereas infringers scramble[d] to get anywhere but in these circuits.”<sup>144</sup> This combination of factors persuaded Congress that the time had come to overhaul our patent system.

Congress passed legislation in 1982 to create the United States Court of Appeals for the Federal Circuit, an Article III court that would have jurisdiction over virtually all patent appeals.<sup>145</sup> The Federal Circuit was created to bring national uniformity to patent law and to reduce forum shopping in patent litigation.<sup>146</sup> Congress hoped that a “single court of appeals for patent cases [would] promote certainty”<sup>147</sup>—an expectation most commentators believe the Federal Circuit has fulfilled.<sup>148</sup> Indeed, some suggest the Federal Circuit has surpassed Congress’s vision for it, becoming patent law’s most powerful institution.<sup>149</sup>

### B. *The Federal Circuit and Procedure*

From the start of the Federal Circuit experiment, it was clear that Congress intended for Federal Circuit law to govern substantive issues of

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144. COMM’N ON REVISION, *supra* note 143, at 370.

145. Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, § 101, 96 Stat. 25. Initially, the Federal Circuit did not have jurisdiction over counterclaims arising under the patent laws based on the well-pleaded complaint rule, see *Holmes Group, Inc. v. Vornado Air Circulations Sys., Inc.*, 535 U.S. 826, 831–32 (2002), but Congress closed that gap when it passed the America Invents Act. See Melissa F. Wasserman, *The Changing Guard of Patent Law: Chevron Deference for the PTO*, 54 WM. & MARY L. REV. 1959, 2001 n.183 (2013).

146. H.R. REP. NO. 97-312, at 20 (1981) (“Patent litigation long has been identified as a problem area, characterized by undue forum-shopping and unsettling inconsistency in adjudications.”); S. REP. NO. 97-275, at 5 (1981) (“The creation of the Court of Appeals for the Federal Circuit will produce desirable uniformity in this area of the law. Such uniformity will reduce the forum-shopping that is common to patent litigation.”).

147. H.R. REP. NO. 97-312, at 20–22.

148. See, e.g., Sapna Kumar, *Expert Court, Expert Agency*, 44 U.C. DAVIS L. REV. 1547, 1552 (2011) (“[T]he Federal Circuit is valued for having brought uniformity to a fractured area of law.”); Nard, *supra* note 143, at 75 (“In the first decade of its existence, the court earned praise for achieving a desirable degree of uniformity, replacing otherwise disjointed and conflicting regional circuit precedents.”)

149. See WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 7 (2003) (stating that the creation of the Federal Circuit is “perhaps the single most significant institutional innovation in the field of intellectual property in the last quarter-century”); Michael J. Burstein, *Rules for Patents*, 52 WM. & MARY L. REV. 1747, 1757 (2011) (“[T]he Federal Circuit has become the most important expositor of the substantive law of patents in the United States.”); Paul R. Gugliuzza, *The Federal Circuit as a Federal Court*, 54 WM. & MARY L. REV. 1791, 1795 (2013) (arguing that the Federal Circuit has consolidated its power to shape patent law).

patent law like infringement and obviousness.<sup>150</sup> What Congress apparently failed to consider was whether procedural questions in patent cases should be controlled by Federal Circuit or regional circuit law.<sup>151</sup> Just two years after its creation, however, the Federal Circuit had to resolve this choice-of-law question in *Panduit Corp. v. All States Plastic Manufacturing Co.*<sup>152</sup> *Panduit* and its progeny hold that regional circuit law generally applies unless the procedural question is “unique to patent issues”<sup>153</sup> or “intimately involved with the substance of patent laws,”<sup>154</sup> in which case Federal Circuit law governs.<sup>155</sup>

Scholars have criticized the Federal Circuit’s choice-of-law doctrine and proposed various solutions. Then-professor Kimberly Moore (now a Federal Circuit judge) and Ted Field have both suggested a bright-line rule whereby all procedural issues in patent cases would be governed by Federal Circuit law.<sup>156</sup> Joan Schaffner, by contrast, would maintain the bifurcated choice-of-law framework, but proposes new criteria that would result in regional circuit law applying more often.<sup>157</sup> Without wading into the debate over which solution is better, suffice it to say that the Federal Circuit’s current choice-of-law approach can be confusing, unpredictable, and difficult to apply.<sup>158</sup> The results of this test are often bizarre: Federal Circuit law governs procedural issues with no apparent relationship to patent law (e.g., personal jurisdiction),<sup>159</sup> while regional circuit law controls issues that are closely tied to patent law (e.g., use of technical advisors).<sup>160</sup>

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150. See *supra* Part III.A.

151. See *Litton Sys., Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1423 (Fed. Cir. 1984), *overruled on other grounds by* *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 763 (1992).

152. 744 F.2d 1564, 1564 (Fed. Cir. 1984).

153. *Id.* at 1574–75.

154. *Akro Corp. v. Luker*, 45 F.3d 1541, 1543 (Fed. Cir. 1995).

155. Over the years, the Federal Circuit has articulated its choice-of-law test inconsistently. See Ted L. Field, *Improving the Federal Circuit’s Approach to Choice of Law for Procedural Matters in Patent Cases*, 16 GEO. MASON L. REV. 643, 650–53 (2009). In fact, the Federal Circuit itself has admitted that “this test has been variously and inconstantly phrased.” *Biodex Corp. v. Loredan Biomedical, Inc.*, 946 F.2d 850, 856 (Fed. Cir. 1991).

156. Field, *supra* note 155, at 692–98; Kimberly A. Moore, *Juries, Patent Cases & Lack of Transparency*, 39 HOUS. L. REV. 779, 800 (2002).

157. Joan E. Schaffner, *Federal Circuit “Choice of Law”: Erie Through the Looking Glass*, 81 IOWA L. REV. 1173, 1173 (1996).

158. See Gugliuzza, *supra* note 149, at 1845–46.

159. *Graphic Controls Corp. v. Utah Med. Prods., Inc.*, 149 F.3d 1382, 1385 (Fed. Cir. 1998).

160. *TechSearch, L.L.C. v. Intel Corp.*, 286 F.3d 1360, 1376–81 (Fed. Cir. 2002). Even stranger, if the Federal Circuit decides the procedural issue is governed by regional circuit law but there’s no authority on point, the Federal Circuit will “predict” how the regional circuit would rule. See, e.g., *WI-LAN, Inc. v. Kilpatrick Townsend & Stockton LLP*, 684 F.3d 1364, 1368 (Fed. Cir. 2012). The result is a line of Federal Circuit cases that is often the sole authority

This Article puts largely to the side the merits of this choice-of-law regime, highlighting instead the impact it has on patent procedure. On the one hand, applying Federal Circuit law to certain procedural issues may undermine trans-substantivity by creating special rules for patent cases.<sup>161</sup> At the same time, when Federal Circuit law governs procedure in patent cases, it promotes trans-territoriality because the law on, say, personal jurisdiction will be the same in the Eastern District of Texas, the Southern District of New York, or any other district. Although far from perfect, the Federal Circuit's choice-of-law doctrine does increase uniformity of patent procedure to some degree.<sup>162</sup> In contradistinction, local patent rules—first introduced in the Northern District of California more than a decade ago—frustrate patent law's uniformity principle from both a trans-substantive and trans-territorial perspective because they are substance-specific rules that vary from one district to the next.

### C. *The Genesis of Local Patent Rules*

On December 1, 2000, the Northern District of California became the first district court in the country to adopt local patent rules.<sup>163</sup> The local patent rules were an outgrowth of the Northern District's participation in the CJRA demonstration program, which required the court to experiment with various case management procedures.<sup>164</sup> As home to Silicon Valley, the Northern District experienced an uptick in civil filings in the 1980s and 1990s, particularly in securities and patent cases.<sup>165</sup> The chief judge therefore appointed an advisory committee in 1994 to develop and propose local rules that would reduce cost and delay in the district, including

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on a topic, though not technically binding on lower courts. See Gugliuzza, *supra* note 149, at 1846.

161. See Judith Resnik, *Procedure as Contract*, 80 NOTRE DAME L. REV. 593, 607 (2005) (“The trans-substantive framework of the Rules has been undermined from within, as special rules have been promulgated for prisoners as well as for complex cases.”).

162. Gugliuzza, *supra* note 149, at 1848 (“[V]iewed as a whole, the court's choice-of-law doctrine still fits a pattern of expanding Federal Circuit power justified by the policy aim of ensuring uniformity in patent law.”).

163. Ware & Davy, *supra* note 6, at 966.

164. See *supra* Part II.C (discussing the various CJRA programs).

165. See, e.g., Brian Cheffins et al., *Delaware Corporate Litigation and the Fragmentation of the Plaintiffs' Bar*, 2012 COLUM. BUS. L. REV. 427, 448 (“[T]he 1980s wave of securities litigation centered around Silicon Valley, with many suits filed in the Northern District of California.”); Xuan-Thao Nguyen, *Dynamic Federalism and Patent Law Reform*, 85 IND. L.J. 449, 472 (2010) (stating that patent cases were concentrated in a few districts, including the Northern District of California).



substance-specific rules for securities and patent cases.<sup>166</sup> Ultimately, the Northern District never adopted local securities rules, most probably because Congress enacted the Private Securities Litigation Reform Act (PSLRA), which mandated heightened pleading standards and other procedural measures that promised to reduce the burden imposed by securities litigation.<sup>167</sup>

The Northern District did, however, adopt local patent rules, albeit more than six years after the advisory committee was formed.<sup>168</sup> While the committee favored the concept of local patent rules from the start, it took several years to iron out the details. One reason for the delay was *Markman v. Westview Instruments, Inc.*,<sup>169</sup> which was decided by the Federal Circuit in 1995 and affirmed by the Supreme Court a year later. *Markman* held that the construction of a patent, including disputed claim terms, is a pure question of law within the province of the court.<sup>170</sup> The decision said nothing, though, about the procedure trial judges should use for claim construction. Accordingly, in developing local patent rules, the Northern District advisory committee undertook the effort to establish claim construction (or *Markman*) procedures for judges to follow.<sup>171</sup>

In addition to claim construction procedures, the advisory committee proposed local rules for infringement and validity contentions, mandatory disclosures, discovery, and other matters.<sup>172</sup> Pursuant to FRCP 83, the public was afforded notice and the opportunity to comment on the proposed rules.<sup>173</sup> In December 2000, a majority of the district judges in the Northern District of California adopted the nation's first set of local patent rules.<sup>174</sup> Since then, federal courts across the country have followed the Northern District's lead promulgating rules designed especially for patent cases.

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166. Ware & Davy, *supra* note 6, at 976–77.

167. Private Securities Litigation Reform Act of 1995, Pub. L. No. 104-67, 109 Stat. 737 (codified in scattered sections of 15 U.S.C.).

168. Ware & Davy, *supra* note 6, at 976.

169. 517 U.S. 370, 370 (1996).

170. *Id.* at 372.

171. Appendix, *United States District Court for the Northern District of California: Local Rules of Practice in Patent Cases (Draft)*, 5 J.L. & POL'Y 769, 769 (1997).

172. Ware & Davy, *supra* note 6, at 975.

173. FED. R. CIV. P. 83. *But see infra* Part IV.C (noting that public comments on local patent rules are not readily available to the public).

174. N. DIST. OF CAL., PATENT LOCAL RULES (Dec. 2000) (on file with author); *see also* Grace Pak, *Balkanization of the Local Patent Rules and a Proposal to Balance Uniformity and Local Experimentation*, 2 INTELL. PROP. BR. 44, 44 (2011).

D. *The Proliferation of Local Patent Rules*

Between 2000 and today, thirty district courts in twenty different states have exercised the discretion granted by FRCP 83 and adopted comprehensive local patent rules.<sup>175</sup> Some of these courts like the Eastern District of Texas and Northern District of Illinois have heavy patent dockets, so it's not surprising that they've opted for specialized patent rules.<sup>176</sup> For others, such as the Eastern District of Missouri and the Western District of Tennessee, the explanation is less obvious. Perhaps some district courts adopt local patent rules to entice patent plaintiffs to sue there since patent litigation can prove beneficial to a local economy.<sup>177</sup> Whatever the reason, the bottom line is that close to a third of federal district courts today have a set of procedural rules that apply exclusively to patent cases.

Besides these comprehensive rules, approximately twenty districts have adopted more limited local patent rules—meaning a few isolated rules particularized for patent cases. These rules vary considerably in substance and scope. Some of these rules focus on early resolution of patent cases by providing for early neutral evaluation of the case or by permitting magistrates to act as special masters.<sup>178</sup> Others focus on discovery, but take different tacks. The District of Kansas, for instance, grants patent litigants

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175. Jensen, *supra* note 5. The districts with local patent rules include: California (Northern and Southern); Georgia (Northern); Idaho; Illinois (Northern); Indiana (Northern and Southern); Maryland; Massachusetts; Minnesota; Missouri (Eastern); Nevada; New Hampshire; New Jersey; New York (Eastern, Northern, Southern, and Western); North Carolina (Eastern, Middle, and Western); Ohio (Northern and Southern); Pennsylvania (Western); Tennessee (Western); Texas (Eastern and Southern); Utah; Washington (Eastern and Western). *Id.* In the Southern District of Indiana, comprehensive local patent rules were effected pursuant to a case management plan. See United States District Court, Southern District of Indiana, *Case Management Plans*, USCOURTS (last visited Mar. 14, 2015), <http://www.insd.uscourts.gov/case-management-plans>.

176. See, e.g., JAMES C. PISTORINO, 2012 TRENDS IN PATENT CASE FILINGS AND VENUE: EASTERN DISTRICT OF TEXAS MOST POPULAR FOR PLAINTIFFS (AGAIN) BUT 11 PERCENT FEWER DEFENDANTS NAMED NATIONWIDE 3 (2013), available at [http://www.perkinscoie.com/files/upload/LIT\\_13\\_02Pistorino\\_2012Article.pdf](http://www.perkinscoie.com/files/upload/LIT_13_02Pistorino_2012Article.pdf) (naming the Eastern District of Texas and the Northern District of Illinois as top patent districts in 2012).

177. See, e.g., Jonas Anderson, *Court Competition for Patent Cases*, 163 U. PA. L. REV. 631, 636–37 (2015); Julie Creswell, *So Small a Town, So Many Patent Suits*, N.Y. TIMES, Sept. 24, 2006, <http://www.nytimes.com/2006/09/24/business/24ward.html?pagewanted=all> (discussing the positive economic effects experienced by Marshall, Texas as a result of visiting lawyers trying cases there); Henry M. Sneath & Robert O. Lindefjeld, *Fast Track Patent Litigation: Toward More Procedural Certainty and Cost Control*, 73 DEF. COUNS. J. 201, 201 (2006) (stating that the Western District of Pennsylvania adopted local patent rules to “draw, over time, a larger share of the regional and national patent litigation claims”).

178. See, e.g., D. VT. L.R.; N.D. ALA. L.R. 72.2 (magistrate judge may be designated as special master in patent cases).

four extra months to complete discovery,<sup>179</sup> while the District of Oregon has limited electronic discovery in patent cases.<sup>180</sup> Districts have also fashioned special rules for patent trials, including relatively quick trial dates<sup>181</sup> and mandatory disclosures in pretrial statements.<sup>182</sup> Local patent rules, therefore, are even more ubiquitous than they appear at first blush.

Yet when it comes to the balkanization of patent procedure, local rules are just the tip of the iceberg. Over the past decade or so, a plethora of so-called “local-local” patent rules have cropped up in district courts across the country. Local-local rules refer to an individual judge’s special procedures and instructions, often issued in the form of standing or scheduling orders.<sup>183</sup> Though difficult to quantify, anecdotal evidence indicates that local-local patent rules are in widespread use today.<sup>184</sup>

Without attempting to catalogue all local-local patent rules, this Article offers several examples as illustrative. The District of Delaware, a court with one of the busiest patent dockets but no “official” local patent rules, is a good starting point.<sup>185</sup> There are four district judges in Delaware and each has implemented some sort of special rules for patent cases in his or her court. Recently, Chief Judge Stark adopted a comprehensive set of procedures that he will follow in patent cases.<sup>186</sup> Judge Sleet uses special scheduling orders and preliminary jury instructions for patent cases.<sup>187</sup> Judge Robinson has numerous patent-specific procedures, including scheduling orders, voir dire questions, claim construction guidelines, trial

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179. D. KAN. L.R. 26.1.

180. D. OR. L.R. 26-6 (providing that the Model Order Regarding E-Discovery in Patent Cases governs in all patent infringement actions).

181. S.D. ILL. L.R. 16.1.

182. E.D. CAL. L.R. 281(b)(6)(ii).

183. See, e.g., Nguyen, *supra* note 165, at 477; Brian Daley et al., *Pretrial Proceedings in Patent Infringement Actions: A Comparison Among Canada, the United Kingdom, and the United States of America*, 35 AIPLA Q.J. 113, 150 (2007).

184. *Baron Servs., Inc. v. Media Weather Innovations L.L.C.*, 717 F.3d 907, 918 (Fed. Cir. 2013) (noting that some “individual judges have elected to impose local patent rules”).

185. See, e.g., Everett Upshaw, *The Changing Landscape of Patent Litigation*, TRIAL, Feb. 2014 at 44, 49 n.27; Dominick T. Gattuso, *The U.S. District Court: Managing a Busy Docket*, DEL. LAW., Summer 2013, at 8–9.

186. U.S. Dist. Court, Dist. of Del., *Chief Judge Leonard P. Stark, Forms*, USCOURTS, <http://www.ded.uscourts.gov/judge/chief-judge-leonard-p-stark> (last visited Mar. 14, 2015).

187. U.S. Dist. Court, Dist. of Del., *Judge Gregory M. Sleet, Forms*, USCOURTS, <http://www.ded.uscourts.gov/judge/gregory-m-sleet> (last visited Mar. 14, 2015).

guidelines, and preliminary jury instructions.<sup>188</sup> Finally, Judge Andrews has adopted a scheduling order and voir dire questions for patent cases.<sup>189</sup>

Though there are some similarities among the Delaware judges' local-local rules—e.g., they all use patent-specific scheduling orders—each judge's scheduling order is different. For instance, Judge Sleet requires parties to seek permission to file summary judgment motions;<sup>190</sup> Judge Robinson limits the type of definitions parties may propose in claim construction;<sup>191</sup> and Judge Stark mandates that parties provide the court with a tutorial on the relevant technology.<sup>192</sup> Judges Stark and Andrews permit motions in limine,<sup>193</sup> but Judges Sleet and Robinson do not.<sup>194</sup> Judges Stark and Robinson require early disclosure of the plaintiff's "damages model" and defendant's sales figures, but Judges Andrews and Sleet do not.<sup>195</sup> These are just a few illustrations of the differences among the four judges' local-local patent rules. The point is that, in the District of Delaware where close to twenty percent of patent cases are filed,<sup>196</sup> the procedures governing patent litigation are highly judge-dependent.

The District of Delaware may be the paradigmatic example of the local-local rules phenomenon, but it certainly is not alone. In the Northern District of Texas, judges in the Dallas Division follow specialized patent rules, even though the rest of the district does not.<sup>197</sup> The Central District of California, which has considered (but so far rejected) comprehensive patent rules,<sup>198</sup> currently has at least three judges with local-local patent rules.<sup>199</sup>

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188. U.S. Dist. Court, Dist. of Del., *Judge Sue L. Robinson, Forms*, USCOURTS, <http://www.ded.uscourts.gov/judge/judge-sue-l-robinson> (last visited Mar. 14, 2015).

189. U.S. Dist. Court, Dist. of Del., *Judge Richard G. Andrews, Forms*, USCOURTS, <http://www.ded.uscourts.gov/judge/judge-richard-g-andrews> (last visited Mar. 14, 2015).

190. U.S. Dist. Court, Dist. of Del., *supra* note 187, at Sleet's Scheduling Order for Patent Cases ¶ 8 (last revised Feb. 25, 2014).

191. *Judge Sue L. Robinson, supra* note 188, at Judge Robinson's Scheduling Order for Patent Cases ¶ 5 n.6 (last revised Feb. 5, 2015).

192. *Chief Judge Leonard P. Stark, supra* note 186, at Judge Stark's Scheduling Order for Patent Cases ¶ 11 (last revised June 2014).

193. *Id.* ¶ 20; *Judge Richard G. Andrews, supra* note 189, at Judge Andrews' Scheduling Order for Patent Cases ¶ 14 (last revised Apr. 2012).

194. *Judge Sue L. Robinson, supra* note 188, at ¶ 10; *Judge Gregory M. Sleet, supra* note 187, at ¶ 12.

195. *Chief Judge Leonard P. Stark, supra* note 186, at ¶ 7; *Judge Sue L. Robinson, supra* note 188, at ¶ 1.

196. *See, e.g.,* PISTORINO, *supra* note 176, at 3 (indicating that, in 2012, 17.82% of patent cases were filed in the District of Delaware).

197. U.S. Dist. Court, N. Dist. of Tex., Dall. Div., *Miscellaneous Order No. 62* (Apr. 2, 2007), available at [http://www.txnd.uscourts.gov/pdf/misc\\_orders/misc62\\_4-2-07.pdf](http://www.txnd.uscourts.gov/pdf/misc_orders/misc62_4-2-07.pdf).

198. *See, e.g.,* Erin Coe, *Calif. Judge Sets Sights on Patent Local Rules*, LAW 360 (Mar. 23, 2011), <http://www.law360.com/articles/226768/calif-judge-sets-sights-on-patent-local-rules>;

Judge Crabb in the Western District of Wisconsin has announced that she will only “construe [patent claim] terms as part of summary judgment motions practice” and “will not hold a stand-alone claims construction hearing.”<sup>200</sup> Perhaps most surprising, though, is that these local-local rules exist even in courts *with* comprehensive local patent rules. Indeed, in the Northern District of California, about a quarter of the district judges (six of twenty three) have particularized patent rules above and beyond what the district has endorsed.<sup>201</sup>

Not only is patent procedure established at the district, division, or judge level, it is sometimes decided on a case-by-case basis. It has become relatively common practice for parties to ask courts without local patent rules to apply the local patent rules of another district court, usually the Northern District of California.<sup>202</sup> Some courts engage in this practice rather frequently,<sup>203</sup> while others save it for the rare patent case filed in their

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Gollwitzer, *supra* note 10, at 95 (noting that there are no local patent rules in the Central District of California).

199. U.S. Dist. Court, Cent. Dist. of Cal., *FAQs About Judges' Procedures and Schedules*, <http://court.cacd.uscourts.gov/CACD/JudgeReq.nsf/FAQs+about+Judges%27+Procedures+and+Schedules?OpenView> (indicating that Judges Fairbank, Guilford, and Wright have adopted their own local patent rules) (last visited Mar. 14, 2015).

200. *Dashwire, Inc. v. Synchronoss Techs., Inc.*, No. 11-cv-257-bbc, at \*1 (W.D. Wis. July 29, 2011).

201. U.S. Dist. Court, N. Dist. of Cal., *Judges*, USCOURTS, <http://www.cand.uscourts.gov/judges> (last visited Mar. 14, 2015) (indicating that Judges White, Armstrong, Gonzalez, Hamilton, Donato, and Davila all have standing orders for patent cases). An early draft of the Northern District of California's local patent rules provided that “[i]n promulgating these rules, it is the intent of the court to establish a uniform set of pre-trial procedures that presumptively apply to proceedings before all the judges of the court and to *reduce the occasion for Standing Orders by individual judges.*” *U.S. District Court for the N.D. Cal.: Local Rules of Practice in Patent Cases (Draft)*, 5 J.L. & POL'Y 769, 769 (1997) (emphasis added). However, the version of the rules adopted in 2000 did not include anything about standing orders. *See* N. DIST. OF CAL., PATENT LOCAL RULES, *supra* note 174.

202. *See, e.g.,* *Kruse Tech. P'Ship v. Volkswagen AG*, 2013 WL 5526526, at \*3 (Fed. Cir. Oct. 8, 2013) (stating that the judge in the Central District of California applied the N.D. Cal. Local Patent Rules); *Health Grades, Inc. v. MDx Med., Inc.*, 2013 WL 149760, at \*1 (D. Col. Jan. 14, 2013) (“At the parties' request, I adopted the Patent Local Rules for the Northern District of California as applicable to this case.”); *Nano-Second Tech. Co., Ltd. v. Dynaflex Int'l*, 2012 WL 2077253, at \*1 (C.D. Cal. June 6, 2012) (stating that “the parties stipulated to follow the Patent Local Rules of the Northern District of California”); *Tokai Corp. v. Easton Enter. Inc.*, 2009 WL 2047845, at \*2 (C.D. Cal. July 8, 2009) (holding that the 2008 version of the Northern District of California's local patent rules apply in this case).

203. *See supra* note 202 (citing several cases from the Central District of California applying the Northern District's local patent rules); *see also* *Coe, supra* note 198 (noting that some judges in the Central District of California apply the Northern District's local patent rules).

district.<sup>204</sup> Either way, the result is the same: the impact of local patent rules is being felt by district courts and patent litigants throughout the country.

To be sure, the localization of patent procedure has had some positive effects on our patent system.<sup>205</sup> If nothing else, district courts have served as procedural laboratories for patent cases and can provide vital data for any sort of national reform effort.<sup>206</sup> But, as the next Part of this Article discusses, localization has also led to severe fragmentation of patent procedure, which presents a host of problems for our patent litigation system.

#### IV. THE PROBLEMS WITH LOCAL PATENT RULES

The Northern District of California first adopted local patent rules in 2000, and close to one-third of district courts have followed in its footsteps.<sup>207</sup> Local patent rules are necessary, these courts believe, because of “the complexities and uniqueness of issues associated with management of patent . . . [] litigation.”<sup>208</sup> Patent litigants and courts, including the Federal Circuit, have embraced such rules because they “ensure just, efficient, and economical handling of [patent] cases.”<sup>209</sup> Even assuming this is true,<sup>210</sup> however, local patent rules come at a cost both to our patent system and our system of federal civil procedure.

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204. *See, e.g.*, *Streck, Inc. v. Research & Diagnostic Sys., Inc.*, 665 F.3d 1269, 1275–76 (Fed. Cir. 2012) (stating that parties in the District of Nebraska agreed to be bound by the Patent Local Rules of the Northern District of California); *Pure Fishing, Inc. v. Normark Corp.*, 2012 WL 3062683, at \*2 (D.S.C. July 26, 2012) (stating that parties adopted the Northern District of California’s local patent rules by agreement).

205. *See* Nguyen, *supra* note 165, at 452 (arguing that district courts can function as laboratories for national patent reform).

206. *Id.*

207. *See supra* note 175 (listing the district courts with comprehensive local patent rules).

208. U.S. Dist. Court, N. Dist. of N.Y., *Local Rules of Procedure for Patent Cases*, ¶ 1.1, [http://www.nynd.uscourts.gov/sites/nynd/files/Local\\_Patent\\_Rules\\_0.pdf](http://www.nynd.uscourts.gov/sites/nynd/files/Local_Patent_Rules_0.pdf) (last visited Mar. 14, 2015).

209. *Id.*

210. Some recent studies suggest that local patent rules do not speed up patent litigation. *See, e.g.*, Mark A. Lemley, *Where to File Your Patent Case*, 38 *AIPLA Q.J.* 401, 413–15 (2010) (finding that the Western District of Wisconsin and Eastern District of Virginia, which do not have local patent rules, resolve cases much quicker than either the Northern District of California or the Eastern District of Texas, which do have local patent rules); Pelletier, *supra* note 10, at 458 (“[T]he data indicates that there is no statistically significant difference between the average number of years to reach claim construction between high volume jurisdictions with and without local patent rules. . . .”).

## A. The Silent Revolution of Patent Procedure

Over the last fifteen-odd years, a silent revolution has transformed patent procedure in federal court.<sup>211</sup> Where once patent cases were subject to the same procedures as other civil lawsuits, now they are governed by a patchwork of local (and local-local) rules that vary by district, division, judge, and even case.<sup>212</sup> What started as an attempt to regularize patent litigation, particularly in light of *Markman*, has turned into a complete overhaul of patent procedure. No longer are these local rules limited to patent-specific procedures like claim construction and infringement contentions.<sup>213</sup> Today, local patent rules are all-encompassing, regulating myriad aspects of patent litigation including pleading standards,<sup>214</sup> electronic discovery,<sup>215</sup> and summary judgment.<sup>216</sup>

On the whole, local patent rules have been warmly received by judges, litigants, and commentators alike. Advocates praise the rules for bringing greater consistency and predictability to patent litigation.<sup>217</sup> Another perceived benefit is that local patent rules can be tailored to the unique needs of a particular community and patent bar.<sup>218</sup> To some surprise, even the Federal Circuit has demonstrated support for local patent rules. Not only did former Chief Judge Rader explicitly endorse local patent rules,<sup>219</sup> the Federal Circuit has been extremely deferential to district courts on matters relating to such rules.<sup>220</sup>

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211. Cf. HERBERT JACOB, *SILENT REVOLUTION: THE TRANSFORMATION OF DIVORCE LAW IN THE UNITED STATES* (1988).

212. See *supra* Part III.D (discussing the proliferation of local patent rules in courts throughout the country).

213. See, e.g., N. DIST. OF CAL., PATENT LOCAL RULES, *supra* note 174.

214. See U.S. DIST. COURT FOR THE DIST. OF N.H., SUPPLEMENTAL PATENT RULES 2.1.

215. See, e.g., U.S. DIST. COURT FOR THE D. OR., L.R. 26-6; U.S. Dist. Court for the E.D. Tex., Local Rules, App. P, Order Regarding E-Discovery in Patent Cases (Feb. 28, 2012).

216. Judge Gregory M. Sleet, *supra* note 190, at ¶ 12.

217. See, e.g., IXYS Corp. v. Advanced Power Tech., Inc., 321 F. Supp. 2d 1133 (N.D. Cal. June 16, 2004); Xuan-Thao Nguyen, *Patent Prudential Standing*, 21 GEO. MASON L. REV. 17, 23 (2013); Jesse Greenspan, *Ill. District Court Pushes Local Patent Rules*, LAW 360 (Mar. 27, 2009), <http://www.law360.com/articles/94205/ill-district-court-pushes-local-patent-rules>; Coe, *supra* note 198, at 1.

218. Coe, *supra* note 198, at 1.

219. Chief Judge Randall R. Rader, *The State of Patent Litigation*, E.D. TEX. JUDICIAL CONFERENCE 7 (Sept. 27, 2011), <http://patentlyo.com/media/docs/2011/09/raderstateofpatentlit.pdf> (“[O]ur courts need to understand that these complex and demanding patent cases profit from an announced and dependable set of procedural rules that all parties understand in advance.”).

220. *Genentech, Inc. v. Amgen, Inc.*, 289 F.3d 761, 774 (Fed. Cir. 2002); see also *Safecluck, L.L.C. v. Visa Intern. Serv. Ass’n*, 2006 WL 3017347, at \*4 (Fed. Cir. Oct. 23, 2006) (stating that standard of review for local patent rules is “very deferential”); Jeanne C. Fromer, *Patentography*, 85 N.Y.U. L. REV. 1444, 1482–83 (2010) (arguing that the Federal Circuit’s

At the same time, proponents downplay the scope and reach of local patent rules. The Federal Circuit, for example, has characterized local patent rules as non-substantive and “essentially a series of case management orders.”<sup>221</sup> More pointedly, Professor Xuan-Thao Nguyen has argued that “[l]ocal patent reform does not change substantive patent law, allaying fears of violating the supremacy of national patent law.”<sup>222</sup> Instead, she explains, “local patent reform focuses on the development and utilization of local procedural rules to streamline patent litigation.”<sup>223</sup>

This somewhat muted response to the transformation of patent procedure is understandable. Patent experts tend to treat local patent rules as tangential because they don’t strike at the heart of patent law as rules on patentable subject matter, obviousness, and infringement would.<sup>224</sup> Proceduralists, on the other hand, largely ignore local patent rules because they are highly specialized and apply to a narrow swath of federal suits.<sup>225</sup> Maybe this approach was appropriate when local patent rules were confined to a few

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high degree of deference for local patent rules suggests the court supports such rules). Notably, in a recent decision, the Federal Circuit held that a district court abused its discretion by imposing a fee-shifting sanction for failing to comply with the court’s local patent rules. *See Anticancer, Inc. v. Pfizer, Inc.*, 769 F.3d 1323, 1335–36 (Fed. Cir. 2014). At first blush, *Anticancer* appears to buck the trend of deference by the Federal Circuit on local patent rules issues. However, a closer read reflects that *Anticancer* is distinguishable on its facts. Generally, the Federal Circuit applies its own law when reviewing local patent rules because they “are unique to patent cases and have a close relationship to enforcement of substantive patent law.” *O2 Micro Intern. Ltd. v. Monolithic Power Sys., Inc.*, 467 F.3d 1355, 1365 (Fed. Cir. 2006); *see also supra* Part III.B (discussing the Federal Circuit’s choice of law doctrine). In *Anticancer*, by contrast, the Federal Circuit applied Ninth Circuit law because the question on appeal was “not whether the district court properly required additional specificity in the[] [preliminary infringement] contentions, but whether a fee-shifting sanction was appropriately attached to the court’s authorization to supplement the Contentions.” 769 F.3d at 1336. In other words, the Federal Circuit concluded that—based on well-established Ninth Circuit law—the district court had abused its discretion by imposing a fee-shifting sanction, not by requiring the parties to comply with its local patent rules.

221. *O2 Micro*, 467 F.3d at 1363.

222. Nguyen, *supra* note 165, at 452.

223. *Id.*

224. *See, e.g., SmithKline Beecham Corp. v. Apotex Corp.*, 453 F.3d 1346, 1347–48 (Fed. Cir. 2006) (Rader, J., dissenting) (“The role of the claims in an infringement or anticipation analysis is at the heart of patent law.”); Jeffrey A. Lefstin, *The Formal Structure of Patent Law and the Limits of Enablement*, 23 BERKELEY TECH. L.J. 1141, 1151 (2008) (“The question of permissible claim scope lies at the heart of patent law.”); Jason Rantanen, *The Federal Circuit’s New Obviousness Jurisprudence: An Empirical Study*, 16 STAN. TECH. L. REV. 709, 712–13 (2013) (stating that obviousness is at the heart of patent law).

225. *See* Chad M. Oldfather, *Judging, Expertise, and the Rule of Law*, 89 WASH. U. L. REV. 847, 858 (2012) (“[B]ecause the areas of law most likely to be given over to specialized courts will be technical in nature, the public and the bulk of the bar are unlikely to monitor these courts’ output closely.”).



districts or judges. But the localization movement is now widespread and likely to continue to grow—a situation that threatens our patent and procedural systems alike.

*B. Local Patent Rules and Uniformity of Patent Law*

Uniformity is a guiding principle in many areas of the law, but perhaps none more so than patent law. In point of fact, the Federal Circuit was created specifically for the purpose of bringing uniformity to patent doctrine and policy.<sup>226</sup> Congress believed that greater uniformity would increase predictability for patent litigants, reduce forum shopping among the regional circuits, and ultimately strengthen our patent system.<sup>227</sup> And a strong patent system, so the theory went, was crucial to our nation's technological leadership and economic prosperity.<sup>228</sup>

The past thirty years of Federal Circuit case law is replete with examples of the court acknowledging and attempting to comply with its uniformity mandate.<sup>229</sup> With respect to local patent rules, however, the Federal Circuit has remained uncharacteristically quiet about their effect on uniformity. Instead, on the few occasions when the Federal Circuit has reviewed local patent rules, it has been extremely deferential to district courts.<sup>230</sup> It is difficult to know why the Federal Circuit has taken this approach to local patent rules. Maybe the Federal Circuit simply appreciates the effort to

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226. Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25 (codified as amended in scattered sections of 28 U.S.C.); *see also* S. REP. NO. 97-275, at 5 (1981) (“The creation of the Court of Appeals for the Federal Circuit will produce desirable uniformity in this area of the law. Such uniformity will reduce the forum-shopping that is common to patent litigation.”).

227. Federal Courts Improvement Act of 1982; H.R. REP. NO. 97-312, at 20 (1981) (“Patent litigation long has been identified as a problem area, characterized by undue forum-shopping and unsettling inconsistency in adjudications.”).

228. *See, e.g.*, Pauline Newman, *The Federal Circuit in Perspective*, 54 AM. U. L. REV. 821, 822 (2005); Lee Petherbridge, *Patent Law Uniformity?*, 22 HARV. J.L. & TECH. 421, 422 (2009).

229. *See, e.g.*, *Lighting Ballast Control L.L.C. v. Philips Elecs. N. Am. Corp.*, 744 F.3d 1272 (Fed. Cir. 2014) (treating claim construction as a matter of law will promote uniformity) *vacated*, 135 S.Ct. 1173 (2015); *Highway Equip. Co., Inc. v. FECO, Ltd.*, 469 F.3d 1027, 1032 (Fed. Cir. 2006) (holding that Federal Circuit law applies to questions regarding 35 U.S.C. § 285 “to promote national uniformity concerning the availability of attorney’s fees” in patent cases); *Elecs. for Imaging, Inc. v. Coyle*, 394 F.3d 1341, 1345 (Fed. Cir. 2005) (acknowledging the “mandate to promote national uniformity in patent practice”); *Panduit Corp. v. All States Plastic Mfg. Co.*, 744 F.2d 1564, 1574 (Fed. Cir. 1984) (“The fundamental underpinning for uniformity was Congress’ abhorrence of conflicts and confusion in the judicial system.”).

230. *See supra* Part IV.A (discussing the deference afforded by the Federal Circuit to local patent rules).

manage and streamline patent litigation,<sup>231</sup> or perhaps the Federal Circuit hopes to foster better relations with district courts.<sup>232</sup> Either way, the Federal Circuit thus far appears indifferent to the balkanization created by local patent rules.

Yet the fact remains that local patent rules—including comprehensive local patent rules, local-local patent rules, and case-specific local patent rules—undermine uniformity in patent law.<sup>233</sup> Looking first at comprehensive local patent rules, by which I mean official local patent rules adopted by a district court, there are several ways they promote disuniformity. First and foremost, approximately two-thirds of district courts have *not* adopted local patent rules. While the number of courts with local patent rules has grown rapidly in a relatively short time span, the majority of courts still have no such rules on the books.<sup>234</sup> Second, several districts with busy patent dockets have declined to adopt local patent rules, including the Central District of California, the District of Delaware, the Southern District of Florida, and the Eastern District of Virginia. So even in “hot spots” for patent litigation, there’s no consistency regarding the existence of local patent rules.

Nor are all comprehensive local patent rules created equal, and so differences abound even among courts that have implemented local patent rules.<sup>235</sup> It is true that most courts modeled their patent rules on the Northern District of California’s to a degree, and thus share some commonalities. For instance, infringement contentions, invalidity contentions, and claim construction are features of all thirty districts’ local patent rules.<sup>236</sup> But those matters are disparately handled by each district. To illustrate this point, let’s

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231. *See, e.g.,* Genentech, Inc. v. Amgen, Inc., 289 F.3d 761, 774 (Fed. Cir. 2002) (“[T]his court defers to the district court when interpreting and enforcing local rules so as not to frustrate local attempts to manage patent cases according to prescribed guidelines.”).

232. *See, e.g.,* Jeanne C. Fromer, *District Courts as Patent Laboratories*, 1 U.C. IRVINE L. REV. 307, 319–22 (2011) (suggesting different ways to create a “beneficial symbiosis” between the Federal Circuit and district courts); Gugliuzza, *supra* note 149, at 1796 (arguing that the Federal Circuit has obstructed district courts from shaping patent law).

233. *See supra* Part III.D (discussing the different types of local patent rules currently in place in district courts).

234. Jensen, *supra* note 5.

235. *See, e.g.,* Gollwitzer, *supra* note 10, at 96 (“[L]ocal patent rules that have been adopted around the country are not consistent with each other.”); Pak, *supra* note 174, at 44 (“The local patent rules vary considerably from one forum to the next.”); Pelletier, *supra* note 10, at 464 (“local procedures vary widely among the at least twenty-four district courts currently having formally adopted patent rules”); Ware & Davy, *supra* note 6, at 965 (“[T]here are significant variations among the procedures in the districts resulting in a less-than-ideal situation.”).

236. Travis Jensen, *Summary Charts, LOCAL PATENT RULES*, <http://www.localpatentrules.com/summary-charts/> (last updated Nov. 2014).

consider the timing for infringement contentions. In a handful of districts, the patent owner is required to make its infringement contentions within fourteen days of the initial case management conference.<sup>237</sup> Other districts grant a little more time, requiring that infringement contentions be made 15, 30, or 45 days after the case management conference.<sup>238</sup> Still others use a different time measurement altogether, such as 150 days after filing the complaint, 28 days after filing an answer, or 10 days *before* the case management conference.<sup>239</sup> The timing regarding invalidity contentions and claim construction is similarly disjointed.<sup>240</sup>

Beyond timing, local patent rules diverge on many other issues. Take, for example, limitations on claim terms. Some districts limit parties to ten terms for claim construction, while others permit only the “most significant” terms to be construed.<sup>241</sup> Other districts simply require the parties to meet and confer, and then judges make decisions about limiting claim terms on a case-by-case basis.<sup>242</sup> There are also more substantive differences regarding infringement and invalidity contentions. Some rules provide that patent owners must disclose their theories of infringement (e.g., literal, doctrine of equivalents, willful) and that alleged infringers must disclose all possible defenses (e.g., lack of patentable subject matter, inequitable conduct, best mode), while others have no such requirements. In a similar vein, some districts allow both preliminary and final contentions, but others give parties only one bite at the apple granting leave to amend sparingly.<sup>243</sup>

These few examples represent the variation among comprehensive local patent rules. The purpose of this Article is not to provide a detailed comparison of all the districts’ rules, especially since others have undertaken that effort.<sup>244</sup> My goal instead is to show that comprehensive local patent rules are contributing to the disuniformity of patent procedure. They are not alone, of course, as local-local patent rules and case-specific patent rules have played a part in this fragmentation as well.<sup>245</sup>

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237. *Id.*

238. *Id.*

239. *Id.*

240. *Id.*

241. *Id.*

242. *Id.*

243. *See supra* Part IV.B (comparing the Northern District of California’s rules regarding contentions with the Eastern District of Texas’s rules).

244. *Id.*; *see also supra* note 235 (citing several articles that compare and contrast these rules in detail).

245. *See supra* Part III.D (explaining that some individual judges have adopted their own patent rules and that courts sometimes agree to apply special procedural rules in certain patent cases).

Accepting that local patent rules undermine patent law's uniformity principle, does it even matter? In recent years, jurists and scholars have called into question the value of uniformity in patent law.<sup>246</sup> Most notably, Chief Judge Diane Wood of the U.S. Court of Appeals for the Seventh Circuit delivered a speech in 2013 advocating for an end to the Federal Circuit's exclusive jurisdiction over patent cases.<sup>247</sup> Judge Wood argued that patent law suffers from a lack of percolation, and proposed that parties should have a choice to file patent appeals either in the Federal Circuit or the appropriate regional circuit.<sup>248</sup> Although Judge Wood's speech garnered a lot of attention, others—including former Chief Judge Rader—have expressed similar sentiments. Back in 2001, Judge Rader commented that the specialized nature of the Federal Circuit has

retarded the pace of common law development in some important ways. When the Federal Circuit speaks, that becomes the nationwide rule and in many cases, once it is spoken there is less percolation, less chance for experimentation, less chance for . . . the “laboratory of federalism”—various district courts and circuits, each resolving similar issues in the same way and providing the Supreme Court with a prism through which to view the law and choose the best solutions for the future.<sup>249</sup>

The debate over the costs and benefits of uniformity in patent law is sure to continue as our patent system evolves with time. For now, though, uniformity remains the norm and is still the primary goal for patent law.<sup>250</sup>

But what about the fact that local patent rules have been characterized as procedural? Does that mean they pose less of a danger for patent law uniformity? The short answer is no. As *Erie v. Tompkins* teaches, “the line

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246. See, e.g., Craig Allen Nard & John F. Duffy, *Rethinking Patent Law's Uniformity Principle*, 101 NW. U. L. REV. 1619, 1664 (2007); Lisa Larrimore Ouellette, *Patent Experimentalism*, 101 VA. L. REV. 65 (2015); David Haas et al., *An Interview with Seventh Circuit Judge Richard Posner: Part I*, LAW 360 (Nov. 13, 2013), <http://www.law360.com/ip/articles/485352/an-interview-with-7th-circ-judge-richard-posner-part-1> (quoting Judge Posner as saying that he does not “think the Federal Circuit has been a success”).

247. Hon. Diane P. Wood, *Keynote Address: Is it Time to Abolish the Federal Circuit's Exclusive Jurisdiction in Patent Cases?* IPO.ORG (Sept. 26, 2013), <http://www.ipo.org/wp-content/uploads/2013/10/Wood-Keynote-Address.pdf>.

248. *Id.* at 9–10.

249. Randall R. Rader, *The United States Court of Appeals for the Federal Circuit: The Promise and Perils of a Court of Limited Jurisdiction*, 5 MARQ. INTELL. PROP. L. REV. 1, 4 (2001).

250. See, e.g., *Gunn v. Minton*, 133 S.Ct. 1059, 1067 (2013) (acknowledging the policy of developing “a uniform body of patent law”).

between procedural and substantive law is hazy.<sup>251</sup> Just because lawyers and courts think of local patent rules as procedural does not mean they are in fact procedural.<sup>252</sup> Continuing the *Erie* analogy, what matters is whether local patent rules are outcome determinative or encourage forum shopping.<sup>253</sup>

Local patent rules govern infringement, validity, and claim construction—matters at the heart of patent law.<sup>254</sup> Even the Federal Circuit has recognized this close relationship between local patent rules and substantive patent doctrines when it decided that Federal Circuit law, as opposed to regional circuit law, should apply to local patent rules.<sup>255</sup> For example, a key objective of local patent rules is to require parties to crystallize their infringement and invalidity theories early in the case, and then adhere to those theories once they have been disclosed.<sup>256</sup> Failure to comply with these requirements can be outcome determinative, as was the case in *Genentech v. Amgen*.<sup>257</sup> There, the Federal Circuit affirmed summary judgment of non-infringement, holding that the district court did not abuse its discretion by precluding Genentech from relying on the doctrine of equivalents since that theory was not disclosed in its infringement contentions.<sup>258</sup> Simply put, Genentech lost its patent infringement claim by failing to comply with the local patent rules.

Other local rules govern substantive patent law in a more blatant way. Judge Robinson in the District of Delaware, for instance, precludes parties from proposing “plain and ordinary meaning” as the definition for disputed claim terms because that “effectively leaves claim construction in the hands of the experts rather than the court.”<sup>259</sup> In adopting this tenet of claim

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251. 304 U.S. 64, 92 (1938) (Reed, J., concurring).

252. *See Shady Grove Orthopedic Assoc., P.A. v. Allstate Ins. Co.*, 559 U.S. 393, 420–21 (2010) (“Rules which lawyers call procedural do not always exhaust their effect by regulating procedure, and in some situations, procedure and substance are so interwoven that rational separation becomes well-nigh impossible.”) (internal citations and quotations omitted).

253. *Id.*

254. *See Nguyen*, *supra* note 165, at 452 (naming matters “at the heart of patent law”).

255. *O2 Micro Intern. Ltd. v. Monolithic Power Sys., Inc.*, 467 F.3d 1355, 1364–65 (Fed. Cir. 2006) (“Since the Northern District of California’s local patent rules on amendment of infringement contentions are unique to patent cases and have a close relationship to enforcement of substantive patent law, we proceed to review their validity and interpretation under Federal Circuit law.”).

256. *See Kilopass Tech. Inc. v. Sidense Corp.*, No. C 10-02066 SI, 2011 WL 5212259 (N.D. Cal. Nov. 2, 2011).

257. 289 F.3d 761, 774 (Fed. Cir. 2002).

258. *Id.* at 773–74. Similarly, in *O2 Micro*, the Federal Circuit affirmed the district court’s decision refusing to allow O2 to amend its infringement contentions and granting summary judgment of non-infringement for defendant. 467 F.3d at 1355.

259. *See* Judge Robinson’s Scheduling Order, *supra* note 191.

construction, not only does Judge Robinson stand apart from her colleagues on the district court,<sup>260</sup> but her local rules may conflict with Federal Circuit precedent as well.<sup>261</sup> Such a disuniform application of procedural rules can lead to arbitrary and unfair results.

In addition to being potentially outcome determinative, local patent rules encourage forum shopping too. It has been said that forum shopping is “alive and well” in patent litigation today.<sup>262</sup> Many factors influence forum shopping for plaintiffs, including high win rates, low transfer rates, and time to trial.<sup>263</sup> But there is also a link between forum selection and local patent rules.<sup>264</sup> Plaintiffs (or defendants on transfer motions) might choose or reject a district court because of its local patent rules. By way of example, plaintiffs may favor the Eastern District of Texas because its rules require early disclosure of infringement and invalidity contentions together with documents supporting those contentions.<sup>265</sup> Knowing this, patent owners prepare infringement contentions before filing, leaving defendants with little time to discover and disclose invalidating prior art.<sup>266</sup> This can put defendants between a rock and a hard place: conduct extensive discovery quickly and expensively or settle the case.<sup>267</sup> Judge Davis of the Eastern District of Texas has described this potential effect of local patent rules:

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260. Hon. Leonard P. Stark, Dist. of Del., Revised Procedures for Managing Patent Cases 8 (June 18, 2014) (explaining that he is not adopting Judge Robinson’s claim construction tenet).

261. *See, e.g.*, *Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197 (Fed. Cir. 2011) (affirming the district court’s construction of a disputed claim term as having its plain and ordinary meaning).

262. Lemley, *supra* note 210, at 401; *see also* Chester S. Chuang, *Offensive Venue: The Curious Use of Declaratory Judgment to Forum Shop in Patent Litigation*, 80 GEO. WASH. L. REV. 1065, 1074–77 (2012) (discussing accused infringers’ attempts to forum shop in patent cases); Fromer, *supra* note 220, at 1462–68 (discussing widespread forum shopping in patent litigation).

263. Lemley, *supra* note 210, at 402–03; Ron Vogel, *The Patent Pilot Program: Reassignment Rates and the Effect of Local Patent Rules*, NY INTELL. PROP. L. ASS’N BULLETIN, Oct./Nov. 2013, at 2, available at <http://www.fr.com/files/Uploads/Documents/Vogel.NYIPLABulletin.Pilot-Patent-Program-Reassignment-Rates-and-Effects-of-Local-Rules.OctNov2013.pdf>.

264. *See, e.g.*, Adam S. Baldrige, *Venue Considerations for Patent Infringement Cases*, ASPATORE, 2013 WL 574397, \*1 (Jan. 2013) (“[W]hether a district court has adopted local patent rules is a significant consideration for a patent holder in determining the best venue in which to file a patent infringement action.”).

265. RULES OF PRACTICE FOR PATENT CASES BEFORE THE E. DIST. OF TEX. P.R. 3.

266. *Id.* at P.R. 3-3, 3-4 (requiring defendants to disclose invalidity contentions and supporting prior art within 45 days of plaintiff’s infringement contentions).

267. *See* David L. Schwartz, *The Rise of Contingent Fee Representation in Patent Litigation*, 64 ALA. L. REV. 335, 383 n.230 (2012) (explaining that the “costs of defense [are] being driven by the quick discovery deadlines of the local rules”); Laura Caldera Taylor, *Overview of Key Patent Legislation and Court Decisions that Impact Patent Litigation*,

While the Court will not comment on Plaintiff's strategy, when combined with the requirements of the Patent Rules and the Court's standard docket control order, Plaintiff's strategy presents Defendants with a *Hobson's* choice: spend more than the settlement range on discovery, or settle for what amounts to cost of defense, regardless of whether a Defendant believes it has a legitimate defense.<sup>268</sup>

Thus, plaintiffs looking for quick settlements may be enticed to file their patent suits in districts that allow significant discovery early in the case.

The Northern District of California's local patent rules, on the other hand, have been labeled "defendant friendly," which may explain why defendants in patent cases often seek transfer to that court.<sup>269</sup> As noted above, a common goal of local patent rules is to require parties to crystallize their case theories early to prevent a "shifting sands" approach to claim construction.<sup>270</sup> While all comprehensive local patent rules include these types of provisions, the Northern District of California has earned a reputation for strictly enforcing the requirements regarding infringement contentions.<sup>271</sup> Specifically, the court has held that a "plaintiff must compare an accused product to its patents on a claim-by-claim, element-by-element basis for at least one of each of (the) defendant's products. To make such a comparison, a plaintiff must put forth information so specific that either reverse engineering or its equivalent is required."<sup>272</sup> The Northern District of California has further explained that plaintiffs may not assume claim elements are embodied in the allegedly infringing product,<sup>273</sup> nor is it

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ASPATORE, 2011 WL 6742514, \*5 (Dec. 2011) (explaining that local patent rules may force earlier settlements).

268. *Parallel Networks L.L.C. v. AEO, Inc.*, No. 6:10-cv-00111-LED, at 6–7 (E.D. Tex. Mar. 15, 2011) (internal quotations omitted) (order denying motion to bifurcate).

269. Gollwitzer, *supra* note 10, at 97.

270. *See, e.g., Trans Video Elecs. Ltd. v. Sony Elecs.*, No. C-093304 EMC, 2011 WL 5604063, \*5 (N.D. Cal. Nov. 16, 2011) ("The Court finds Trans Video's tactical shifting of positions troubling and contrary to this Court's effort to eliminate, via its Patent Local Rules, 'shifting sands' litigation tactics.").

271. The judges in the Eastern District of Texas, by contrast, are more flexible with respect to infringement contentions often allowing plaintiffs to conduct discovery so they can adequately examine the accused products before finalizing their contentions. *See Joseph E. Cwik, Local Patent Rules and Their Impact on Patent Litigation*, ASPATORE, 2012 WL 1670113 \*5 (June 2012) ("The Eastern District of Texas Court appears more plaintiff 'friendly,' holding that proper infringement contentions only provide a defendant with notice of a plaintiff's infringement theories."); Gollwitzer, *supra* note 10, at 96 ("[I]n the Eastern District of Texas, the judges have been more lenient when judging the sufficiency of the parties' contentions.").

272. *Renasas v. Nanya Tech. Corp.*, No. C03-05709JFHRL, 2004 WL 2600466, \*2 (N.D. Cal. 2004).

273. *Bender v. Advanced Micro Devices*, No. C-09-1149 MMC(EMC), 2010 WL 363341 (N.D. Cal. Feb. 1, 2010).

sufficient to allude to the fact that any electrical engineer would understand the infringement contentions.<sup>274</sup> If plaintiffs cannot comply with these local patent rules—for example because they haven’t been allowed to examine the accused products—their infringement theories will be limited and they may end up losing the case.<sup>275</sup>

Alternatively, patent litigants may forum shop to *avoid* local patent rules. The Southern District of Florida has become a popular patent venue recently, and some believe this is partially due to the lack of local patent rules.<sup>276</sup> Other district courts without comprehensive local patent rules are also patent litigation “hotspots,” including the District of Delaware, the Eastern District of Virginia, and the Western District of Wisconsin.<sup>277</sup> Keep in mind, however, that these districts have general local rules, or judges with local-local rules, that may attract patent cases. The Southern District of Florida, Eastern District of Virginia, and Western District of Wisconsin are all “rocket dockets,” meaning their local (or local-local) rules include provisions ensuring a relatively short time to trial.<sup>278</sup> And even though there are no official local patent rules in Delaware, all four judges have local-local patent rules.<sup>279</sup> Some of those local-local rules, such as Judge Sleet’s rule requiring parties to seek permission before moving for summary judgment, are sure to appeal to forum-shopping patent plaintiffs.<sup>280</sup>

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274. *Bender v. Maxim Integrated Prods. Inc.*, No. C 09-01152 SI, 2010 WL 2991257, \*2 (N.D. Cal. July 29, 2010).

275. Cwik, *supra* note 271, at 3 (contending that local patent rules can affect outcomes); Gollwitzer, *supra* note 10, at 96 (noting “case-dispositive differences” caused by local rules).

276. Jeremy Elman, *Why Florida Has Become a Hot Spot for Patent Litigation*, LAW 360 (Aug. 7, 2013), <http://www.law360.com/articles/460438/why-fla-has-become-a-hot-spot-for-patent-litigation> (explaining that patent plaintiffs are likely flocking to the S.D. Fla. for several reasons, including lack of local patent rules).

277. Gattuso, *supra* note 185, at 8; Gollwitzer, *supra* note 10, at 95.

278. *See* U.S. DIST. COURT, S.D. FLA., LOCAL RULES L.R. 7.6 (stating that trial continuances will be granted only for “exceptional circumstances”); *id.* L.R. 16.1(a) (explaining that discovery will be completed at most 365 days after the scheduling order); U.S. DIST. COURT E.D. VA., LOCAL RULES L.R. 7(G) (“Motions for continuances of a trial . . . shall not be granted by the mere agreement of counsel. No continuance will be granted other than for good cause and upon such terms as the Court may impose.”); Allen A. Arnsten & Jeffrey A. Simmons, *The Tundra Docket: Western District of Wisconsin*, LAW 360 (Mar. 12, 2008), <http://www.law360.com/articles/49923/the-tundra-docket-western-district-of-wisconsin> (explaining that judges in the Western District of Wisconsin typically issues case management orders within 60 days of filing and set firm trial dates that are rarely changed).

279. *See supra* Part III.D (discussing the Delaware judges’ local-local patent rules).

280. *See id.*; *see also* Lemley, *supra* note 210, at 403 (arguing that “a jurisdiction that grants many summary judgment motions is likely to be a defense jurisdiction, while a court that allows many matters to go to trial is likely to end up favoring the patentee,” and then finding that more cases go to trial in the District of Delaware (11.8%) than any of the other 32 districts included in the study, including the Eastern District of Texas).



In short, the question of which procedural rules will apply in patent litigation depends on the district, division, judge, or even case. No doubt the goals of local patent rules—streamlining, efficiency, and cost saving—are laudable, but courts have gone about implementing those goals in very different ways. Consequently, these highly splintered local patent rules, which are interwoven with substantive patent law doctrine, tend to encourage forum shopping, make patent litigation extremely unpredictable, and impede the development of a uniform body of patent law.

### C. *Local Patent Rules and Uniformity of Procedural Law*

The drafters of the Federal Rules of Civil Procedure sought to achieve uniformity and cohesiveness in a single set of procedural rules for civil lawsuits. They hoped specifically for two types of uniformity to be borne out by the FRCP: trans-territorial uniformity and trans-substantive uniformity.<sup>281</sup> Trans-territoriality encompassed both interdistrict uniformity and intrastate uniformity.<sup>282</sup> The idea was that all federal district courts would follow the FRCP creating interdistrict uniformity, and that state courts would then model their procedural rules after the FRCP leading to intrastate uniformity.<sup>283</sup> In the context of patent litigation, trans-territoriality refers only to interdistrict uniformity since patent cases are subject to the exclusive jurisdiction of the federal courts.<sup>284</sup>

Local patent rules contravene both of these uniformity principles. Starting with trans-territoriality, the discussion above establishes that local patent rules—like all local rules—transgress this objective of the FRCP.<sup>285</sup> Patent procedure varies widely from one district court to the next. In some districts, patent cases are governed by the same procedures as any other civil suit. In others, patent procedures have been created from whole cloth with an entirely separate set rules applying to patent cases. And then there are districts that fall somewhere in between, with a few local rules applying to patent cases or individual judges affording patent cases special treatment.

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281. See Subrin, *Federal Rules*, *supra* note 45, at 2002–06.

282. *Id.*

283. Carl Tobias, *A Civil Discovery Dilemma for the Arizona Supreme Court*, 34 ARIZ. ST. L.J. 615, 615 (2002) (“The drafters of the 1938 Federal Rules of Civil Procedure hoped to establish those rules as a model that the states could adopt, thus fostering national and intrastate procedural uniformity.”).

284. 28 U.S.C. § 1338(a) (2012).

285. See *supra* Part IV.B (addressing the proliferation of local patent rules).

This patchwork approach to procedure is exactly what the drafters of the FRCP eschewed more than seventy-five years ago.<sup>286</sup> A uniform set of procedural rules was supposed to make law practice simpler for lawyers and clients. No longer would clients have to retain multiple lawyers for nationwide litigation. But local patent rules have undermined these objectives and created a procedural terrain that can be quite difficult to navigate. Indeed, even in this age of email, videoconferences, and electronic filing, parties find it necessary to hire local counsel who understand and are familiar with the district court's or district judge's patent-specific rules and procedures—precisely the situation the framers of the FRCP aimed to avoid.<sup>287</sup>

Local patent rules also offend the trans-substantive nature of the FRCP. The FRCP were marked by trans-substantivity at the time of adoption, and continue to apply trans-substantively today. There is some question whether trans-substantivity is simply a guiding principle for the FRCP or a requirement imposed by the Rules Enabling Act.<sup>288</sup> In any event, the FRCP contain very few substance-specific rules. By one count, there are only six subsections of the eighty-six FRCP that are substance specific.<sup>289</sup> Indeed, although the advisory committee for the FRCP has considered a litany of substance-specific rule changes over the past two decades, it has recommended only one—a service rule in civil rights actions—for adoption.<sup>290</sup> In rejecting the others, the advisory committee has emphasized the need to preserve a trans-substantive set of procedural rules.<sup>291</sup>

For the most part, this trans-substantive premise is reflected in district courts' local rulemaking as well.<sup>292</sup> While some district courts have

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286. See, e.g., Marcus, *supra* note 44, at 371 (“The procedural system in the federal courts before the Federal Rules of Civil Procedure of 1938 tended toward staggering complexity.”).

287. See, e.g., *Sophisticated Local Counsel*, SUNSTEINLAW, <http://sunsteinlaw.com/practices/patent-ip-litigation/sophisticated-local-counsel/> (last visited Mar. 15, 2015) (advertising the firm's familiarity with local patent rules).

288. Compare Stephen B. Burbank, *Pleading and the Dilemmas of “General Rules,”* 2009 WIS. L. REV. 535, 541 [hereinafter Burbank, *Pleading*] (“[T]he Rules Enabling Act's reference to ‘general rules’ forecloses the promulgation of different prospective rules for cases that involve different bodies of substantive law.”), with Leslie M. Kelleher, *Taking “Substantive Rights” in the Rules Enabling Act More Seriously*, 74 NOTRE DAME L. REV. 47, 48 (1998) (“Commentators on the rulemaking process are fond of pointing out that the Court has never found a Rule invalid for impermissibly affecting a substantive right . . .”).

289. See Marcus, *supra* note 44, at 413. Those subsections include FED. R. CIV. P. 4(i)(1)(C), 4.1(b), 5.2(c), 12(a)(3), 23, 71.1. *Id.* at 413 n.262. I would add FED. R. CIV. P. 9(b) to that list, which sets out a heightened pleading standard for fraud-like claims.

290. See Marcus, *supra* note 44, at 413.

291. *Id.* at 414.

292. FED. R. CIV. P. 83 (providing that district courts are authorized to promulgate local rules “not inconsistent with” the FRCP).

promulgated substance-specific local rules, this appears to be the exception rather than the norm.<sup>293</sup> Perhaps district courts are simply following the trans-substantive model of the FRCP.<sup>294</sup> Or maybe district courts believe substance-specific local rules would conflict with the Rules Enabling Act and FRCP.<sup>295</sup> What is clear is that district courts generally bypass substance-specific rules and opt for trans-substantive local rules instead.<sup>296</sup>

Curiously, though, an ample number of district courts have bucked this trend and adopted local patent rules.<sup>297</sup> This local patent rules movement is noteworthy for at least three reasons. First, it seems odd that district courts that have been wary about adopting *any* substance-specific local rules would promulgate an entire set of substance-specific procedural rules for patent cases.<sup>298</sup> Second, local patent rules are not limited to patent-specific procedures, such as claim construction, but govern all aspects of patent litigation, from pleading standards to discovery to trial practice.<sup>299</sup> Finally, what's most remarkable about the local patent rules movement is that, despite being arguably the most blatant form of substance-specific rulemaking since the FRCP were adopted, scholars have virtually ignored the relationship between local patent rules and trans-substantivity.<sup>300</sup>

That scholars have largely overlooked local patent rules is especially surprising when considering the momentous changes these rules have wrought for patent litigants. Consider, for example, the difference in pleading standards in courts with and without local patent rules. The

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293. Marcus, *supra* note 44, at 414. Marcus surveyed ten federal districts and concluded that only about five percent of all local rules could arguably be deemed substance-specific. *Id.* For some reason, though, his survey appears not to have considered local patent rules. I say this because the districts surveyed included the Northern District of California, the Northern District of Illinois, the District of Massachusetts, and the Western District of Pennsylvania, all of which had adopted local patent rules before Marcus's article was published in 2010. Yet, in listing these districts' substance-specific rules, Marcus does not mention any of the local patent rules. *Id.* app. tbls. 1–2 at 427–28.

294. Marcus, *supra* note 44, at app. tbls. 1–2 at 427–28.

295. *See, e.g.*, *Tyco Fire Prods. LP v. Victaulic Co.*, 777 F.Supp.2d 893, 904 n.10 (E.D. Pa. 2011) (“The notion that courts may enact rules of procedure concerning a specific subject matter is itself debatable.”).

296. Unfortunately, as discussed later in this Part, deliberations of local rulemaking committees are not readily available to the public, so the information about this process is extremely limited. *See* Marcus, *supra* note 44, at 415.

297. *See supra* note 174 (listing the thirty district courts that have adopted local patent rules to date).

298. *See* Marcus, *supra* note 44, at 413–14.

299. *See supra* Part III.D.

300. *See supra* note 293 (explaining that in his survey of substance-specific local rules, Marcus excluded local patent rules). A few patent practitioners have noted that local patent rules undermine the trans-substantive ideal of the FRCP. *See* Gollwitzer, *supra* note 10, at 94; Pak, *supra* note 174, at 44; Vogel, *supra* note 263, at 2.

District of New Hampshire's local patent rules include special pleading requirements for patent infringement claims. Specifically, the complaint (or counterclaim) must include:

- (1) a list of all products or processes (by model number, trade name, or other specific identifying characteristic) for which the claimant or counterclaimant has developed a good-faith basis for alleging infringement, as of the time of filing the pleading; and
- (2) at least one illustrative asserted patent claim (per asserted patent) for each accused product or process.<sup>301</sup>

While New Hampshire appears to be alone in explicitly modifying its pleading standard for patent cases, every district court with local patent rules requires early disclosure of infringement contentions.<sup>302</sup> Those disclosure requirements, some have argued, function as de facto heightened pleading standards.<sup>303</sup>

Turning now to courts without local patent rules, the pleading standard for patent infringement looks markedly different. In those courts, pleading is governed by Federal Rule of Civil Procedure 8(a), which requires merely “a short and plain statement of the claim showing that the pleader is entitled to relief.”<sup>304</sup> What is more, the Federal Circuit has held that the plausibility pleading standard established by the Supreme Court in *Bell Atlantic v. Twombly*<sup>305</sup> and *Ashcroft v. Iqbal*<sup>306</sup> does not apply to patent infringement claims.<sup>307</sup> Rather, the Federal Circuit decided, patent infringement claims are governed by Form 18 of the Federal Rules of Civil Procedure, which

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301. U.S. DIST. COURT OF N.H., LOCAL RULES, SUPPLEMENTAL PATENT RULE 2.1.

302. See *supra* Part IV.B.

303. See *Tyco Fire Prods. LP v. Victaulic Co.*, 777 F.Supp.2d 893, 904 (E.D. Pa. 2011) (“[u]sing local patent rules to alter a defendant’s pleading obligations, while perhaps practical given the very unique nature of federal patent litigation, offends the trans-substantive nature of federal procedure”); Rebecca Love Kourlis et al., *Reinvigorating Pleadings*, 87 DENV. U. L. REV. 245, 283 (2010) (analogizing the facts disclosed in infringement contentions to those that would satisfy *Twombly*’s heightened pleading standard); Jonathan L. Moore, *Particularizing Patent Pleading: Pleading Patent Infringement in a Post-Twombly World*, 18 TEX. INTELL. PROP. L.J. 451, 504–05 (2010) (suggesting that local patent rules could serve as an alternative to heightened pleading requirements).

304. FED. R. CIV. P. 8(a)(2).

305. 550 U.S. 544, 570 (2007) (holding that plaintiffs must plead “enough facts to state a claim to relief that is plausible on its face”).

306. 556 U.S. 662, 678–79 (2009) (holding that *Twombly*’s standard applies to all civil actions, not just antitrust cases).

307. *In re Bill of Lading Transmission and Processing Sys. Patent*, 681 F.3d 1323, 1337 (Fed. Cir. 2012).

does not contemplate the same level of factual specificity as *Twombly* and *Iqbal*.<sup>308</sup> What this means is that the pleading standard for patent infringement in districts without local patent rules is not only significantly lower than in districts with local patent rules, but it is also lower as compared to other types of civil claims to which *Twombly* and *Iqbal* do apply.

While the substance of certain local patent rules is troubling, a potentially more serious concern lies in the way these rules are promulgated. Pursuant to FRCP 83, district courts must make local patent rules available to the public for comment.<sup>309</sup> Unfortunately, however, neither comments received from the public nor minutes from committee meetings appear to be readily accessible. Of the thirty district courts that have adopted local patent rules, none make this information available on their websites. Indeed, after contacting each of the thirty district courts, only seven provided copies of the comments.<sup>310</sup> Four of the courts stated that the comments received are not made public,<sup>311</sup> three explained that any comments received were not archived by the court,<sup>312</sup> and four said that they received no comments on the local patent rules.<sup>313</sup> The remaining courts failed to respond to the inquiry.

There also is very little known about who might be advising district courts regarding their local patent rules. Although some districts publicly identify members of their Patent Local Rules Advisory Committees,<sup>314</sup> the

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308. *Id.* at 1334–35. Recently, the Advisory Committee on the Civil Rules recommended the abrogation of FRCP 84 and the official forms, including Form 18. *See* COMM. ON RULES OF PRACTICE & PROCEDURE, REPORT OF THE ADVISORY COMMITTEE ON CIVIL RULES 60 (May 29–30, 2014). If the Supreme Court follows the Committee’s recommendation, and Congress acquiesces, the rule changes will become effective at the end of 2015.

309. FED. R. CIV. P. 83.

310. The courts are the Northern District of Indiana, Eastern District of New York, Southern District of New York, Western District of New York, Western District of North Carolina, Southern District of Ohio, and District of Utah.

311. The courts are the Northern District of Illinois, District of Maryland, District of New Hampshire, and District of New Jersey.

312. The courts are the Northern District of California, Southern District of California, and District of Minnesota.

313. The courts are the District of Idaho, Northern District of New York, Northern District of Ohio, and Eastern District of Washington.

314. *See Local Rules Attorney Advisory Committees*, U.S. DIST. COURT, N. DIST. OF CAL., <http://www.cand.uscourts.gov/pages/1014> (last visited Mar. 15, 2015) (identifying members); *2005 Patent Advisory Committee’s Preface*, U.S. DIST. COURT, DIST. OF MINN., [http://www.mnd.uscourts.gov/Press\\_Releases/public\\_comment.pdf](http://www.mnd.uscourts.gov/Press_Releases/public_comment.pdf) (last visited Mar. 15, 2015) (identifying members); *Northern District of Illinois Judges Propose Local Patent Rules*, U.S. DIST. COURT, N. DIST. OF ILL. (Mar. 23, 2009), [http://www.ilnd.uscourts.gov/home/\\_assets/\\_documents/Rules/Patent%20RIs%20Press.pdf](http://www.ilnd.uscourts.gov/home/_assets/_documents/Rules/Patent%20RIs%20Press.pdf) (identifying members); *Northern District of Illinois Local Patent Rules for Electronically Stored*

vast majority do not.<sup>315</sup> We are left instead with only anecdotal evidence suggesting that district judges and lawyers often work together on local patent rules.<sup>316</sup> But who are these lawyers and what types of clients do they represent? Are courts hearing from a cross-section of the patent community or are the advisors representative of a single industry or type of patent litigant? Are courts hearing from a geographically diverse group of lawyers—since patent practice tends to be nationwide—or just the local patent bar?

A recent example from the District of Delaware is illustrative. Over the past year or so, Judges Stark and Robinson participated in a Patent Study Group (PSG) to identify “best practices” for the management of patent cases in their district.<sup>317</sup> As a result of the PSG, both judges revised their local-local rules for patent cases.<sup>318</sup> Considering the prominence of the District of Delaware, and that Judges Stark and Robinson constitute half the court, these are significant developments for patent litigants. Yet, the only publicly available information about the PSG is contained in a PowerPoint presentation delivered by Judge Stark to the Intellectual Property Section of

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*Information*, U.S. DIST. COURT, N. DIST. OF ILL. (Mar. 1, 2013), [http://www.ilnd.uscourts.gov/home/\\_assets/\\_news/Local%20Patent%20Rules.pdf](http://www.ilnd.uscourts.gov/home/_assets/_news/Local%20Patent%20Rules.pdf) (identifying members); *Report of the Local Patent Rules Committee*, U.S. DIST. COURT, DIST. OF N.J. 4–5 (Mar. 18, 2011), <http://www.njd.uscourts.gov/sites/njd/files/PatentRuleAmendment2011.pdf> (identifying members).

315. Five districts—Idaho, Indiana Northern, North Carolina Middle, Ohio Southern, and Utah—provide public information about the members of their local rules committees, but it is not clear that these are the same individuals advising on local patent rules.

316. *See, e.g.*, Tony Lathrop, *Federal District Courts Continue to Use Local Patent Rules*, MVA LITIGATION BLOG (Sept. 13, 2013), <http://blogs.mvalaw.com/litigation-law-blog/federal-district-courts-continue-to-use-local-patent-rules/>; Jerome B. Simandle, *Litigation in New Jersey Under the New Local Patent Rules*, N.J. LAW. 27 (June 2009) (“Extensive collaboration between the bench and the bar led to the writing and adoption of the New Jersey Local Patent Rules.”).

317. *Court Announces Patent Study Group*, U.S. DIST. COURT, DIST. OF DEL., <http://www.ded.uscourts.gov/news/court-announces-patent-study-group> (last visited Mar. 15, 2015).

318. Hon. Leonard P. Stark, *Revised Procedures for Managing Patent Cases*, *Patent Procedures* USCOURTS (June 18, 2004), <http://www.ded.uscourts.gov/sites/default/files/Chambers/LPS/PatentProcs/LPS-PatentProcedures.pdf> (“As a result of the invaluable discussions in which I participated as part of the District of Delaware’s Patent Study Group . . . I describe below the Revised Procedures that I will follow in handling patent cases.”); Denise Seastone Kraft & Brian Biggs, *Judge Robinson Revises Her Procedures: How Will Patent Litigation Change in Delaware? Top Points*, DLA PIPER (Apr. 2, 2014), <https://www.dlapiper.com/en/us/insights/publications/2014/04/judge-robinson-revises-her-procedures/> (explaining that changes stem from PSG that Judges Robinson and Leonard Stark “spearheaded”).

the District of Delaware Chapter of the Federal Bar Association.<sup>319</sup> In that presentation, Judge Stark indicated that between January and March 2014, he and Judge Robinson met with the PSG in twenty separate sessions and engaged in fifteen hours of “off-the-record” discussions.<sup>320</sup> Judge Stark further disclosed that the PSG consisted of more than 120 attorneys from various law firms and companies.<sup>321</sup> Although Judge Stark identified the law firms<sup>322</sup> and noted that a cross-section of industry sectors was represented,<sup>323</sup> he did not name the companies or the individual lawyers who were part of the PSG. Nor was there any explanation as to why or how these particular attorneys were invited to participate in these important discussions. Such a lack of transparency compromises the integrity of the rulemaking process and raises questions about whether certain interest groups might be unduly influencing local patent rules.

In the end, trans-territorial and trans-substantive uniformity were lofty but worthy goals of the FRCP. Unfortunately, neither of these goals is being realized in patent litigation today. The final Part of this Article sets out a proposal to fix the current fractured state of our patent procedural system. While admittedly not ideal (i.e., it proposes substance-specific rather than trans-substantive procedures for patent cases), my proposal is timely, provides for a neutral, deliberative process, and should appeal to a broad range of stakeholders.

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319. Hon. Leonard P. Stark, *Patent Study Group*, USCOURTS (May 13, 2014), <http://www.ded.uscourts.gov/news/presentation-honorable-leonard-p-stark-findings-patent-study-group>. We contacted the librarian at the District of Delaware who confirmed that this presentation is the only resource regarding the PSG.

320. *Id.*

321. *Id.*

322. The law firms included Ashby & Geddes; Bayard; Cravath, Swain & Moore; Desmarais; DLA Piper; Farnan; Finnegan, Henderson, Garrett & Dunner; Fitzpatrick, Cella, Harper & Scinto; Fish & Richardson; Fox Rothschild; Mayer Brown; McDermott, Will & Emery; Morris James; Morris, Nichols, Arshat & Tunnell; Morrison & Foerster; Novak, Druce, Connolly, Bove & Quigg; Paul Hastings; Potter, Anderson & Corroon; Proctor Heyman; Ratner Prestia; Richards, Layton & Finger; Seitz, Ross, Aronstam & Moritz; Shaw Keller; Stamoulis & Weinblatt; Susman Godfrey; Weil, Gotshal & Manges; WilmerHale; Womble, Carlyle, Sandridge & Rice; Young, Conaway, Stargatt, & Taylor. *Id.* Notably, of the twenty-nine firms that participated in the PSG, more than half of them are Delaware firms or are national firms with Delaware offices.

323. The industries represented included NPE, telecommunications, internet, consumer electronics, and branded and generic pharmaceuticals. *Id.*

V. THE FEDERAL RULES OF PATENT PROCEDURE<sup>324</sup>

Over the past seventy-five years, the Federal Rules of Civil Procedure have certainly been subject to criticism. Commentators have challenged the trans-substantive model,<sup>325</sup> the bias against localism,<sup>326</sup> the process through which the Rules are amended,<sup>327</sup> and the notion that rules drafted for simple diversity cases remain effective in today's complex world of federal civil litigation.<sup>328</sup> So far, however, the FRCP have withstood the test of time.<sup>329</sup>

Perhaps this staying power alone should convince us that the FRCP are the solution to the patent procedure crisis. We could simply throw out all the local patent rules, declare that patent cases will be controlled exclusively by the FRCP, and return to simpler times. To be sure, patent law—an area dominated by specialization—could benefit from having generalist judges apply generalist rules.<sup>330</sup> Moreover, with only the FRCP in play, patent litigation would be simpler and less expensive because lawyers would not have to spend time discovering, understanding, and complying with local rules.<sup>331</sup>

Arguably, there is no better time than the present to let the FRCP—and the FRCP alone—dictate procedure in patent cases. The Judicial Conference recently recommended for approval a series of amendments to the FRCP that address many of the perceived problems in patent litigation.<sup>332</sup> For example, the amendments propose abrogation of FRCP 84 and Form 18, which should restore uniformity to patent law with respect to pleading. The amendments would also alter the scope of discovery to

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324. Ware & Davy, *supra* note 6, at 1014.

325. Robert G. Bone, *Securing the Normative Foundations of Litigation Reform*, 86 B.U. L. REV. 1155, 1160–63 (2006); Stephen B. Burbank, *Of Rules and Discretion: The Supreme Court, Federal Rules and Common Law*, 63 NOTRE DAME L. REV. 693, 713–15 (1988); Robert M. Cover, *For James Wm. Moore: Some Reflections on a Reading of the Rules*, 84 YALE L.J. 718, 718 (1975).

326. Jordan, *supra* note 29, at 416.

327. See Freer, *supra* note 101, at 448; Lonny Hoffman, *Rulemaking in the Age of Twombly and Iqbal*, 46 U.C. DAVIS L. REV. 1483, 1487 (2013).

328. Resnik, *Failing Faith*, *supra* note 26, at 508–14; Marcus, *supra* note 44, at 372.

329. See *supra* Part IV.C (explaining that most FRCP and local rules are trans-substantive in nature).

330. See, e.g., David Freeman Engstrom, *Agencies as Litigation Gatekeepers*, 123 YALE L.J. 616, 667 n.162 (2013) (describing the debate over generalist and specialist judges and explaining that some commentators believe “immersion and insularity can in fact render specialists’ decisions inferior to generalists”). But see Rochelle Cooper Dreyfuss, *Specialized Adjudication*, 1990 BYU L. REV. 377, 378 (arguing that a “specialized court’s sustained involvement with a field would facilitate superior decisionmaking”).

331. See Sisk, *supra* note 113, at 26–30.

332. COMMITTEE ON RULES OF PRACTICE AND PROCEDURE, SUMMARY OF THE REPORT OF THE JUDICIAL CONFERENCE (Sept. 2014).



incorporate a proportionality analysis, and allow for more liberal cost shifting in discovery. It stands to reason that, in the patent context, these proposed discovery changes will empower alleged infringers to fight patent suits on the merits instead of being forced into unwarranted settlements due to sky-high discovery costs.<sup>333</sup>

Even if the proposed amendments become law, however, the reality is that the FRCP still won't address some of the most important aspects of patent litigation, such as claim construction. Nor will amending the FRCP change the fact that federal district courts across the country are riddled with local patent rules—some “official,” some not—many of which have been in place for more than a decade now. What is clear is that local patent rules should not simply be ignored or rejected. Rather, reformers should interpret these local rules as a signal that the national rules governing procedure in patent litigation are deficient and ought to be fixed.<sup>334</sup>

#### A. *Justification for the Federal Rules of Patent Procedure*

There is consensus that our patent litigation system is broken, but the question is what to do about it. This Article proposes the promulgation of the Federal Rules of Patent Procedure—a uniform set of federal procedural rules that would apply to all patent cases filed in any of the ninety-four district courts. While substance-specific federal rules are rare,<sup>335</sup> I believe the priority for patent litigation at this point should be trans-territorial uniformity so that patent cases nationwide are treated similarly, forum shopping is dampened, and outcomes of patent suits are normalized.<sup>336</sup>

The proliferation of local patent rules speaks for itself: patent litigation calls for specialized procedural rules. In many ways, patent litigation resembles other types of complex federal civil litigation. Yet, there are a few oddities that set patent cases apart from other lawsuits and justify the use of specialized procedural rules. Claim construction provides the main impetus for specialized patent rules. Claim construction occurs in virtually

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333. See Megan M. La Belle, *Against Settlement of (Some) Patent Cases*, 67 VAND. L. REV. 375, 431 (2014).

334. Rosenthal, *Summary Changes*, *supra* note 13, at 484 (“Such a patchwork of local rules in an area that the national rules occupy may . . . indicate deficiencies in the national rule.”).

335. See *supra* note 293 (discussing Professor Marcus’s study).

336. See John B. Oakley, *An Open Letter on Reforming the Process of Revising the Federal Rules*, 55 MONT. L. REV. 435, 445 (1994) (“[G]eographical uniformity is more important than trans-substantive application of the federal rules, since deviations from trans-substantive uniformity can be provided for by express provisions and exceptions within the rules, but geographical disuniformity promotes forum-shopping, increases the risk of inadvertent mistake, and thereby increases both inefficiency and potential unfairness.”).

every patent case and is considered the most critical aspect of patent litigation.<sup>337</sup> Its importance is evidenced by the fact that most patent cases either settle or resolve on summary judgment once claim construction is complete.<sup>338</sup> Claim construction differs from statutory or contractual construction because the court must determine how a skilled artisan at the time of the invention, not the judge, would interpret the claim.<sup>339</sup> Because claim construction is so crucial to patent litigation and is truly unique to this class of cases, uniform procedures governing this process are not only appropriate but long overdue.<sup>340</sup>

Another reason patent cases deserve special procedural treatment is because of the complicated technologies involved, which impact myriad aspects of patent litigation. There will be discovery surrounding the technology,<sup>341</sup> experts opining about the technology,<sup>342</sup> a special master may

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337. See, e.g., Arti K. Rai, *Engaging Facts and Policy: A Multi-Institutional Approach to Patent System Reform*, 103 COLUM. L. REV. 1035, 1059 (2003) (“Claim construction is often determinative of all other questions in the case.”); Giles S. Rich, *Extent of Protection and Interpretation of Claims—American Perspectives*, 21 INT’L REV. INDUS. PROP. & COPYRIGHT L. 497, 499 (1990).

338. See Mark A. Lemley, *The Changing Meaning of Patent Claim Terms*, 104 MICH. L. REV. 101, 104 (2005).

339. See Harold C. Wegner, *Interlocutory Claim Construction Appeals: A Better Legislative Solution*, 3 AKRON INTELL. PROP. J. 211, 217–18 (2009); see also Kristen Osenga, *Linguistics and Patent Claim Construction*, 38 RUTGERS L.J. 61, 65–68 (2006) (suggesting additional reasons why “district court judges, most of whom are skilled at similar tasks of contract interpretation and statutory construction, are getting claim construction so wrong”).

340. Compare *Ballard Med. Prods. v. Allegiance Healthcare Corp.*, 268 F.3d 1352, 1358 (Fed. Cir. 2001) (“*Markman* does not require a district court to follow any particular procedure in conducting claim construction.”), with Kenneth C. Bass III, *The Sedona Conference Report on the Markman Process*, 7 SEDONA CONF. J. 205, 206 (2006) (“Many experienced patent litigators have expressed concern about the wide diversity among judges with regard to the conduct of *Markman* hearings.”). Arguably, the recent decision in *Teva Pharma. USA, Inc. v. Sandoz, Inc.*, 135 S.Ct. 831 (2015), makes the need for uniform claim construction procedures even more compelling. *Teva* held that factual disputes regarding claim construction should be reviewed for clear error, while legal questions should continue to be reviewed de novo. *Id.* at 835. This means that district judges will generally be the final arbiters of factual questions related to claim construction. Thus, prescribing certain procedures for all district courts to follow will reduce disuniformity in claim construction (which the Federal Circuit is less able to do post-*Teva*) and minimize the incentive to forum shop.

341. See, e.g., Matthew J. Dowd et al., *Nanotechnology and the Best Mode*, 2 NANOTECHNOLOGY L. & BUS. 238, 251 (2005) (noting that parties must rely on discovery to obtain inventor’s laboratory notebooks).

342. See, e.g., Edward G. Poplawski, *Selection and Use of Experts in Patent Cases*, 27 AIPLA Q.J., Winter 1999, at 1, 3 (“It is axiomatic that technical experts are virtually a *sine qua non* for patent litigation . . . .”); Greg R. Vetter, *Patent Law’s Unpredictability Doctrine and the Software Arts*, 76 MO. L. REV. 763, 800 (2011) (discussing the use of experts in patent litigation).

be engaged to help with the technology,<sup>343</sup> and perhaps the parties will provide the judge a tutorial on the technology.<sup>344</sup> Of course, if the case goes to trial, the jury will have to be educated on the technology too.<sup>345</sup> Patent litigation, which is likely to involve increased technological complexity over time, would benefit from national procedural rules aimed at standardizing and streamlining the discovery, explanation, and presentation of technology.

The Federal Rules of Patent Procedure also make good sense because uniformity holds a special place in patent law. The Federal Circuit was created for the express purpose of bringing uniformity and predictability to patent law.<sup>346</sup> Uniformity, it was believed, would “strengthen the United States patent system in such a way as to foster technological growth and industrial innovation.”<sup>347</sup> The Federal Circuit’s enabling legislation was silent on how procedural issues in patent cases should be treated, and the courts have struggled with that question ever since.<sup>348</sup> The time has come for this problem finally to be resolved.

### *B. A Policy Window for the Federal Rules of Patent Procedure*

The patent procedure conundrum—meaning what procedural law should apply to patent cases—is not new. The Federal Circuit recognized this problem early in its history, and scholars have been debating it for two decades now.<sup>349</sup> But “timing is everything,” as the adage goes, and a confluence of circumstances surrounding our patent system has opened a policy window for patent procedural reform. A policy window, as described in the political science literature, is an opportunity to pass new laws based

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343. See, e.g., Josh Hartman et al., *Counsel Courts Keep: Judicial Reliance on Special Masters, Court-Appointed Experts, and Technical Advisors in Patent Cases*, 14 SEDONA CONF. J. 61, 61–62 (2013) (“Courts have inherent authority to engage special masters, court-appointed expert witnesses, and technical advisors who may help explain the technology . . .”).

344. See, e.g., *Chief Judge Leonard P. Stark*, *supra* note 186, at Judge Stark’s Scheduling Order for Patent Cases ¶ 10 (rev. July 2014) (requiring parties to provide court with a tutorial on the technology); U.S. Dist. Court, N. Dist. of Cal., Judge Davila’s Standing Order for Patent Cases ¶ IV, <http://cand.uscourts.gov/ejdorders> (last visited Mar. 15, 2015).

345. See Poplawski, *supra* note 342, at 3 (explaining that experts are used in patent litigation to explain the technology to the jury).

346. See, e.g., *Control Res., Inc. v. Delta Elec., Inc.*, 133 F. Supp. 2d 121, 123 (D. Mass. 2001) (“The Federal Circuit is different. Unlike the other circuit courts of appeal, the Federal Circuit came into being, in part, pursuant to an express Congressional mandate to foster uniformity in the application of the law of patents.”).

347. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558, 571–72 (Fed. Cir. 2000) (en banc).

348. See *supra* Part III.A (discussing procedure in patent cases).

349. See *supra* Part III.B (canvassing scholarship on the choice of law issue).

on recent events, such as a major crisis or high-profile scandal.<sup>350</sup> Policy windows can also open because of “a change in the administration, a shift in the partisan or ideological distribution of seats in Congress, a shift in the national mood,” or—as is the case with patent litigation—“because a new problem captures the attention of government officials and those close to them.”<sup>351</sup>

All three branches of the federal government (and even some states) are currently focused on patent litigation reform.<sup>352</sup> Beginning in May 2013, close to a dozen bills aimed at curbing “patent litigation abuse” were introduced in Congress.<sup>353</sup> These bills proposed a number of procedural reforms for patent litigation including, but not limited to, heightened pleading standards, the elimination of Form 18, limitations on discovery, and expanded fee-shifting authority.<sup>354</sup> Interestingly, there was substantial overlap between the proposed bills and local patent rules on issues like pleading standards and discovery. Yet, the legislation said nothing about local patent rules or how they might be affected by these new laws.

While the proposed legislation enjoyed broad support from a cross section of industries,<sup>355</sup> some companies, universities, and small inventors expressed serious reservations.<sup>356</sup> They worried that the proposed legislation was too broad and would weaken the rights of legitimate innovators, not

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350. See JOHN W. KINGDON, *AGENDAS, ALTERNATIVES AND PUBLIC POLICIES* 1, 165–67 (2d ed. 2011).

351. *Id.* at 176.

352. See, e.g., Ryan Davis, *Troll Bills Would Usurp Courts’ Power, Fed. Circ. Judge Says*, LAW 360 (Sept. 27, 2013), <http://www.law360.com/articles/476345/troll-bills-would-usurp-courts-power-fed-circ-judge-says>; Tony Dutra, *NY Agrees to Terms with Patent Troll MPHJ, Firm Fights Back with Lawsuit Against FTC*, BLOOMBERG BNA (Jan. 15, 2014), <http://www.bna.com/ny-agrees-terms-n17179881379/>; Timothy B. Lee, *Obama Administration: No Time to Waste on Patent Reform*, WASH POST, Nov. 15, 2013, <http://www.washingtonpost.com/blogs/the-switch/wp/2013/11/15/obama-administration-no-time-to-waste-on-patent-reform/>.

353. Matt Levy, *Patent Progress’s Guide to Patent Reform Legislation*, PATENT PROGRESS (Jan. 12, 2014), <http://www.patentprogress.org/2014/1/12/patent-progresss-guide-to-patent-reform-legislation/>.

354. See, e.g., Innovation Act, H.R. 3309, 113th Cong. (1st Sess. 2013); Patent Transparency and Improvements Act, S. 1720, 113th Cong. (1st Sess. 2013); Patent Abuse Reduction Act, S. 1013, 113th Cong. (1st Sess. 2013); Patent Litigation Integrity Act, S. 1612, 113th Cong. (1st Sess. 2013).

355. See, e.g., *50 Organizations Send Letter to Congressional Leadership Urging Solutions to Patent Abuse*, PATENT FAIRNESS (July 17, 2013), <http://www.patentfairness.org/media/press/50-organizations-send-letter-to-congressional-leadership-urging-solutions-to-patent-abuse>.

356. See, e.g., Tony Dutra, *Senate Patent Litigation Reform Hearing Calls for More Deliberate Approach than House*, BLOOMBERG BNA (Dec. 18, 2013), <http://www.bna.com/senate-patent-litigation-n17179880853/>.

just PAEs.<sup>357</sup> The House nonetheless passed one of these bills (Representative Goodlatte's Innovation Act) by a vote of 325 to 91 in December 2013,<sup>358</sup> and for a short time it looked like the Senate would move on the bills too.<sup>359</sup> Then opposition mounted, especially from trial lawyers,<sup>360</sup> and the Senate Democrats tabled the legislation.<sup>361</sup> It appeared that Congress's interest in patent reform may wane, but recent events suggest the policy window remains wide open. The 2014 midterm elections resulted in a power shift with Republicans taking control of the Senate and quickly declaring patent reform a high priority.<sup>362</sup> Now the Innovation Act has been reintroduced in the House, and patent litigation reform is back on the legislative agenda.<sup>363</sup>

The Executive has also been intent on patent litigation reform. To be sure, during last year's State of the Union address, President Obama called on Congress to "pass a patent reform bill that allows our businesses to stay

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357. See *id.*

358. Press Release, U.S. House of Rep. Judiciary Comm., House Passes Innovation Act to Make Reforms to Our Patent System (Dec. 5, 2013), <http://judiciary.house.gov/index.cfm/2013/12/house-passes-innovation-act-to-make-reforms-to-our-patent-system>.

359. See, e.g., Michael Rosen, *Coryn-Schumer Patent Reform Compromise a Significant Improvement*, TECHPOLICYDAILY.COM (Apr. 30, 2014), <http://www.techpolicydaily.com/technology/cornyn-schumer-patent-reform-compromise-significant-improvement/>.

360. Cory L. Andrews, *Trolls and Trial Lawyers Should Curb Their Enthusiasm Over Patent Reform Timeout*, FORBES (May 29, 2014), <http://www.forbes.com/sites/wlf/2014/05/29/trolls-and-trial-lawyers-should-curb-their-enthusiasm-over-patent-reform-timeout/>.

361. See, e.g., Erin Mershon & Tony Romm, *Patent Reform Hits Dead End in Senate*, POLITICO (May 21, 2014), <http://www.politico.com/story/2014/05/patent-reform-senate-106968.html>. The bills under consideration in the Senate included the Patent Transparency and Improvements Act of 2013, S. 1720, 113th Cong. (1st Sess. 2013); Patent Abuse Reduction Act of 2013, S. 1013, 113th Cong. (1st Sess. 2013); and Patent Litigation Integrity Act of 2013, S. 1612, 113th Cong. (1st Sess. 2013).

362. Jones, *supra* note 21.

363. Press Release, Rep. Bob Goodlatte, Goodlatte Introduces Patent Litigation Reform Bill (Feb. 5, 2015), available at [http://goodlatte.house.gov/press\\_releases/660](http://goodlatte.house.gov/press_releases/660). A competing bill, the Support Technology & Research for Our Nation's Growth (STRONG) Patents Act, was introduced in the Senate by Senators Coons, Durbin, and Hirono on March 3, 2015. See Press Release, Sen. Christopher Coons, Coons, Durbin, Hirono Introduce Patent Reform Bill to Protect Innovation, Confront Abuse (Mar. 3, 2015), available at <http://www.coons.senate.gov/newsroom/releases/release/coons-durbin-hirono-introduce-patent-reform-bill-to-protect-innovation-confront-abuse>. The proposals in the STRONG bill are much more favorable to patent owners than the Innovation Act. See, e.g., Dennis Crouch, *The Strong Patent Act of 2015 from Senator Coons*, PATENTLY-O (Mar. 3, 2015), <http://patentlyo.com/patent/2015/03/strong-patent-senator.html>.

focused on innovation, not costly, needless litigation.”<sup>364</sup> The Executive has also taken various actions, primarily through the PTO, to curtail abusive patent litigation.<sup>365</sup> For instance, the PTO’s website now includes a “litigation” page with information about what accused infringers can do in response to cease and desist letters or infringement suits.<sup>366</sup>

The judiciary, too, has shown an interest in patent litigation reform. Some Federal Circuit judges, particularly former Chief Judge Rader, have joined in the chorus for reform—albeit a different type of reform. Judge Rader argues that courts, rather than Congress, should lead the charge.<sup>367</sup> In an op-ed piece in the *New York Times*, Judge Rader suggested that judges could effectively deter patent litigation abuse by shifting attorney’s fees more readily.<sup>368</sup> And in a speech delivered last fall, he questioned the wisdom and need for legislation: “[b]ecause I have confidence in the ability of the judiciary to address these issues in a more flexible and thus just manner, I consequently encourage the legislative branch to proceed with great caution in attempting to solve specific and evolving problems with sweeping definitions.”<sup>369</sup> Going a step further, Federal Circuit Judge Kathleen O’Malley criticized the legislation as nothing more than “litigation case management proposals” that contravene core separation of powers principles.<sup>370</sup> The discord over the proposed legislation—not to mention its

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364. Address Before a Joint Session of the Congress on the State of the Union, 2014 DAILY COMP. PRES. DOC. 50 (Jan. 28, 2014), available at <http://www.whitehouse.gov/the-press-office/2014/01/28/president-barack-obamas-state-union-address>.

365. See White House Office of the Press Sec’y, *Executive Actions: Answering the President’s Call to Strengthen Our Patent System and Foster Innovation*, WHITEHOUSE.GOV (Feb. 20, 2014), <http://www.whitehouse.gov/the-press-office/2014/02/20/fact-sheet-executive-actions-answering-president-s-call-strengthen-our-p>.

366. *Been Sued or Gotten a Demand Letter? Answers To Common Questions About Abusive Patent Litigation*, U.S. PATENTS & TRADEMARK OFFICE, <http://www.uspto.gov/patents-maintaining-patent/patent-litigation/patent-litigation> (last visited Mar. 15, 2015).

367. See Randall R. Rader et al., *Make Patent Trolls Pay in Court*, N.Y. TIMES, June 5, 2013, at A25, available at <http://www.nytimes.com/2013/06/05/opinion/make-patent-trolls-pay-in-court.html>.

368. *Id.* Interestingly, at the time Judge Rader wrote the op-ed, Federal Circuit precedent made it difficult to shift attorney’s fees in patent cases, but since then, the Supreme Court has made that easier. See generally *Highmark, Inc. v. Allcare Health Mgmt. Sys., Inc.*, 134 S. Ct. 1744 (2014) (holding that “an appellate court should apply an abuse-of-discretion standard in reviewing all aspects of a district court’s § 285 determination”); *Octane Fitness, L.L.C. v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749 (2014) (holding that an award of attorney’s fees under § 285 is appropriate in “exceptional cases,” meaning cases that stand out from others).

369. Randall R. Rader, former Chief Judge of the United States Court of Appeals for the Federal Circuit, Texas Bar Association Keynote: Patent Law and Litigation Abuse (Nov. 1, 2013), available at <http://mcsmith.blogs.com/files/rader-2013-ed-tex-bb-speech.pdf>.

370. Davis, *supra* note 352 (“Once you intrude on the inherent authority of courts to actually manage each case before them, you’re breaking down the division between the

failure to pass last year—intimates that an alternative solution like the one proposed in this Article would be welcomed by many.

Another key factor contributing to this policy window for comprehensive patent procedural reform is that the local patent rules experiment is well underway. The experiment has been percolating for fifteen years now with thirty district courts in twenty different states adopting official local patent rules, and many other district judges utilizing specialized procedures in patent cases.<sup>371</sup> It is widely recognized that a key benefit of local rulemaking is that district courts can serve as laboratories to experiment with different approaches and procedures.<sup>372</sup> Yet, experiments, by definition, must come to an end. To be clear, I am not advocating for the immediate revocation of all local patent rules. Instead, as discussed further below, I submit that a sufficient amount of time has passed to begin the process of collecting data regarding patent cases subject to local patent rules so that rule makers can analyze the efficacy, workability, and sustainability of those rules.<sup>373</sup>

To some extent, this data collection process has already begun through the Patent Pilot Program, further underscoring my claim of an open policy window. Congress established the Patent Pilot Program in 2011 “to encourage enhancement of expertise in patent cases among district judges.”<sup>374</sup> The legislation provided that district courts meeting certain criteria—namely, those having a busy patent docket or local patent rules—could be designated as Patent Pilot Program courts.<sup>375</sup> Accordingly, fourteen district courts were chosen to participate in the program, twelve of which

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branches of government, and there is grave danger in doing that.”) (quoting Judge O’Malley’s speech at a conference in Washington, D.C. sponsored by the Innovation Alliance).

371. See *supra* note 175 (listing the districts with local patent rules).

372. See Rosenthal, *Summary Changes*, *supra* note 13, at 492 (“The benefit of having district and division local rules serve as laboratory experiments to test different approaches also became clear.”); Levin, *supra* note 92, at 1567 (approving of Rule 83’s creation of “local laboratories”).

373. See, e.g., Amendments to the Federal Rules of Civil Procedure and Forms, 146 F.R.D. 401, 533 (1993) (explaining that, under the Civil Justice Reform Act, district courts were authorized to adopt local rules inconsistent with the FRCP for a period of five years to “provide[] a sound basis for potentially useful experimentation”); Act of Jan. 4, 2011, Pub. L. No. 111-349, § 1, 124 Stat. 3674, 3674 (codified at 28 USC § 137) (providing that the program will run for ten years and that Congress will collect data over that time period to assess the success of the program).

374. § 1, 124 Stat. 3674, 3674; see also Press Release, U.S. Courts, District Courts Selected for Patent Pilot Program (June, 7, 2011), available at [http://www.uscourts.gov/News/NewsView/11-06-07/District\\_Courts\\_Selected\\_for\\_Patent\\_Pilot\\_Program.aspx](http://www.uscourts.gov/News/NewsView/11-06-07/District_Courts_Selected_for_Patent_Pilot_Program.aspx).

375. Press Release, U.S. Courts, *supra* note 374.

have comprehensive local patent rules in place.<sup>376</sup> Beginning in mid-2011 and continuing for ten years, judges in those districts will be selected to take on a disproportionate share of patent cases.<sup>377</sup> Data will then be gathered by the Administrative Office of the U.S. Courts, reported to Congress, and analyzed to determine, among other things, the efficacy of the program in developing expertise and improving efficiency in patent litigation.<sup>378</sup> The first periodic report indicates that the program has been implemented successfully in the fourteen districts, but that it is “too early to draw any conclusions from the pilot data currently available.”<sup>379</sup>

### C. *Promulgating the Federal Rules of Patent Procedure*

The patent reform legislation currently pending before Congress has sparked controversy about whose job it is to enact procedural rules for patent cases.<sup>380</sup> District courts and individual judges have assumed that responsibility thus far, with the result being substantial fragmentation of patent procedure. That raises the question of how to fix the problem. One option is for Congress to pass the Innovation Act or some similar legislation

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376. *Id.* The fourteen districts selected were: California (Central, Northern, and Southern); Florida (Southern); Illinois (Northern); Maryland; Nevada; New Jersey; New York (Eastern and Southern); Pennsylvania (Western); Tennessee (Western); Texas (Eastern and Northern). *Id.* Of those districts, only the Central District of California and Southern District of Florida do not have local patent rules. *See supra* note 175 (listing courts with local patent rules).

377. § 1(a), 124 Stat. 3674, 3674.

378. *Id.* at § 1(e).

379. Patent Pilot Project: Status Update (Feb. 2013) (on file with author). Interestingly, in September 2014, the Southern District of Florida ended its participation in the Patent Pilot Program. *See* John Pacenti, *South Florida Federal Courts End Pilot Patent Program*, DAILY BUS. REV. (Sept. 8, 2014), <http://webcache.googleusercontent.com/search?q=cache:D7pBJvLwEPgJ:www.dailybusinessreview.com/id%3D1202669306885/South-Florida-Federal-Courts-End-Pilot-Patent-Program+%&cd=1&hl=en&ct=clnk&gl=us>. So far, it does not appear that another district has been selected to take its place.

380. I do not mean to suggest that this is the only criticism of the current patent reform bill. Some biotechnology companies have opposed the Innovation Act because it “will create additional patent-related uncertainty in the already high-risk life sciences and technology sectors.” Chris Jennewein, *Patent Law ‘Innovation’ Slammed by San Diego Biotech Groups*, TIMES OF SAN DIEGO (Feb. 6, 2015), <http://timesofsandiego.com/politics/2015/02/06/san-diego-biotech-groups-criticize-federal-innovation-act/>. Others argue that the legislation is simply unnecessary because the courts have already taken steps to remedy many of the perceived problems with patent litigation. *See* Paul R. Gugliuzza, *Patent Litigation Reform: The Courts, Congress, and the Federal Rules of Civil Procedure*, 95 BOSTON U. L. REV. 279, 282 (2015). An in-depth analysis of the merits of the Innovation Act is beyond the scope of this Article, however.



mandating a new set of procedural rules for patent cases.<sup>381</sup> Putting to the side the question whether it has the power to enact such legislation,<sup>382</sup> Congress is ill-suited to the task of procedural rulemaking:

[L]egislatures have neither the immediate familiarity with the day-to-day practice of the courts which would allow them to isolate the pressing problems of procedural revision nor the experience and expertness necessary to the solution of these problems; legislatures are intolerably slow to act and cause even the slightest and most obviously necessary matter of procedural change to be long delayed; legislatures are subject to the influence of other pressures than those which seek the efficient administration of justice and may often push through some particular and ill-advised pet project of an influential legislator while the comprehensive, long-studied proposal of a bar association molders in committee; and legislatures are not held responsible in the public eye for the efficient administration of the courts and hence do not feel pressed to constant reexamination of procedural methods.<sup>383</sup>

These shortcomings are further compounded in the patent context since legislators generally have little experience with innovation policy, local patent rules, and the technologies that patents protect. So even though Congressional action would bring uniformity to patent procedure, there are serious downsides.

Another possibility is to take far less drastic measures and simply recommend, rather than require, uniform procedural rules for patent cases. Perhaps if “model” patent procedures were outlined in a guide—something similar to the Manual for Complex Litigation—district judges nationwide would use it, which would lead to standardization in patent procedure.<sup>384</sup> While appealing in theory, the reality is that this approach has already been tried. The Federal Judicial Center began publishing the Patent Case Management Judicial Guide (PCMJG) in 2009 with the intent that it would “become widely used by district judges as an authoritative source for best

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381. *Cf. supra* note 167 and accompanying text (noting that Congress passed the PSLRA to effect certain procedural reforms for securities actions).

382. *See* Wigmore, *All Legislative Rules for Judiciary Procedure Are Void Constitutionally*, 23 ILL. L. REV. 276 (1928); *see also supra* note 370 (discussing Judge O’Malley’s claim that the current legislation violates the separation of powers doctrine).

383. Leo Levin & Anthony G. Amsterdam, *Legislative Control Over Judicial Rule-Making: A Problem in Constitutional Revision*, 107 U. PA. L. REV. 1, 10 (1958).

384. *See* Judith Resnick, *Fairness in Numbers: A Comment on AT&T v. Concepcion, Wal-Mart v. Dukes & Turner v. Rogers*, 125 HARV. L. REV. 78, 144 n.394 (2011) (explaining that the purpose of the Manual for Complex Litigation was to standardize the procedures used in aggregate litigation).

practices for patent case management.”<sup>385</sup> To date, however, courts’ use of the PCMJG appears sporadic, leaving patent procedure in a state of disarray.<sup>386</sup>

Because neither the Innovation Act nor the PCMJG adequately addresses the patent procedure dilemma, this Article proposes the promulgation of the Federal Rules of Patent Procedure—a comprehensive set of rules for patent cases. Fortunately, the Rules Enabling Act, passed by Congress in 1934 to permit promulgation of the FRCP, created a rulemaking process that can serve as a model for the Federal Rules of Patent Procedure.

The Rules Enabling Act envisions rulemaking as a collaborative process involving all three branches of government.<sup>387</sup> The Act delegates to the Supreme Court the power to prescribe “general rules of practice and procedure” that do “not abridge, enlarge or modify any substantive right.”<sup>388</sup> The Court’s rulemaking authority, in turn, is delegated to an advisory committee responsible for drafting and amending the rules.<sup>389</sup> The advisory committee is comprised of judges, lawyers, law professors, and representatives of the executive branch, all of whom contribute expertise to the rulemaking process.<sup>390</sup> Minutes of the advisory committee’s meetings are maintained and made available to the public.<sup>391</sup> The committee also circulates its proposals to the public for comment and holds public hearings.<sup>392</sup> After considering the public’s input, the committee presents its

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385. Dabney Carr, *Federal Judicial Center to Publish Patent Case Management Judicial Guide*, VIRGINIA IP LAW, <http://virginiaiplaw.com/2009/04/federal-judicial-center-to-publish-patent-case-management-judicial-guide/> (last visited Mar. 15, 2015).

386. Though admittedly difficult to measure, a Westlaw search reveals that the PCMJG has been cited in surprisingly few cases since it was first published six years ago. Specifically, the PCMJG is cited in only one Federal Circuit decision and about thirty district court decisions, despite the fact that thousands of patent cases have been filed annually for the past several years.

387. See Paul D. Carrington, *Politics and Civil Procedure Rulemaking: Reflections on Experience*, 60 DUKE L.J. 597, 599 (2010) [hereinafter Carrington, *Politics*].

388. 28 U.S.C. § 2072 (2014).

389. Specifically, the Court delegates its rulemaking power to the “Judicial Conference of the U.S. Standing Committee on Practice and Procedure, which further delegates the responsibility to an Advisory Committee on Civil Rules.” See Allan Erbsen, *From “Predominance” to “Resolvability”: A New Approach to Regulating Class Actions*, 58 VAND. L. REV. 995, 1060 n.141 (2005).

390. See Catherine Y. Kim, *Changed Circumstances: The Federal Rules of Civil Procedure and the Future of Institutional Reform Litigation After Horne v. Flores*, 46 U.C. DAVIS L. REV. 1435, 1469 (2013); John Lande, *Using Dispute System Design Methods to Promote Good-Faith Participation in Court-Connected Mediation Programs*, 50 UCLA L. REV. 69, 113 n.233 (2002).

391. 28 U.S.C. § 2073 (2014).

392. See Committee on Rules of Practice and Procedure of the Judicial Conference of the United States, *Preliminary Draft of Proposed Amendments to the Federal Rules of Appellate*,

proposals to the Supreme Court. If a majority of the justices promulgate the recommended rules, Congress has a limited time (approximately seven months) to reject, modify, or defer to them.<sup>393</sup>

This Article proposes a similar, though slightly modified, process for the Federal Rules of Patent Procedure. As an initial matter, Congress should pass legislation expressly providing the Supreme Court with rulemaking authority as respects patent cases. This is the path Congress took for bankruptcy cases,<sup>394</sup> and would allay concerns that the Rules Enabling Act precludes the promulgation of substance-specific procedural rules.<sup>395</sup> Congress should also expand the Patent Pilot Program, first to add districts without local patent rules, and second to mandate the collection of data on local (and local-local) patent rules and their impact on patent litigation.

As with the FRCP, the Supreme Court should then delegate its rulemaking authority to an advisory committee, and this Patent Rules Advisory Committee (PRAC) would be primarily responsible for drafting the Federal Rules of Patent Procedure. The composition of the PRAC should be diverse and balanced. Like the FRCP advisory committee, PRAC members should include judges, lawyers, law professors, and executive branch representatives.<sup>396</sup> Of course, some of these members should have patent expertise. There should be room on the committee, say, for Federal Circuit judges, district judges with significant patent experience, patent lawyers and academics, contributors to the PCMJC, and PTO representatives. Yet, it is vital for generalists to participate in the process as well. Generalists, especially those with rulemaking experience, would provide valuable perspectives and insights that would improve the overall quality of the rules.<sup>397</sup> More to the point, generalists would help protect against undue political influence in the rulemaking process, which

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*Bankruptcy, Civil, and Criminal Procedure*, USCOURTS (Apr. 15, 2014), <http://www.uscourts.gov/RulesAndPolicies/rules/proposed-amendments.aspx> [hereinafter Judicial Conference, *Proposed Amendments*].

393. 28 U.S.C. § 2074 (2014).

394. See 28 U.S.C. § 2075 (2014); Alan N. Resnick, *The Bankruptcy Rulemaking Process*, 70 AM. BANKR. L.J. 245, 246 (1996) (“It was not until 1964 that Congress expressly gave the Supreme Court rulemaking authority with respect to bankruptcy cases.”).

395. See Burbank, *Pleading*, *supra* note 288, at 541 (“[T]he Rules Enabling Act’s reference to ‘general rules’ forecloses the promulgation of different prospective rules for cases that involve different bodies of substantive law.”).

396. See *supra* note 390 and accompanying text (discussing the make-up of the FRCP advisory committee).

397. See Oldfather, *supra* note 225, at 854–59 (outlining the specialist versus generalist debate); Mark Tushnet, *State Taxation and Interstate Commerce: A Generalist’s View of Today’s Terrain*, 2007 ST. & LOC. TAX LAW. 255, 255 (“The generalist’s perspective is important to specialists . . . [because] stepping back from the details often allow a lawyer to see her problems differently.”).

historically has been one of the prime objections to substance-specific rules.<sup>398</sup> It would also improve upon the process used for local patent rules, which is not only opaque but, from what little we know, quite insular in that local patent rules are shaped almost exclusively by patent specialists.<sup>399</sup>

Even among the patent experts, PRAC members should represent a cross-section of viewpoints. The patent system has a broad range of stakeholders including inventors, patent owners, and accused infringers, to name just a few. Inventors might be individuals or corporations; patent owners include universities, PAEs, and companies big and small; and manufacturers, distributors, retailers, and end users are all potential patent infringers.<sup>400</sup> The patent system is also divided by industry, such as automotive, biotechnology, computer hardware, electronics, medical devices, pharmaceutical, semiconductor, software, and telecommunications.<sup>401</sup> The more the rulemaking process takes these divergent viewpoints into account, the better the chances for fair-handed, outcome-neutral procedural rules for patent cases.<sup>402</sup>

Meanwhile, the Administrative Office of the U.S. Courts and Federal Judicial Center should gather data regarding patent procedure through the Patent Pilot Program and the PCMJG.<sup>403</sup> Based on the data, studies should

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398. See Robert G. Bone, *Making Effective Rules: The Need for Procedure Theory*, 61 OKLA. L. REV. 319, 333 n.51 (2008) (“[O]thers fear that tailoring procedural rules to substance will trigger intense political controversy and possibly paralyze the rulemaking process.”); Stephen N. Subrin, *Fudge Points and Thin Ice in Discovery Reform and the Case for Selective Substance-Specific Procedure*, 46 FLA. L. REV. 27, 53 (1994) (“The third objection to substance-specific procedure is that, historically, those who have wanted procedural change have had political agendas and as a result, rulemaking will become a nonneutral, political arena.”); Wolff, *supra* note 82, at 1032 (“In discussions of procedural reform, the principle of trans-substantivity has also performed a political function, serving at times to deflect targeted efforts to accomplish social ends through the mechanism of procedure.”).

399. See *supra* note 314 (naming members of patent local rules advisory committee, most of whom specialize in intellectual property).

400. See generally Colleen V. Chien, *From Arms Race to Marketplace: The Complex Patent Ecosystem and its Implications for the Patent System*, 62 HASTINGS L.J. 297 (2010) (discussing the various players in the patent system).

401. See, e.g., Dan L. Burk & Mark A. Lemley, *Policy Levers in Patent Law*, 89 VA. L. REV. 1575, 1668 (2003) (discussing how patent law can be tailored to meet the needs of particular industries).

402. See Coe, *supra* note 198 (quoting Judge Guilford of the Central District of California as saying that patent rules should be outcome-neutral and should not “favor[] one side or the other”).

403. Act of Jan. 4, 2011, Pub. L. No. 111-349, § 1(e), 124 Stat. 3674, 3675 (codified at 28 USC § 137), (discussing data collection and reports to Congress); Carrington, *Politics*, *supra* note 387, at 599 (explaining that the Federal Judicial Center plays a role in the rulemaking process by providing “empirical data informing rulemakers about the consequences of the rules for which they share responsibility”).

be conducted to determine, among other things, the effects of local patent rules on patent litigation. Do local patent rules speed up or slow down patent suits? How does the timing of claim construction influence outcomes? Do some patent rules favor patent owners while others favor accused infringers?<sup>404</sup> Are these local patent rules purely procedural or are they actually substantive and therefore matters for Congress?<sup>405</sup> Much of this data is already available because local patent rules have been in place for quite some time now. Plus, the Patent Pilot Program is scheduled to run for at least six more years, providing ample time for data collection and analysis.<sup>406</sup>

Once the data is gathered and studied, it should be shared with and considered by the PRAC in drafting the Federal Rules of Patent Procedure. The PRAC's rulemaking process should be transparent like the FRCP process.<sup>407</sup> Minutes of PRAC meetings should be maintained and publicly distributed; the PRAC should share its draft rules with the public for comments and any comments received should be available for review; and the PRAC should hold public hearings so stakeholders have an opportunity to express their views on the proposed rules.<sup>408</sup> This would be a marked improvement over the current local patent rules system where publicly available information is extremely scarce.<sup>409</sup> Increasing transparency in this way would enhance the legitimacy both of the rulemaking process and the rules themselves.

The PRAC would then transmit the proposed Federal Rules of Patent Procedure to the Supreme Court for approval. If the Court promulgates the rules and Congress defers, the Federal Rules of Patent Procedure will become law in all ninety-four district courts. This means the same procedural framework will apply to all patent cases no matter whether they are filed in California, Florida, Texas, or Wisconsin. Under the Federal Circuit's choice of law doctrine,<sup>410</sup> moreover, its law would govern the

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404. See *supra* Part IV.B (discussing how the Northern District of California's patent rules favor defendants while the Eastern District of Texas's rules favor plaintiffs).

405. See, e.g., Howard M. Wasserman, *Jurisdiction, Merits, and Procedure: Thoughts on Dodson's Trichotomy*, 102 NW. U. L. REV. COLLOQUY 215, 224 (2008).

406. See § 1(a), 124 Stat. 3674, 3674.

407. See *supra* notes 387–93 and accompanying text.

408. See Judicial Conference, *Proposed Amendments*, *supra* note 392 (making public comments and transcripts from public hearings on proposed amendments to the FRCP available).

409. See *supra* notes 309–13 and accompanying text (explaining the difficulties encountered in gathering public comments from the courts that have enacted Local Patent Rules).

410. See *supra* Part III.B.

application and interpretation of the Federal Rules of Patent Procedure, furthering the goals of uniformity and predictability in patent law.

#### CONCLUSION

Our patent litigation system currently faces a crisis of confidence due in large part to perceived procedural deficiencies in pleading standards, discovery, and claim construction practice. Over the past two decades, district courts and individual judges have taken it upon themselves to address these problems through local patent rules. Yet, local solutions to national problems can create even bigger problems: disuniformity, inconsistency, and forum-shopping. For patent law, where uniformity is paramount, the costs of local patent rules outweigh the benefits. A national set of patent procedural rules—the Federal Rules of Patent Procedure—is a better solution.