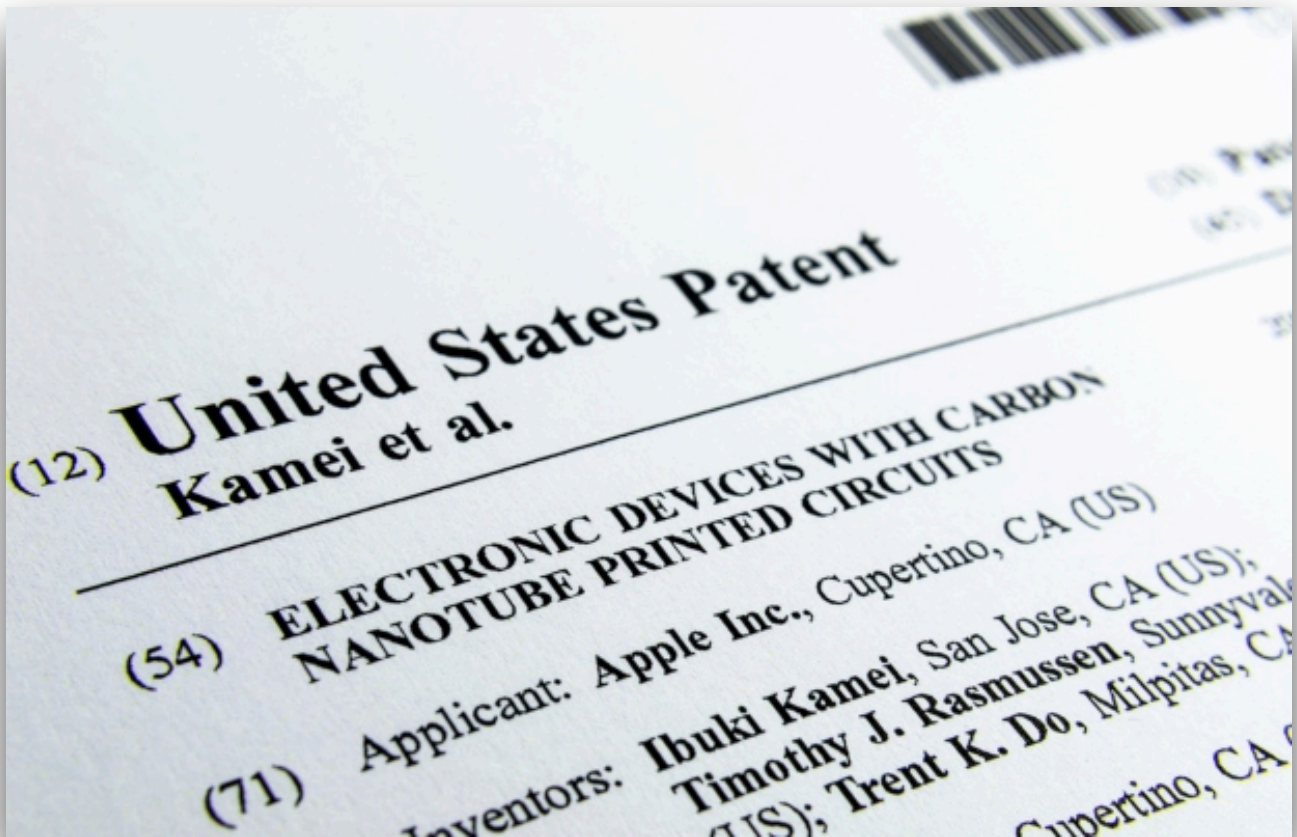


## Do 'Schedule A' cases threaten foreign firms in the US?



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**Foreign defendants who anticipate a design patent infringement lawsuit should be wary of the drastic consequences of a Schedule A case, say Marko Zoretic and Jack Hendershott of Knobbe Martens.**

'Schedule A' cases get their name from the fact that the defendants are identified as such rather than on the cover or in the body of the complaint, as is the norm in the US.

In these design patent cases, the Schedule A is filed under seal. As a result, defendants are not initially aware that a lawsuit has been filed against them, which is the intention. The plaintiff then files an *ex parte* motion for entry of a sealed Temporary Restraining Order (TRO) to enjoin the offer for the sale of the allegedly infringing products by the defendants.

Assuming the plaintiff's motion is granted—which routinely occurs because the defendants are not provided the opportunity to oppose—the plaintiff then provides the TRO to online marketplaces, which then close the relevant product listings and institute an asset freeze before defendants learn about the proceedings against them.

Such cases, therefore, provide plaintiffs with a powerful and relatively quick tool for enforcing design patents against sellers—in particular, foreign parties—who sell products on popular online marketplaces.

Given the increasing popularity of Schedule A cases in the US (the Northern District of Illinois being the preferred venue), foreign defendants who suspect that they might be accused of design patent infringement should be mindful of the potentially drastic and immediate consequences of a Schedule A design patent case.

### **Schedule A complaint**

The most important distinction between typical design patent complaints and Schedule A complaints is that Schedule A complaints are written in a manner intended to prevent the defendants from learning about the proceedings prior to the execution of the TRO.

Instead of publicly identifying the defendants, the complaint identifies the defendants as, for example, “The Partnerships and Unincorporated Associations Identified on Schedule A,” which the plaintiff seeks to file under seal. Even when the Schedule A is filed under seal, the list of defendants also generally does not specifically identify the true names of the defendants, as the identities may not be readily ascertainable. In such cases, defendants are identified by their seller aliases on the respective online marketplaces.

Plaintiffs allege that filing under seal is necessary to prevent defendants from learning of the proceedings prematurely, which would allegedly result in the destruction of relevant documentary evidence and the hiding or transferring of assets to foreign jurisdictions.

## **Ex Parte TRO**

After filing the complaint, the plaintiff will promptly file an *ex parte* motion for entry of a TRO and seek to file the motion under seal. Consequently, the defendants remain unaware that a lawsuit has been filed against them and are not provided with any opportunity to oppose the TRO motion.

This lack of adversarial proceeding provides plaintiffs with an opportunity to more easily obtain the requested TRO. The success rate for obtaining TROs in the Northern District of Illinois Schedule A design patent cases is staggering. Based on the authors' analysis, at the time of writing this article, there have been 106 such motions ruled on since the start of 2022, with 104 granted in their entirety and two granted-in-part. Similarly, all five *ex parte* motions for TROs in Schedule A cases made in the Southern District of New York have been granted within this timeframe.

As for the TROs, they usually (1) temporarily enjoin defendants from making or selling unauthorised products, (2) temporarily restrain and enjoin defendants from transferring or disposing of any monies or assets, (3) authorise the plaintiff to serve third-party discovery on an expedited basis, and (4) authorise the plaintiff to serve discovery on the defendants on an expedited basis concerning the identity and location of defendants and financial information concerning defendants' online marketplace accounts.

## **TRO enforcement**

Because the granted TRO is also filed under seal, defendants, even at this stage, remain unaware that a lawsuit has been filed against them and that a TRO has been granted. Once granted, the plaintiff will promptly serve the TRO on the online marketplaces, which then promptly remove the infringing product listings and institute an asset freeze (eg, preventing withdrawals from the defendant's balance). These actions by the online marketplaces are typically the first notice that defendants receive that an action has been taken against them, which can be a devastating shock to their business, especially during peak shopping seasons.

Once the TRO has been executed by the online marketplaces, the plaintiff serves the complaint and TRO on the defendants, who are then able to participate in the litigation.

## **Preliminary injunction**

Plaintiffs quickly move for the entry of a preliminary injunction to extend the relief previously granted in the TRO for the pendency of the action. It is worth noting, however, that even if the TRO expires and the plaintiff does not seek a preliminary injunction, the online marketplaces might continue to block the alleged infringing product listings and asset freeze until they receive a request from the plaintiff to release the restrictions and process the request.

The ability to obtain a TRO in design patent cases against foreign sellers on US online marketplaces via Schedule A cases has made them an effective method for closing online marketplace listings, at least temporarily, which can be very disruptive to defendants.

Given the disruptive nature of Schedule A proceedings, foreign sellers on US online marketplaces who suspect they might be accused of design patent infringement should be mindful of the Schedule A procedure and should implement business practices that reduce the likelihood that their US online business will be shut down due to an unanticipated TRO.

In particular, foreign sellers on US online marketplaces should consider monitoring competitor US design patents and promptly implementing product redesigns where necessary.

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Knobbe Martens, US design patents, infringement, Schedule A, plaintiff, preliminary injunction, online marketplaces

## Guest Post by Prof Burstein: Sanctions & Schedule A

🕒 January 23, 2024    👤 Jason Rantanen

By Sarah Burstein, Professor of Law at Suffolk University Law School

[Jiangsu Huari Webbing Leather Co., Ltd. v. Joes Identified in Schedule A, No. 1:23-cv-02605 \(SDNY Jan. 2, 2024\), ECF 76.](#)

The **Schedule A** litigation phenomenon continues apace in the Northern District of Illinois, a court that has become, in the words of Judge Seeger, “**an assembly line for TROs.**” But Schedule A litigation is not confined to Chicago. It has spread, perhaps most notably to the Southern District of Florida and the Southern District of New York.

One recent decision out of New York merits closer attention. In this case, as in most Schedule A cases, the plaintiff was able to obtain an *ex parte* TRO that included an order instructing Amazon to freeze the defendants’ seller accounts. The order also required the plaintiff to post a bond of \$20,000 “for the payment of any damages any person may be entitled to recover as a result of an improper or wrongful restraint ordered.”

The plaintiff sued 163 defendants, alleging that each was liable for infringing a **utility patent** directed towards “a rectangular-shaped buckle-and-belt mechanism” for “an outdoor exercise product.”

At the TRO stage, the plaintiff’s “**infringement evidence chart**” consisted of a series of screenshots (many of them low-resolution screenshots) of the accused products. Here’s an example of all of the evidence submitted in that chart with respect to one of the defendants:

5	Autofonder	
		

As per usual in a Schedule A case, the defendants did not find out about the case until after their accounts were frozen. When the plaintiff moved to extend the TRO, multiple defendants appeared to object. Judge Rochon **refused to extend** the TRO and the plaintiff voluntarily dismissed the case.

Two of the defendants, **Hyponix** and **NinjaSafe**, moved for bond damages, sanctions, and fees. They argued that the plaintiff had failed to conduct a sufficient pre-suit investigation and had committed various acts of litigation misconduct. They further argued that they each suffered damages from being wrongfully enjoined.

Judge Rochon granted the defendants' motions for bond damages but denied their motions for sanctions and fees. She agreed that the moving defendants had been wrongfully enjoined because "Hyponix has pointed to at least four elements of claim 1 of the '673 patent that are not present in its product" and "Ninja Safe has also shown that its products may not infringe claim 1 and has raised questions of invalidity." Accordingly, Judge Rochon granted each moving defen-

dant bond damages, though less than they asked for: \$3,682.28 for Hyponix and \$14,641.51 for NinjaSafe.

But she refused to grant sanctions or fees, despite being “troubled by Plaintiff’s conduct in this case.” In particular, Judge Rochon noted the “clear discrepancies’ between the protected elements of the ’673 Patent and the products of many of the parties against which Plaintiff secured a TRO.” She also noted other instances of “possible misconduct,” including:

- “Plaintiff represented that most of the 163 parties were difficult to find and contact. In practice, however, contact information for many of the parties was readily available. . . . **Plaintiff does not indicate that it tried with any diligence to locate these parties** before seeking a TRO.”
- “The pace and prevalence of Plaintiff’s dismissals suggest to the Court that **Plaintiff used Rule 41 as part of a broader strategy to freeze the accounts of its competitors, then withdraw its claim against any party that happened to object.**”
- “Plaintiff failed to provide Hyponix with documents necessary for its defense. . . . **Plaintiff claims, falsely, that Hyponix did not request these documents.**”

(Emphasis added.) Despite all of this, Judge Rochon refused to sanction the plaintiff:

Despite these concerns, the Court does not lightly award sanctions and will not do so in this case. Plaintiff holds a valid patent for its Hanging Exercise Product, its claim was colorable against at least some of the parties, and it dismissed its lawsuit voluntarily at a very early stage in the litigation (presumably in light of the issues raised by the Court at the order to show cause hearing), before any of the defendants responded to the Amended Complaint. Defendants here were made whole for their losses under the bond. Although a close question, the Court exercises its discretion to deny Defendants’ request for sanctions under its inherent powers and 28 U.S.C. § 1927. . . . To the extent that Plaintiff and its counsel engage in similar misconduct in the future, however, the Court will not hesitate to impose sanctions.

As Professor Eric Goldman noted in this [blog post](#), “it would not be lightly awarding sanction when a plaintiff has committed so many violations.” Two additional points stand out as well.

First, the fact that some of the infringement claims might be colorable does not change the fact that the plaintiff brought numerous claims that were not—including the claims brought against the moving defendants. If the plaintiff had sued Hyponix and NinjaSafe separately, would that have changed the court’s analysis? If so, why should the fact of mass joinder insulate the plaintiff from sanctions? Especially in light of the fact that it’s far from clear that any—let alone all—of the defendants were properly joined, as they sell different products and do not seem to be actually connected in any way. *See* 35 U.S.C. § 299. In any case, the fact remains that this plaintiff brought many claims that were not colorable and used the machinery of the federal judiciary to wrongfully enjoin competitors. That is what should matter in the sanctions calculus, not the fact that some of the other claims (against apparently unrelated defendants) might have potentially had merit.

Second, it is true that the plaintiff dismissed the case at what would be, in a regular case, “a very early stage in the litigation.” But in a Schedule A case, the TRO seems to be the whole game. The plaintiff gets a TRO with an asset freeze, then starts making settlement demands. At that point, the defendants generally either settle or default. It appears that these cases aren’t meant to proceed any further. And as the defendants’ submissions show, significant damage can be done in these cases, even in a short period of time. (One also wonders how much money the plaintiff may have been able to extract in settlements before dismissing the case.)

In the end, the decision to sanction and to award fees is left to the discretion of the judge. And while it is encouraging to see Judge Rochon recognize the damage caused by acts that have become common in Schedule A cases (e.g., using FRCP 41 to dismiss defendants who fight back), it is discouraging to see a result that will only serve to further disincentivize Schedule A defendants from fighting back.

Once a judge grants a TRO with an asset freeze, the deck is heavily stacked against the Schedule A defendants. Defendants have strong incentives to settle, even when the cases against them lack merit. In many cases, it’s just too expensive to fight back, especially when your assets have been frozen.

If judges were willing to sanction plaintiffs—or at least shift fees—when Schedule A defendants were wrongfully restrained, that would do a lot to help level the playing field and incentivize the plaintiffs to bring better claims.

Without fee shifting or sanctions, the cost of bringing a nonmeritorious claim in a Schedule A case is virtually zero, while the harms to defendants who are wrongfully restrained—even for a short time—can be devastating. As Judge Hunt has **noted**, “the extraordinary remedy of freezing all [the defendants’] assets without notice” can “potentially ruin[] a legitimate business.”

Plus, as **Casey Hewitt** noted on **Mastodon**, Schedule A “defendants have no choice but to litigate, have no option to meet and confer and avoid a lawsuit . . . They did not ignore demand letters or refuse to negotiate or discuss alleged infringement.” But once they find out that their assets have been frozen, they have to “hire expensive IP litigators or they will lose their businesses.” In these circumstances, it seems like fee shifting for wrongfully enjoined Schedule A defendants should be the norm, not the exception.

Yes, it’s true that a presumption in favor of fee shifting would be a departure from normal federal court practice. But courts routinely use their discretion to grant procedural departures to Schedule A plaintiffs—e.g., email service, *ex parte* asset freezes, mass joinder upon conclusory (and in many cases, dubious) allegations. Perhaps it is time for judges to start using their discretion to make routine departures for Schedule A defendants, too.

#### Additional observations:

1. This case is a good example of why patent litigation is a poor fit for the Schedule A litigation model. I’ve written here **before** about how design patent infringement is ill-suited to *ex parte* adjudication; so too is utility patent adjudication. If judges are going to keep allowing the Schedule A model in patent cases (and they don’t have to do so, in these cases



or in any others), they should consider making it a regular practice to special masters to help analyze the infringement evidence at the TRO stage. And they should, at a minimum, require an individualized claim chart for each and every defendant.

2. It is far from clear that Judge Rochon actually had the power to freeze these defendants' assets in the first place. As Judge Kendall noted in a recent [order](#), 35 U.S.C. § 284 “does not provide for the equitable relief of accounting and profits,” which seems to be the standard basis for asset freezes in other types of IP cases. Furthermore, as Judge Seeger has [noted](#), “Schedule A plaintiffs typically don’t request and receive equitable monetary relief” at the end of their cases, even when equitable relief is available. Other judges might be well-advised to start questioning whether they should use their discretion to keep granting these types of asset freezes, even in cases where a remedy of equitable disgorgement is actually available.

For more on the Schedule A phenomenon, see:

- [This essay](#) (by Professor Eric Goldman)
- Section II(B) of [this draft article](#) (by me)

### *About Jason Rantanen*

Jason is a Law Professor at the University of Iowa College of Law. [View all posts by Jason Rantanen](#) →

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IP Law

April 5, 2023, 5:05 AM EDT

# Brands Flock to Chicago Court in War on Internet Counterfeiters

By Riddhi Setty and Isaiah Poritz

Deep Dive

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- [‘Schedule A’ lawsuits on the rise in Illinois’ Northern District](#)
  - [Defendant-massing trend concerns judges, court watchers](#)

Harry Styles, the NBA, and other big-name brands have filed thousands of lawsuits over the past decade in a Chicago-based federal court to stop alleged online counterfeiters, using a strategy that’s now drawing more scrutiny from judges and academics.

The strategy involves filing intellectual property complaints against a group of online merchants—sometimes hundreds at a time—under a single docket using what’s known as a “Schedule A” filing.

Some say the practice is necessary to combat a spike in counterfeit merchandise flowing into the country. One Library of Congress report estimated illegal domestic and international sales of counterfeits at \$1.7 trillion to \$4.5 trillion per year. Others criticize “Schedule A” litigation as an abuse of the system that improperly groups unrelated defendants and falls short of procedural protections.

The US District Court for the Northern District of Illinois received 817 Schedule A filings in 2022, a Bloomberg Law analysis of federal dockets found. That’s an increase of more than 900% from 2013, when the first Schedule A cases were filed. The court is on pace to surpass that mark, with nearly 250 of the lawsuits being filed already this year.

The combination of experienced judges and convenient jurisdictional rules is among the reasons that court has become so popular for filing mass counterfeiting suits, attorneys say. The lawsuits seek fast injunctions and often result in default judgments to stop online counterfeiters, whose operations are often based in China or other foreign jurisdictions and are almost impossible to identify.

But some Northern District judges have begun to question the strategy.

“These cases are coming with a level of frequency that is making some of us wonder, ‘Why? Why us?’” Judge Manish Shah said at a January hearing where he granted a \$50,000 default judgment against a group of unresponsive online vendors. “Have we been too easy and not skeptical enough on this practice? Are we getting taken advantage of by the plaintiffs’ bar in bringing these cases?”

### **Schedule A’s Rapid Rise**

Brand owners and their attorneys view the lawsuits as one of the few available tactics to counter an enormous rise in counterfeit merchandise flowing into the US from elusive foreign sellers.

The lawsuits allow them to shut down listings and deter counterfeiters through monetary damages, said Justin Gaudio, an attorney at Greer Burns & Crain LLP who filed more than 100 Schedule A cases last year. The strategy is more effective than the “Whack-a-Mole game where you’re sending takedown notices to the platforms,” he said.

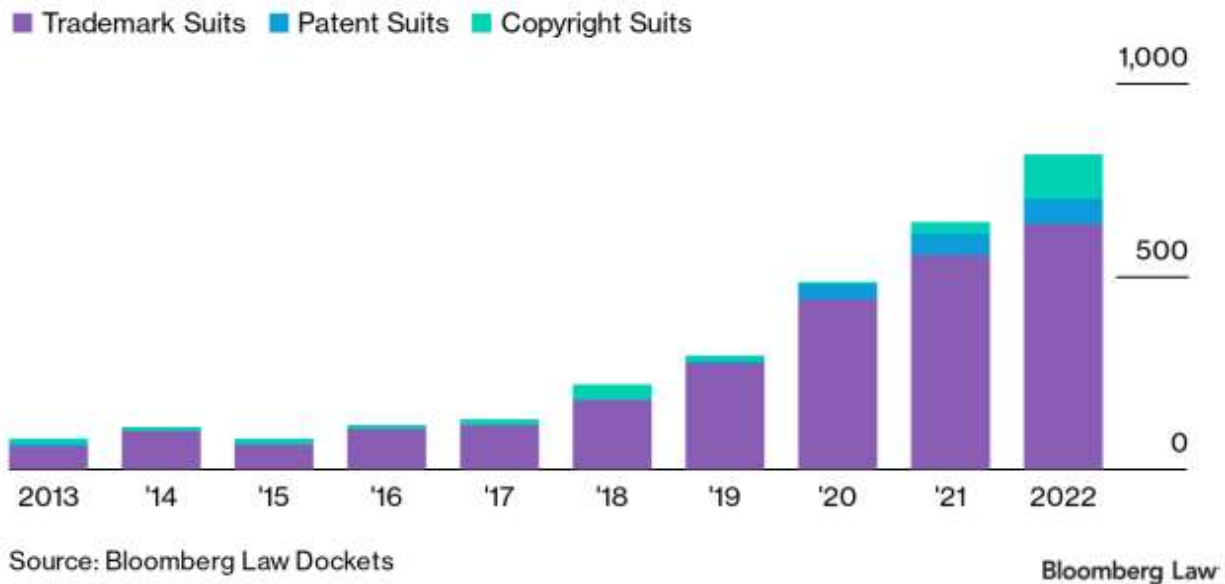
In a typical Schedule A case, a brand will sue a large group of entities that sell counterfeit products through their own websites or on e-commerce sites like Amazon.com Inc. or eBay Inc.. In a single lawsuit, brands can list hundreds—or even thousands—of defendants on a document titled “Schedule A,” often filed under seal.

There’s typically little to no publicly available information about the defendants, who are often identified on schedules under names such as “cheapjerseys.sale.”

Plaintiffs can quickly ask the court to freeze the accounts of the alleged counterfeiters on the marketplaces.

Since 2013, the Northern District of Illinois has received 3,220 Schedule A complaints, with filings increasing every year since 2015, Bloomberg Law’s analysis found. The largest jump in cases came at the start of the pandemic, when 2020 filings rose to 485, from 295 in 2019.

## New 'Schedule A' Complaints in the Northern District of Illinois



Almost 85% of the complaints were trademark infringement lawsuits, the others being copyright and patent cases.

Gaudio said his firm first started filing Schedule A cases in 2011, and the tactic has since become a substantial part of its anti-counterfeiting practice.

### Legal Safeguards

Eric Goldman, a law professor at Santa Clara University, published a paper in March that called the Schedule A lawsuits an “abusive” litigation scheme that bypasses legal safeguards and ultimately costs federal courts.

He cites a 2021 Schedule A case brought by German company Emoji Co. GmbH, which owns a US trademark registration for the word “emoji.” The complaint flagged hundreds of Amazon listings that included the word “emoji,” even for products where the use of the word clearly doesn’t violate trademark law, Goldman said.

Judges’ willingness to quickly grant temporary restraining orders allows plaintiffs like Emoji Co. to get away with legally flawed complaints without much scrutiny, he argued.

The threadbare allegations often don’t identify why the Illinois court has personal jurisdiction over each defendant, he said. “That’s just an abuse.”

Sarah Burstein, a Suffolk University law professor and academic co-director of its IP Center, said that plaintiffs also appear to be strategically selecting judges.

In some cases, she said, plaintiffs have dismissed defendants who haven't yet responded or been served when their suit was assigned to a judge known to require plaintiffs to post large bonds when seeking temporary restraining orders—only to refile in hopes the case is assigned to another judge.

### **Sealed Lists**

Goldman also expressed concerns about Schedule A lists of defendants being sealed and plaintiffs not providing service of process, resulting in companies sometimes finding out they've been sued only after their marketplace accounts have been frozen.

Sealing, however, can be necessary to ensure that defendants don't destroy evidence or delete their accounts, said William Stroever, an attorney at Cole Schotz PC.

"Back in the old days when anti-counterfeiting lawyers were doing raids on Canal Street in New York, you don't tell everyone you're coming in the morning," he said.

Stroever acknowledged that non-infringing sellers may get tied up in these suits, but he said that's an inevitable risk with all kinds of litigation.

Goldman said he's also concerned about multiple unrelated defendants being improperly grouped into one lawsuit. The grouping strategy allows plaintiffs to avoid paying an additional \$402 filing fee to the court for each complaint. That's "costing taxpayers millions of dollars to have these cases handled in a mass fashion," he said.

"Brand owners cannot afford to pay a quarter-billion [dollars] in filing fees to enforce their trademark rights through the courts," Gaudio said, adding that the court system also wouldn't be able to support the resulting number of cases, which often fit the same fact patterns—even if the grouped defendants turn out to be unrelated.

### **Why Chicago?**

The Northern District of Illinois has drawn so many Schedule A cases for several, often self-reinforcing reasons.

Plaintiffs often want to sue in a court that already has experience with those types of cases, said Saurabh Vishnubhakat, director of Cardozo Law School's intellectual property and information law program. He likened the filings to "a repeat player story," with "a relatively small number" of attorneys driving the trend.

Stroever said that plaintiffs may not want to risk filing in other districts, where judges are less experienced and may rule differently.

Jurisdiction precedent in the Chicago-based court could also play a role in helping plaintiffs.

Last year, the Seventh Circuit ruled that the Northern District of Illinois had personal jurisdiction over a China-based retailer that sold a single pair of counterfeit shorts to the Illinois-based attorneys for the NBA.

The ruling acknowledged that in other circuits, plaintiffs' attorneys purchasing a single product may not suffice to establish jurisdiction.

Attorneys said they've noticed a rise in Schedule A filings in New York and Florida, though not to the level seen in Illinois.

"The big picture conclusion is that there's a business model involved here, a business strategy," said Vishnubhakat.

Goldman doesn't see the practice changing anytime soon.

"As long as it keeps working," he said, "plaintiffs are going to keep doing it."

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## A SAD SCHEME OF ABUSIVE INTELLECTUAL PROPERTY LITIGATION

*Eric Goldman*\*<sup>1</sup>

*This Piece describes a sophisticated but underreported system of mass-defendant intellectual property litigation called the “Schedule A Defendants Scheme” (the “SAD Scheme”), which occurs most frequently in the Northern District of Illinois and principally targets online merchants based in China. The SAD Scheme capitalizes on weak spots in the Federal Rules of Civil Procedure, judicial deference to IP rightsowners, and online marketplaces’ liability exposure. With substantial assistance from judges, rightsowners can use these dynamics to extract settlements from online merchants without satisfying basic procedural safeguards like serving the complaint and establishing personal jurisdiction over defendants. This paper explains the scheme, how it bypasses standard legal safeguards, how it has affected hundreds of thousands of merchants, and how it imposes substantial costs on online marketplaces, consumers, and the courts. The Piece concludes with some ideas about ways to curb the system.*

### INTRODUCTION

This Piece identifies an underreported system of abusive intellectual property (IP) litigation.<sup>2</sup> Indeed, the system is so obscure that it doesn’t

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1. In 2021, the author filed a declaration in a SAD Scheme case in support of a defendant’s motion for attorneys’ fees. See Declaration of Dean Eric Goldman at 3, *Emoji Co. v. Individuals, Corps., Ltd. Liab. Cos., P’ships, & Uninc. Ass’ns Identified on Schedule A Hereto*, No. 21-cv-1739 (N.D. Ill. filed Aug. 16, 2021), <https://digitalcommons.law.scu.edu/cgi/viewcontent.cgi?article=3534&context=historical> [<https://perma.cc/YS6W-JAUV>] [hereinafter *Emojico Declaration*].

2. For prior work on mass-defendant intellectual property enforcement, see generally Shyamkrishna Balganesh & Jonah B. Gelbach, *Debunking the Myth of the*

have an official name yet. This paper calls it the “Schedule A Defendants” scheme (the “SAD Scheme”) because the rightsowner-plaintiffs often identify the defendants<sup>3</sup> in a separately filed and sealed “Schedule A”<sup>4</sup> attachment to the complaint.

Rightsowners use the SAD Scheme to combat the sale of allegedly infringing<sup>5</sup> items via online marketplaces (such as Amazon and Wish)<sup>6</sup> by

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Copyright Troll Apocalypse, 101 Iowa L. Rev. Online 43 (2016), [https://ilr.law.uiowa.edu/sites/ilr.law.uiowa.edu/files/2023-01/Balganesh\\_Gelbach.pdf](https://ilr.law.uiowa.edu/sites/ilr.law.uiowa.edu/files/2023-01/Balganesh_Gelbach.pdf) [<https://perma.cc/VK2H-UN4D>] (suggesting that some legal literature defines the phenomenon of “copyright trolls,” who acquire copyrights solely to litigate copyright infringement, too broadly and overstates the problem within the United States); Shyamkrishna Balganesh, The Uneasy Case Against Copyright Trolls, 86 S. Cal. L. Rev. 723 (2013) (discussing the connection between the policy goals of copyright enforcement and the problematic rise of copyright trolls); Colleen V. Chien, Of Trolls, Davids, Goliaths, and Kings: Narratives and Evidence in the Litigation of High-Tech Patents, 87 N.C. L. Rev. 1571 (2009) (evaluating litigation data of high-tech patents to highlight the most common types of patent suits and who is most likely to bring the claim); Brad A. Greenberg, Copyright Trolls and Presumptively Fair Uses, 85 U. Colo. L. Rev. 53 (2014) (“[C]ourts should impose a presumptive bar on troll-related litigation. Such burden shifting is warranted under traditional fair use analysis . . . .”); Brad A. Greenberg, Copyright Trolls and the Common Law, 100 Iowa L. Rev. Bulletin 77 (2015) (concluding that trolling-related litigation is best addressed through ad hoc judicial determinations rather than per se legislative classifications), <https://ilr.law.uiowa.edu/sites/ilr.law.uiowa.edu/files/2023-01/Greenberg.pdf> [<https://perma.cc/SRV6-536V>]; Michael S. Mireles, Trademark Trolls: A Problem in the United States?, 18 Chap. L. Rev. 815 (2015) (“[T]his Paper discusses patent trolls and separates ‘trolling behavior’ from other troubling trademark enforcement practices such as ‘bullying.’ This Paper then gives the reasons why trademark trolls are likely not a problem in the United States.”); Matthew Sag, Copyright Trolling, An Empirical Study, 100 Iowa L. Rev. 1105 (2015) (discussing multi-defendant John Doe lawsuits); Matthew Sag & Jake Haskell, Defense Against the Dark Arts of Copyright Trolling, 103 Iowa L. Rev. 571 (2018) (proposing a legal framework for defending against copyright trolls).

3. There are many variations, but a typical SAD Scheme complaint caption might refer to the defendants as “the Individuals, Corporations, Limited Liability Companies, Partnerships, and Unincorporated Associations Identified on Schedule A Hereto.” See *infra* note 15 and accompanying text.

4. In addition to “Schedule A,” plaintiffs have also used the titles “Exhibit 1,” “Exhibit A,” “Annex A,” and other synonyms. See *infra* Part III.

5. Rightsowners may overclaim infringement. For example, a SAD rightsowner-plaintiff may characterize the defendants’ items as “counterfeits,” even when those items are noninfringing knockoff goods, gray market goods, goods that have leaked out of the rightsowner’s official distribution channels, used or refurbished goods, or otherwise noninfringing goods. See generally Sarah Burstein, Guest Post, Against the Design-Seizure Bill, Patently-O (Jan. 3, 2020), <https://patentlyo.com/patent/2020/01/against-design-seizure.html> [<https://perma.cc/XC4K-2PYG>] [hereinafter Burstein, Against the Design-Seizure Bill] (discussing how “counterfeit” allegations may be rhetorically deceptive).

6. Rightsowners also sometimes use the SAD Scheme against nonmarketplace service providers such as payment processors and other financial institutions. This Piece doesn’t separately address the unique considerations these nonmarketplace players may encounter, but much of the Piece’s analysis about marketplaces applies equally to the other service providers.



third-party merchants.<sup>7</sup> The rightsowners bring lawsuits on an ex parte basis and obtain injunctions that freeze the merchant's relationship with online marketplaces.<sup>8</sup> Most SAD Scheme cases are trademark lawsuits filed in the Northern District of Illinois.<sup>9</sup> The SAD Scheme has likely affected hundreds of thousands of online merchants and deprived the federal government of a quarter-billion dollars of court filing fees.<sup>10</sup>

The SAD Scheme addresses an ongoing problem for rightsowners:<sup>11</sup> how to cost-effectively redress high volumes of infringement in online marketplaces,<sup>12</sup> especially when the alleged infringers are located in China or other foreign countries and hide their identities and locations.<sup>13</sup> Unfortunately, the SAD Scheme advances this goal by subverting existing intellectual property and civil procedure rules. Each step in this process superficially appears to comply with the applicable rules, but the combination of ex parte proceedings and extrajudicial actions by the online marketplaces produces unjust outcomes, including unwarranted settlements.

Thus, the SAD Scheme goes far beyond just curbing online infringement and instead causes substantial harm to innocent

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7. Samuel Baird & Noel Paterson, How Some Brands Are Successfully—and Cost-Effectively—Combating Online Counterfeiters, IPWatchdog (Oct. 13, 2022), <https://ipwatchdog.com/2022/10/13/brands-successfully-cost-effectively-combating-online-counterfeiters/id=152088/> [<https://perma.cc/U2MN-CUNK>].

8. Id.

9. See *infra* Part II.

10. See *infra* Part II.

11. Rightsowners can always take advantage of the copyright notice-and-takedown provisions of 17 U.S.C. § 512 or the de facto notice-and-takedown scheme for trademarks suggested by *Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93, 99–107 (2d Cir. 2010). Instead, at least some rightsowners apparently have adopted the SAD Scheme as their preferred alternative to the venerable notice-and-takedown approach.

12. “Brand owners and their attorneys view the lawsuits as one of the few available tactics to counter an enormous rise in counterfeit merchandise flowing into the US from elusive foreign sellers.” Riddhi Setty & Isaiah Poritz, Brands Flock to Chicago Court in War on Internet Counterfeiters, Bloomberg L. (Apr. 5, 2023), <https://www.bloomberglaw.com/product/blaw/bloomberglawnews/ip-law/BNA%2000000187-3842-d882-abcf-f85a8b3d0001> (on file with the *Columbia Law Review*).

Rightsowners increasingly may be able to locate and sue online marketplace merchants due to laws like the Arkansas Online Marketplace Consumer Inform Act, which requires some merchants to publicly display a physical address, Act 555, ch. 119, 2021 Ark. Acts 2450 (codified at Ark. Code Ann. § 4-119-103(a)(2)(B) (2023)), and the similar INFORM Consumers Act passed by Congress in 2022, Collection, Verification, and Disclosure of Information by Online Marketplaces to Inform Consumers, Pub. L. No. 117-328, sec. 301, 136 Stat. 5555 (2022) (codified at 15 U.S.C.A. § 45f (2023)). China's recent Electronic Commerce Law might also facilitate locating and suing these merchants. See Daniel C.K. Chow, Strategies to Combat Internet Sales of Counterfeit Goods, 52 Seton Hall L. Rev. 1053, 1071–81 (2022).

13. Dave Bryant, How Chinese Sellers Are Manipulating Amazon in 2023, EcomCrew (Aug. 2, 2023), <https://www.ecomcrew.com/chinese-sellers-manipulating-amazon/> [<https://perma.cc/578U-CWXJ>] (last updated Aug. 21, 2023) (estimating that nearly two-thirds of Amazon marketplace merchants are based in China).

merchants,<sup>14</sup> online marketplaces, and marketplace consumers. It also undermines public trust and confidence in the courts. Although eliminating the SAD Scheme will undoubtedly make it costlier for rightsowners to do their enforcement work, the rule of law requires it.

Part I of the Piece describes how the SAD Scheme works. Part II quantifies its prevalence. Part III describes how the SAD Scheme abuses the legal system. Part IV discusses some ways to curb the SAD Scheme.

### I. HOW THE SAD SCHEME WORKS

This Part describes how the SAD Scheme works and provides a case study of an abusive SAD Scheme lawsuit.


#### A. *The SAD Scheme in Eight Steps*

Rightsowners use the SAD Scheme to redress purported infringement taking place in online marketplaces. A rightsowner will identify a cohort of defendant-merchants whose marketplace listings suggest that the merchants are selling items that infringe the rightsowner's IP rights. After developing a cohort of potential defendants, the rightsowner proceeds using this eight-step protocol:

*Step 1.* A rightsowner files a complaint with a caption referencing defendants listed on a Schedule A, as indicated by the red arrow below:<sup>15</sup>

FIGURE 1. EXAMPLE GENERIC DEFENDANT NAME ON COMPLAINT

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION	
EMOJI COMPANY GmbH,  Plaintiff,  v.  THE INDIVIDUALS, CORPORATIONS, LIMITED LIABILITY COMPANIES, PARTNERSHIPS, AND UNINCORPORATED ASSOCIATIONS IDENTIFIED ON SCHEDULE A HERETO,  Defendants.	Case No. 21-cv-1739  Judge
<b>COMPLAINT</b>	
Plaintiff, EMOJI COMPANY GmbH, by undersigned counsel, hereby complains of the	



14. See Setty & Poritz, *supra* note 12 (citing William Stroeve, an attorney at Cole Schotz PC, as “acknowledg[ing] that non-infringing sellers may get tied up in these suits, but . . . [saying] that’s an inevitable risk with all kinds of litigation”).

15. Complaint at 1, *Emoji Co. v. Individuals, Corps., Ltd. Liab. Cos., P’ships, & Uninc. Ass’ns Identified on Schedule A Hereto*, No. 21-cv-1739 (N.D. Ill. filed Mar. 31, 2021). This and other images in this Piece are on file with the *Columbia Law Review*.

The complaint will generically contain sparse factual assertions that are not particularized to any defendant, which makes it easy to clone-and-revise the complaint for subsequent cases.

*Step 2.* The rightsowner files the Schedule A defendant list separately from the complaint (with a different docket entry number) and asks the judge to seal it. An example docket:<sup>16</sup>

FIGURE 2. EXAMPLE DOCKET WITH SCHEDULE A DEFENDANT FILING

<input type="checkbox"/> 1	Aug. 07, 2020	<a href="#">View</a>	COMPLAINT filed by John Doe; Jury Demand. Filing fee \$ 400, receipt number 0752-17293091.(Hierl, Michael) (Entered: 08/07/2020)
<input type="checkbox"/> 2	Aug. 07, 2020	<a href="#">Request</a>	SEALED DOCUMENT by Plaintiff John Doe Exhibit 1 (Hierl, Michael) (Entered: 08/07/2020)
<input type="checkbox"/> 3	Aug. 07, 2020	<a href="#">Request</a>	CIVIL Cover Sheet (Hierl, Michael) (Entered: 08/07/2020)
<input type="checkbox"/> 4	Aug. 07, 2020	<a href="#">Request</a>	ATTORNEY Appearance for Plaintiff John Doe by Michael A. Hierl (Hierl, Michael) (Entered: 08/07/2020)
<input type="checkbox"/> 5	Aug. 07, 2020	<a href="#">Request</a>	ATTORNEY Appearance for Plaintiff John Doe by William Benjamin Kalbac (Kalbac, William) (Entered: 08/07/2020)
<input type="checkbox"/> 6	Aug. 07, 2020	<a href="#">Request</a>	MOTION by Plaintiff John Doe to seal document Plaintiff's Motion for Leave to File Under Seal (Hierl, Michael) (Entered: 08/07/2020)
<input type="checkbox"/> 7	Aug. 07, 2020	<a href="#">Request</a>	SEALED DOCUMENT by Plaintiff John Doe Sealed Schedule A (Hierl, Michael) (Entered: 08/07/2020)

16. Court Docket, *Emoji Co. v. ARIELA\_BRIGER*, No. 1:20-cv-04645 (N.D. Ill. Aug. 4, 2021) (on file with the *Columbia Law Review*). This screenshot was taken on July 12, 2023. Observe that this rightsowner hid its identity. See *supra* note 18 and accompanying text.

The actual contents of a Schedule A may be a threadbare list of defendant names, such as this example:<sup>17</sup>

FIGURE 3. EXAMPLE LIST OF SCHEDULE A DEFENDANTS

Schedule A		Schedule A	
1. Defendant Name / Alias		41. Defendant Name / Alias	
1. 888888		42. 888888	
2. 888888		43. 888888	
3. 888888		44. 888888	
4. 888888		45. 888888	
5. 888888		46. 888888	
6. 888888		47. 888888	
7. 888888		48. 888888	
8. 888888		49. 888888	
9. 888888		50. 888888	
10. 888888		51. 888888	
11. 888888		52. 888888	
12. 888888		53. 888888	
13. 888888		54. 888888	
14. 888888		55. 888888	
15. 888888		56. 888888	
16. 888888		57. 888888	
17. 888888		58. 888888	
18. 888888		59. 888888	
19. 888888		60. 888888	
20. 888888		61. 888888	
21. 888888		62. 888888	
22. 888888		63. 888888	
23. 888888		64. 888888	
24. 888888		65. 888888	
25. 888888		66. 888888	
26. 888888		67. 888888	
27. 888888		68. 888888	
28. 888888		69. 888888	
29. 888888		70. 888888	
30. 888888		71. 888888	
31. 888888		72. 888888	
32. 888888		73. 888888	
33. 888888		74. 888888	
34. 888888		75. 888888	
35. 888888		76. 888888	
36. 888888		77. 888888	
37. 888888		78. 888888	
38. 888888		79. 888888	
39. 888888		80. 888888	
40. 888888		81. 888888	
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250. 888888		250. 888888	

17. Schedule A, *Emoji Co.*, No. 1:21-cv-01739 (N.D. Ill. filed Mar. 31, 2021), ECF No. 6.

Instead of using a sealed defendant list, rightsowners might file the entire complaint under seal.<sup>18</sup> This example lists nearly 100 defendants in the caption:<sup>19</sup>

FIGURE 4. EXAMPLE COMPLAINT NAMING  
NEARLY 100 DEFENDANTS

Case 1:22-cv-05042-AT Document 9 Filed 07/12/22 Page 1 of 39	Case 1:22-cv-05042-AT Document 9 Filed
<p>Jason M. Drangel (JD 7204) jdrangel@ipcounselors.com Ashly E. Sands (AS 7715) asands@ipcounselors.com Danielle S. Futterman (DY 4228) dfutterman@ipcounselors.com Gabriela N. Nastasi gnastasi@ipcounselors.com EPISTEIN DRANGEL LLP 60 East 42nd Street, Suite 1250 New York, NY 10165 Telephone: (212) 292-5390 Facsimile: (212) 292-5391 Attorneys for Plaintiffs Moonbug Entertainment Limited and Treasure Studio Inc.</p>	<p>GOOD LUCKLY YOU STORE, HAPPYNESS WONDERLAND, HAPPYSMILESHEN STORE, HFEZ STORE, HOLIDAY PARTIES STORE, HTMODEL STORE, HYPI TOY STORE 12 STORE, INNITREE STORE, KLDS STORE, KO KO BOWS STORE, L PARTY STORE, LABEL STORE, LETS PARTY TOGETHER STORE, LITCHI BACKDROP STORE, LITTLE NAUGHTY CHILDRENS SHOP STORE, LOVE PARTY STORE, LYB TOY STORE, MILULUSS STORE, MOMN STORE, MS PARTY STORE, -NAUGHTY BABY STORE, NEOBACK BACKDROP STORE, NO.3478 FESTIVE AND GIFT STORE, OLYFACTORY STORE, PARTY SUPPLIESG STORE, PDD PARTY SUPPLIES STORE, PHOTURT PROFESSIONAL BACKDROP STORE, PLAYPLAYPLAY STORE, POKEMOON PARTY STORE, PRETTY RIBBON&amp;CRAFTS INC., ROBLOX STORE, SH CHILD CLOTHES STORE, SHOP3195061 STORE, SHOP4878036 STORE, SHOP5429117 STORE, SHOP5440075 STORE, SHOP834240 STORE, SHOP910455180 STORE, SHOP91032515 STORE, SHOP911389945 STORE, SHOP911545108 STORE, SHOP911553397 STORE, SMILEWILL 01 STORE, SPRINGHIT STORE, SR TOY STORE, STARTING POINT TOY STORE, SUMAIDA004 STORE, SURPRISE PARTY STORE, THE TWO DIMENSIONAL ASSOCIATION TOY STORE, TOY FUNNY WORLD STORE, VODOF OFFICIAL STORE, WIN-WIN TOY STORE, YI XIAIXIA STORE, YI YUE PARTY STORE, YISI PARTY BALLOONS DECORS STORE, YUENOR TOYS STORE, YY TOY STORE, ZHAN BAO ER STORE, ZIROU STORE, ZQ HOUSE STORE, ZR PARTY BOUTIQUE STORE, ZY HOUSE STORE and ZYZYKK OFFICIAL STORE,</p>
<p>UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK</p>	
<p>MOONBUG ENTERTAINMENT LIMITED and TREASURE STUDIO INC.,</p>	
<p>Plaintiffs</p>	
<p>v.</p>	
<p>640350 STORE, 9999 KINDS TOY BOUTIQUE STORE, AISPMEE OFFICIAL STORE, ANIME CHARACTER MODEL SHOP STORE, ANIME TOY SERIES STORE, BABY'S TOY STORE, BACKDROPBYNITREE STORE, BAGPICKY STORE, BCAA STORE, BEETOY TOY STORE, BITE BITES OFFICIAL STORE, BLACK KNIGHT STORE, BLANKET 003 STORE, BOOM SPECIALTY STORE, BRILLIANT DECORATIVE FAVORS STORE, BRILLIANT FUN PARTY STORE, CAREHER GIFTS STORE, CHILDRENS FUNNY STORE, CHILDS CLOAKROOM STORE, CIS TOY STORE, CRUSH BACKDROPS STORE, DA KUAN PARTY STORE, DAFI R STORE, DAMAITONG STORE, DECER STORE, DISNEY ANIME THEME STORE, DIV, MATERIAL STORE, DROPSHIP PUSHI TOY STORE, DUWES OFFICIAL STORE, FANYI TOY STORE, FLAMUR HOMEDECOR OFFICIAL STORE, FUNNY TOY8 STORE, FUNNY TOY9 STORE.</p>	<p>CIVIL ACTION No. ____</p> <p><b>COMPLAINT</b></p> <p>Jury Trial Requested</p> <p><b>FILED UNDER SEAL</b></p>
	<p>Defendants</p>

This Piece's analysis applies to any case in which a rightsowner initially seals the defendants' identities.

It may be appropriate to temporarily seal defendant identities when there are bona fide concerns that defendants will dissipate assets or destroy evidence before the rightsowner can effectuate service. Judges have the discretion to accept or reject the rightsowner's sealing request.<sup>20</sup> Defendant identities should remain sealed only until the rightsowner has the

18. In another variation, a rightsowner sued as a "Doe" plaintiff and sealed the identity of the allegedly infringed IP. Complaint at 1, *Doe v. P'ships Identified on Schedule "A"*, No. 22-cv-5512 (N.D. Ill. filed Oct. 7, 2022), ECF No. 1. The rightsowner explained:

Plaintiff's name is being temporarily withheld to prevent Defendants from obtaining advance notice of this action and Plaintiff's accompanying *ex parte* Motion for Entry of Temporary Restraining Order and transferring funds out of the accounts that Plaintiff seeks to re[s]train. Plaintiff is identified on the U.S. Certificate of Trademark Registration for Plaintiff's trademark filed under seal as Exhibit 1.

*Id.* at 1 n.1. That lawsuit targeted over 475 defendants. Schedule A, *Doe v. P'ships*, No. 22-cv-5512 (N.D. Ill. filed Oct. 7, 2022), ECF No. 5.

19. Complaint at 1–2, *Moonbug Ent. Ltd. v. 640350 Store*, No. 1:22-cv-05042-AT (S.D.N.Y. filed July 12, 2022).

20. Fed. R. Civ. P. 5.2(d).

reasonable opportunity to serve defendants, but judges do not always revisit the sealing if no one subsequently complains about it.

*Step 3.* The rightsowner requests an ex parte temporary restraining order (TRO) against the defendants' allegedly infringing behavior.<sup>21</sup> The TROs also impose various obligations on online marketplaces. TROs are intended to be extraordinary remedies, and the rightsowners' pleading burdens to obtain TROs are high.<sup>22</sup> The proceeding takes place ex parte (i.e., without the defendants present). Accordingly, defendants are unable to highlight any problems with the rightsowner's request, though judges sometimes spot defects sua sponte.<sup>23</sup>

*Step 4.* After the judge grants an ex parte TRO, the rightsowner submits it to the online marketplaces where the defendants are selling.<sup>24</sup>

*Step 5.* The online marketplaces typically honor the TRO's obligations, even if they may have legitimate grounds to argue that the TRO does not bind them.<sup>25</sup> Defying the TRO would put the online marketplace at risk of being held in contempt, but the online marketplaces have another reason to honor it. The TRO might put the online marketplace on notice of infringing activity by identified merchants and thereby increase the marketplace's risk of contributory infringement in future cases if they don't curb further infringing activity by those merchants.<sup>26</sup> TROs are not

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21. Baird & Paterson, *supra* note 7 (noting that emergency TROs "increased 70% from 2019 to 2021," largely due to the SAD Scheme).

22. Parties seeking TROs must show "specific facts . . . that immediate and irreparable injury, loss, or damage will result" without the TRO. Fed. R. Civ. P. 65(b)(1)(A).

23. See, e.g., *Zuru (Singapore) Pte, Ltd. v. Individuals, Corps., Ltd. Liab. Cos., P'ships, & Uninc. Ass'ns Identified on Schedule A*, No. 20-00395 JMS-KJM, 2021 WL 310336, at \*5 & n.6 (D. Haw. Jan. 29, 2021) (denying the rightsowner's ex parte TRO request because "the cookie-cutter statements contained in each declaration suggest that Plaintiffs did not expend much effort in this case to establish any *particularized* facts that would warrant ex parte relief").

24. See generally Fed. R. Civ. P. 65(b) (describing the general two-week expiration of ex parte TROs after issued by the court).

25. If the TRO expressly directs online marketplaces to take action, the marketplaces may not be obligated to act if the marketplaces are not defendants in the pending case and are not otherwise acting "in active concert or participation" with the named defendants. Fed. R. Civ. P. 65(d)(2); see also *Eicher Motors Ltd. v. Individuals, Corps., Ltd. Liab. Cos., P'ships, & Uninc. Ass'ns Identified on Schedule A Hereto*, No. 22-cv-2458, 2022 WL 3081869, at \*3 (N.D. Ill. Aug. 3, 2022) (holding that the facts at issue did not establish Amazon as the merchants' agent). Judge Joan Gottschall in the Northern District of Illinois reminds plaintiffs that "third parties not named in the complaint (typically, [e.g.], Amazon and eBay) cannot be named as in active concert or participation with the defendants unless their active concert or participation is proven AND they receive advance notice and an opportunity to be heard before any such order is entered." Judge Joan B. Gottschall, U.S. Dist. Ct., N.D. Ill., <https://www.ilnd.uscourts.gov/judge-info.aspx?AYKasbtMps> [https://perma.cc/U49D-DKDW] (last visited Aug. 16, 2023).

26. See, e.g., *Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93, 107 (2d Cir. 2010) (discussing whether eBay's generalized knowledge of trademark infringement constituted contributory liability); see also *Chow*, *supra* note 12, at 1062–71 (discussing online marketplaces' contributory trademark liability based on takedown notices).

supposed to last longer than fourteen days,<sup>27</sup> but online marketplaces may maintain the account freeze indefinitely to reduce their legal risk.<sup>28</sup>

To implement the TRO, online marketplaces often will freeze all of the merchant's marketplace activity, not just the purported infringing activity. This freeze immediately harms defendants in two ways.

First, the freeze locks any cash being held by the online marketplace.<sup>29</sup> This freeze can cause severe or fatal cash-flow problems for the defendant, which may not be able to pay its vendors, employees, or lawyers.

Second, the freeze prevents the merchant from making future sales—including both allegedly infringing *and unchallenged noninfringing* items.<sup>30</sup> This consequence exposes a critical mismatch between the TRO's intended and actual remedies. The TRO should only reach items that infringe the rightsowner's IP, but the TRO-induced freeze can collaterally affect legitimate items. Reduced merchant activity hurts the marketplaces by decreasing their revenues and profits.<sup>31</sup>

Consumers are hurt when the SAD Scheme excludes legitimate items from marketplaces. Having fewer merchants and items reduces consumers' choices and boosts the prices they pay. By distorting competition among legitimate merchants and items, the SAD Scheme's ex parte TRO counterproductively harms the public interest rather than promoting it.

*Step 6.* Because its identity is still sealed by the court, the merchant may first learn about the lawsuit when its marketplace account is frozen.<sup>32</sup> With the merchant's business and cash flow in tatters, the SAD Scheme rightsowner can offer a convenient resolution—settle at a price reflecting the merchant's dire need for an immediate solution.<sup>33</sup> If the merchant

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27. Fed. R. Civ. P. 65(b)(2) (“The order expires at the time after entry—not to exceed 14 days—that the court sets, unless before that time the court, for good cause, extends it for a like period or the adverse party consents to a longer extension.”).

28. Instead of implementing the TRO verbatim, rightsowners and online marketplaces always have the option to negotiate custom private arrangements that deviate from the TRO.

29. Judge Martha Pacold's SAD Scheme TRO template form instructs online marketplaces to “restrain and enjoin any such accounts or funds from transferring or disposing of any money or other of Defendants' assets until further order by this Court.” U.S. Dist. Ct., N. Dist. of Ill., Sealed Temporary Restraining Order 6, [https://www.ilnd.uscourts.gov/\\_assets/\\_documents/\\_forms/\\_judges/Pacold/TRO%20Template%20Schedule%20A%20cases.pdf](https://www.ilnd.uscourts.gov/_assets/_documents/_forms/_judges/Pacold/TRO%20Template%20Schedule%20A%20cases.pdf) [<https://perma.cc/5Z8S-5B47>] (last visited Sept. 8, 2023).

30. See, e.g., Appellant NeoMagic Corporation's Opening Brief at 11, *Gorge Design Grp. LLC v. Xuansheng*, No. 21-1695 (Fed. Cir. Apr. 6, 2023), 2021 WL 5050187.

31. The TROs impose other costs on online marketplaces. According to Wish's general counsel, in 2022, Wish spent over \$1.25 million on outside counsel and had five full-time employees handling TRO demands. Email from Joanna Forster, Interim Gen. Couns. & Chief Compliance Off., Wish, to author (Apr. 27, 2023) (on file with the *Columbia Law Review*).

32. See, e.g., *ABC Corp. I v. P'ship & Uninc. Ass'ns Identified on Schedule "A"*, 51 F.4th 1365, 1376 (Fed. Cir. 2022) (holding that an Amazon account freeze didn't confer notice of the lawsuit sufficient to compel a defendant to engage with the suit).

33. As one defendant explained:

accepts the settlement, the rightsowner dismisses the merchant from the case.

Often, settlements of intellectual property disputes are viewed as socially beneficial because the parties voluntarily resolved the matter while preserving judicial resources.<sup>34</sup> SAD Scheme settlements are the opposite. In the SAD Scheme, TROs are based exclusively on the rightsowner's story. The TRO then prompts merchants to settle involuntarily—without the court hearing their story at all—because it's cheaper, quicker, or more predictable compared to fighting back. These unwarranted settlements signal a systemic process failure, not the prosocial outcomes normally associated with settlements.

*Step 7.* The rightsowner may voluntarily drop any merchant who doesn't settle. By strategically deciding which parties stay in the case, the rightsowner can control what information reaches the judge.<sup>35</sup> With a steady stream of dismissed merchants (who settled or are dismissed voluntarily), the case superficially appears to be progressing.

*Step 8.* After the settlements and voluntary dismissals, remaining merchants may not appear in court for a variety of reasons: The merchant can't afford to litigate; the amount of money at stake isn't worth the litigation costs; the merchant never got proper notice or service; the merchant is outside the United States and thinks it is not bound by any U.S. court proceeding; the merchant is bankrupt, perhaps due to the marketplace freeze; or the merchant infringed and knows it would lose in court.

The rightsowner then seeks default judgments against no-show merchants, which courts are inclined to grant, though they may trim the damages amount or injunction scope. To ease collection, courts may order online marketplaces to turn over any frozen cash to the rightsowner to satisfy the judgment.<sup>36</sup>

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Gorge [(the rightsowner)] . . . subjected NeoMagic [(the defendant)] to a short barrage of sealed litigation intended to secretly shut down NeoMagic's business, seize NeoMagic's marketplace (typically listing more than 100,000 products daily), and freeze NeoMagic's funds (in excess of \$300,000) based upon the sale of a single unit of a \$4.99 product . . . . Gorge still demanded payment of \$9,500 for Gorge to release the over \$300,000 of NeoMagic money that remained frozen (crippling NeoMagic's ability to do business).

Appellant NeoMagic Corporation's Opening Brief, *supra* note 30, at 11.

34. See, e.g., *1-800-Contacts, Inc. v. Fed. Trade Comm'n*, 1 F.4th 102, 121 (2d Cir. 2021) (noting that courts should typically not second-guess trademark settlement agreements negotiated between competitors).

35. See Appellant NeoMagic Corporation's Opening Brief, *supra* note 30, at 12 ("Gorge dismissed NeoMagic under [FRCP] 41 immediately preceding the injunction hearing so that NeoMagic could not present [adverse] information verbally to the district court . . .").

36. E.g., *Ontel Prods. Corp. v. Uninc. Ass'ns Identified in Schedule A*, No. 1:21cv1452 (MSN/JFA), 2022 WL 9874815, at \*12 (E.D. Va. Aug. 12, 2022).



B. *A SAD Case Study*<sup>37</sup>

Emoji company GmbH (Emojico) is a German company with U.S. trademark registrations in the word “emoji” for numerous classes.<sup>38</sup> It licenses vendors to sell goods under its “emoji” brand. It’s not unusual for dictionary words to turn into trademarks for nondictionary meanings (think “Apple” for computers), but the purported trademark owner cannot stop the word from being used for its dictionary meanings.<sup>39</sup>

In one of its Schedule A Defendants cases,<sup>40</sup> Emojico claimed this Amazon marketplace listing infringed on its trademark:<sup>41</sup>

FIGURE 5. EMOJICO’S AMAZON MARKETPLACE SCREENSHOT OF “INFRINGING” MATERIAL



Emojico apparently conducted a keyword search in Amazon’s marketplace for the word “emoji” and flagged hundreds of listings where the word “emoji” appeared in the product title or description.<sup>42</sup> Emojico then claimed that those listings violated its trademark rights in the word

37. For another case study, see Sarah Burstein, Guest Post, We Need to Talk About the NDIL’s Schedule-A Cases, Patently-O (Oct. 30, 2022), <http://patentlyo.com/patent/2022/10/guest-post-about.html> [<https://perma.cc/VE5U-NESV>] (discussing *ABC Corp. I*, 52 F.4th 934).

38. See, e.g., EMOJI, Registration No. 5,489,322 (covering goods such as motor buses, hubcaps, caps for vehicle petrol tanks, ships’ hulls, and rowlocks); EMOJI, Registration No. 5,415,510 (covering goods such as penis enlargers, cuticle pushers, fruit knives, pesticides, and bowel evacuant preparations).

39. See *infra* note 47 and accompanying text.

40. *Emoji Co. v. Individuals, Corps., Ltd. Liab. Cos., P’ships, & Uninc. Ass’ns Identified on Schedule A Hereto*, No. 21-cv-1739 (N.D. Ill. docketed Mar. 3, 2022).

41. Emojico Declaration, *supra* note 1, at para. 31 (citing Declaration of Anna K. Reiter ex. 2, pt. 1, at 21, *Emoji Co.*, No. 21-cv-1739 (N.D. Ill. filed Mar. 31, 2021), ECF No. 10).

42. *Id.* at para. 32.

“emoji.”<sup>43</sup> In the screenshot above, the green box indicates the alleged infringement.<sup>44</sup>

This is not a good-faith trademark claim. Trademark law typically restricts junior users from using a trademarked term as a source identifier.<sup>45</sup> The depicted mug isn’t using “emoji” as a source identifier. It’s not an “emoji”-branded mug, and the word “emoji” doesn’t appear on the mug. The only reference to “emoji” is in the mug’s item description.

Also, trademark law recognizes “descriptive fair use,” which occurs when a junior user uses a dictionary word to describe a product’s attributes.<sup>46</sup> That’s exactly what the mug merchant is doing—telling consumers that the mug displays a poop emoji. The merchant has no other way to accurately describe the mug. Any synonym for “poop emoji” would hinder consumer decisionmaking, and trademark law does not require merchants to linguistically stretch to that extent.<sup>47</sup>

Given that it’s an attempt to properize the dictionary meaning of the term “emoji,” this trademark claim never should have been brought. Yet, pursuant to the SAD Scheme, a judge may never hear any objection to Emojico’s enforcement. By overclaiming its trademark registration in “emoji” and then controlling the narrative told to the judge, Emojico can obtain legally unsupportable settlements or default judgments for poop emoji mugs.

## II. QUANTIFYING THE SAD SCHEME’S PREVALENCE

This Part provides empirical details about the SAD Scheme.

### A. *Methodology*

On December 28, 2022, the author searched for “schedule a” and related terms<sup>48</sup> using Bloomberg Law Docket’s “parties” field. This search produced a total dataset of 9,181 cases. Using Bloomberg Law’s search

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43. Declaration of Anna K. Reiter exh. 2, pt. 1, at 21, *Emoji Co.*, No. 21-cv-1739 (N.D. Ill. filed Mar. 31, 2021), ECF No. 10.

44. Emojico Declaration, *supra* note 1, at para. 31.

45. 15 U.S.C. §§ 1114(1), 1125(a)(1)(A) (2018).

46. *Id.* §§ 1115(b)(3), 1125(c)(3).

47. For example, the purported trademark owners of the name “Albert Einstein” sued a merchant selling a mousepad displaying the image of Albert Einstein because the Amazon listing’s product description referenced “Albert Einstein.” *Hebrew Univ. of Jerusalem v. DealzEpic*, No. 21-cv-5492, 2022 WL 3026934, at \*1 (N.D. Ill. Aug. 1, 2022). The court rejected the trademark infringement on “fair use” grounds: “[D]ealzEpic’s use of Albert Einstein within its Amazon listing accurately described its mousepad. . . . [D]ealzEpic communicated the most prominent characteristic of the mousepad: that it displays a portrait of Albert Einstein. The name informs consumers—if they do not already know—that the person on the mousepad is Einstein.” *Id.* at \*4. The court also rejected the claim that the vendor used the name as a trademark. *Id.* at \*3.

48. The query: “schedule a” or “exhibit 1” or “exhibit a” or “annex a” or “annex 1” or “schedule 1.”

filters, that preliminary batch of search results was further refined to exclude state and foreign cases,<sup>49</sup> to retain only cases in the federal “nature of suit” (NOS) fields of copyright, patent, or trademark<sup>50</sup> (which excluded non-IP claims such as asset forfeiture), and to retain only cases for which the search terms appeared in the “complaint.” With those refinements, the dataset consisted of 3,217 cases dating back to 1991. The first dataset case styled with a “Schedule A” caption was filed in 2013.<sup>51</sup>

Of the 3,217 dataset cases, 2,846 cases (over 88%) were filed in the Northern District of Illinois. The Southern District of Florida had 242 cases (7.5%). The remaining jurisdictions had less than 2% each.

Why are SAD Scheme cases concentrated in the Northern District of Illinois? Though the scheme’s historical linkage to the district isn’t clear,<sup>52</sup> at this point, rightsowners will keep filing cases in the district so long as

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49. Federal copyright and patent claims must be filed in federal court. 28 U.S.C. § 1338 (2018). Federal trademark claims can be filed in state court, *id.*, but that’s rarely done. 6J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 32:1 (4th ed. 2008). Excluding state court cases from the dataset may undercount any SAD Scheme cases involving exclusively state IP claims or federal trademark cases filed in state court, but that’s likely a *de minimis* number of cases.

50. The NOS field is notoriously unreliable. E.g., Christina L. Boyd & David A. Hoffman, The Use and Reliability of Federal Nature of Suit Codes, 2017 Mich. St. L. Rev. 997, 1007. For example, a case must fit within a single type of claim, even if it raises multiple types. *Id.* at 1006. So, if a complaint included utility patent, trademark, and copyright claims, it would be categorized in only one of those fields. See *id.*

51. Complaint at 2, *Deckers Outdoor Corp. v. P’ships Identified on Schedule “A”*, No. 13-cv-2167 (N.D. Ill. filed Mar. 21, 2013), 2013 WL 1292315 [hereinafter *Deckers Complaint*] (alleging that defendants infringed the “Ugg” brand trademark).

An earlier example is *Yahoo! Inc. v. Yahoohaotos.com*, which involved “1865 other domain names listed on Exhibit A.” No. 1:05-cv-01441, 2006 WL 2303166 (E.D. Va. Aug. 8, 2006). Other early cases may have targeted “Doe” defendants without using the “Schedule A” caption.

For another early example, see *Am. Bridal & Prom Indus. Ass’n, Inc. v. P’ships Identified on Schedule “A”*, 192 F. Supp. 3d 924, 926 (N.D. Ill. June 29, 2016) (noting that suit was filed “against a group of individuals and unincorporated business associations, as well as 100 John Does, who, upon information and belief, reside in foreign jurisdictions”). See also Daniel Nazer, Abusive Site-Blocking Tactics by American Bridal and Prom Industry Association Collapse Under Scrutiny, Elec. Frontier Found. (Mar. 28, 2016), <https://www.eff.org/deeplinks/2016/03/american-bridal-and-prom-industry-association-slinks-away-after-being-called-out> [<https://perma.cc/C3NQ-8WXG>] (explaining how the judge granted a TRO against 3,343 defendants).

52. One hypothesis is that the local Chicago bar may have innovated the practice. Now, Illinois law firms practicing the SAD Scheme include Greer, Burns & Crain (GBC); Keith A. Vogt; David Gulbransen; Hughes Socol Piers Resnick & Dym, Ltd.; Keener and Associates, PC; and Dunlap Bennett & Ludwig, PLLC. See Cháng Jiàn Wèn Tí (常见问题) [Frequently Asked Questions], SellerDefense (May 28, 2020), <https://sellerdefense.cn/qa/> (on file with the *Columbia Law Review*) (enumerating some Chicago-based law firms that regularly sue sellers).

they keep getting their desired outcomes.<sup>53</sup> Indeed, one district judge, Judge Martha Pacold, helps SAD Scheme cases succeed by providing filing templates to rightsowners.<sup>54</sup> There may be other rightsowner-favorable local doctrines,<sup>55</sup> though that remains speculative.

Of the 3,217 dataset cases, 2,837 cases (88%) list “trademarks” in the NOS field.<sup>56</sup> Copyright and patent cases each make up about 6%.

Of the 3,217 cases in the dataset, 935 were filed in 2022, 733 were filed in 2021, and 533 were filed in 2020. Collectively, the data indicate that the number of cases is growing substantially on a year-to-year basis, and over two-thirds of the all-time SAD Scheme lawsuits through December 28, 2022, were filed after January 1, 2020.

Bloomberg Law also allows for searches by case resolution.<sup>57</sup> Given the SAD Scheme’s relatively recent emergence, cases may not have reached a resolution yet. Furthermore, it’s unclear how Bloomberg Law categorizes the resolution of a “case” with hundreds of defendants who reached different outcomes. Despite those data problems, the data support the inference that many cases do not follow an adversarial model of litigation. Of the cases that listed a resolution (2,688 cases), 70% were categorized as “default judgments,” 28% were categorized as “voluntary/joint dismissal,” and less than 2% of the resolutions had some other conclusion (like an adjudication on the merits).

Based on a 2021 review of Emojico SAD Scheme cases, Emojico sued an estimated average of over 200 defendants in each case.<sup>58</sup> If that average applies to the entire dataset, then over 600,000 merchants have been sued in a SAD Scheme case.

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53. See Setty & Poritz, *supra* note 12 (“Plaintiffs often want to sue in a court that already has experience with those types of cases . . . . [P]laintiffs may not want to risk filing in other districts, where judges are less experienced and may rule differently.”).

54. See Schedule A Cases, U.S. Cts., <https://www.ilnd.uscourts.gov/judge-cmp-detail.aspx?cmpid=1272> [<https://perma.cc/J4PP-KYYL>] (last visited Aug. 16, 2023).

55. For example, the Seventh Circuit has held that a single test buy in Illinois supported personal jurisdiction against a Chinese merchant. See *NBA Props., Inc. v. HANWJH*, 46 F.4th 614, 627 (7th Cir. 2022); see also Baird & Paterson, *supra* note 7 (citing federal court receptivity “to cases using anonymous plaintiffs and case combining” in the Northern District of Illinois and noting increasing caseloads in other districts); Lauraann Wood, Northern Ill. A Surprise Magnet for Counterfeiting Suits, *Law360* (Jan. 24, 2023), <https://www.law360.com/ip/articles/1568802> (on file with the *Columbia Law Review*) (discussing how the popularity of counterfeit suits within certain jurisdictions may be a result of favorable personal jurisdiction case law).

56. For additional analyses of SAD Scheme case data by industry, see Baird & Paterson, *supra* note 7.

57. This option required unselecting the restriction to “complaints,” which temporarily increased the size of the dataset slightly to 3,241 instead of 3,217.

58. Emojico Declaration, *supra* note 1, at para. 19.

## III. HOW THE LEGAL SYSTEM ENABLES THE SAD SCHEME

The SAD Scheme capitalizes on several dynamics. First, intellectual property regimes routinely impose strict liability,<sup>59</sup> which makes it easier for rightsowners to succeed with minimal factual showings. Second, because of the “property” connotations of “intellectual property,” judges are sometimes inclined to vindicate a rightsowner’s property interests. Third, the SAD Scheme can take place largely or wholly *ex parte*, so judges act on the rightsowners’ unrebutted assertions. Fourth, the online marketplaces’ handling of the TRO plays a critical role by over-freezing defendant-merchants’ product offerings.

Collectively, these dynamics create an environment in which rightsowners can nominally follow the rules and yet achieve abusive and extortive outcomes. This Part explains the factors that contribute to the SAD Scheme’s success.

*Generic Pleading.* Rightsowners engaging in mass IP enforcement operations want to keep costs down. For example, SAD Scheme rightsowners reuse complaint templates by asserting generic facts, none particularized to any defendant.<sup>60</sup> Such nonspecific pleadings may not comport with the pleading standards and pre-filing investigatory work required by the Federal Rules of Civil Procedure (FRCP).<sup>61</sup> In *ex parte* proceedings, however, sometimes those filings are tolerated.

*Bypassing Service.* Rightsowners may have difficulty finding and serving merchants, especially those located internationally.<sup>62</sup> The SAD Scheme can largely sidestep any service issues.<sup>63</sup> Due to the marketplace freezes and the resulting settlements, rightsowners may substantially resolve their lawsuits without ever serving merchants.

*Bypassing Personal Jurisdiction.* A SAD Scheme complaint may generically allege that all defendants committed infringing acts in the desired

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59. See, e.g., 4 McCarthy, *supra* note 49, § 23:107; 6 William F. Patry, Patry on Copyright § 21:38 (2019).

60. See, e.g., *Deckers Complaint*, *supra* note 51, at paras. 10–17 (describing generic allegations against the SAD Scheme defendants).

61. See Fed. R. Civ. P. 11(b) (explaining that representations to the court must accord with the best of the person’s knowledge after an inquiry reasonable under the circumstances).

62. See generally Fed. R. Civ. P. 4(f) (noting different acceptable methods of service for defendants in a foreign country). With respect to venue selection, another hypothesis is that Northern District of Illinois judges allow service of international defendants by alternative means, such as email, more freely than judges in other districts.

63. FRCP 65 allows a party to seek a TRO without notice if the “movant’s attorney certifies in writing any efforts made to give notice and the reasons why it should not be required” before an *ex parte* TRO is issued. Fed. R. Civ. P. 65(b)(1)(B). There is no actual requirement that notice must be given to the defendant, even if the attorney could easily do so. *Id.*

venue without providing any factual support.<sup>64</sup> That should not be enough to establish personal jurisdiction. For example, due process typically requires that each online defendant intentionally directed their actions into the forum jurisdiction,<sup>65</sup> and showing “intentional direction” requires defendant-specific facts. This should mean that rightsowners establish jurisdiction on a defendant-by-defendant basis, but that’s rarely been required (most likely due to the ex parte nature of the proceedings).

*Misjoinder.* In general, courts interpret joinder rules liberally, and expansive joinder rules can offer significant efficiencies to rightsowners.<sup>66</sup> That said, misjoinder can severely disadvantage defendants and create chaos in the courts.

Typically, in a SAD Scheme case, the defendants have no relationship with each other. Instead, the rightsowner sweeps up an assemblage of alleged infringers in an online marketplace and enumerates them in a complaint. The rightsowner then generically asserts that the defendants are related to each other without providing any factual support.

The FRCP permits joinder of defendants only “with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences.”<sup>67</sup> Defendants who are independently (allegedly) infringing the rightsowner’s IP rights in parallel with each other in the same marketplace do not satisfy this standard. One court explained:

The allegations and evidence plaintiff has provided only supports a conclusion that many distinct counterfeiters are using similar strategies to sell counterfeit versions of plaintiff’s HUGGLE products, and they may be acquiring these counterfeit products from the same or similar sources. Distinct individuals or entities independently selling counterfeit goods over the internet does not satisfy the transaction or occurrence requirement of FRCP 20.<sup>68</sup>

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64. See, e.g., *Deckers Complaint*, supra note 51, at para. 11 (“On information and belief, Defendants are an interrelated group of counterfeiters . . . . In the event that Defendants and/or third party service providers provide additional credible information regarding the identities of Defendants, Deckers will take appropriate steps to amend the Complaint.”).

65. See, e.g., *Herbal Brands, Inc. v. Photoplaza, Inc.*, 72 F.4th 1085, 1095 (9th Cir. 2023); *ALS Scan, Inc. v. Digit. Serv. Consultants, Inc.*, 293 F.3d 707, 711–12 (4th Cir. 2002).

66. See, e.g., *David O. Taylor, Patent Misjoinder*, 88 N.Y.U. L. Rev. 652, 671–72 (2013).

67. Fed. R. Civ. P. 20(a)(2)(A). In patent cases, joinder requires that (1) the claims are asserted “with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences relating to the making, using, importing into the United States, offering for sale, or selling of the same accused product or process,” and that (2) “questions of fact common to all defendants or counterclaim defendants will arise in the action.” 35 U.S.C. § 299 (2018).

68. *Ontel Prods. Corp. v. Uninc. Ass’ns Identified in Schedule A*, No. 1:21cv1452 (MSN/JFA), 2022 WL 9874815, at \*5 (E.D. Va. Aug. 12, 2022). Yet, consistent with the puzzling judicial deference to the SAD Scheme, the judge disregarded the joinder defect. *Id.* at \*6 (“[A]ny defects related to joinder in this action would not affect any of the remaining defendants’ substantial rights . . .”).

Rightsowners may feel that it's not logistically or financially feasible to pursue merchants individually, which is why they prefer to mass-sue merchants using the SAD Scheme. Individual lawsuits are exactly what the joinder rules typically require, however, and courts shouldn't manufacture a workaround to those rules.

Misjoinder plays an important role in making SAD Scheme litigation profitable.<sup>69</sup> The complaint filing fee is \$402, regardless of how many defendants are named.<sup>70</sup> By combining unrelated defendants into a single case, a rightsowner can dramatically reduce its per-defendant filing costs. For example, if the rightsowner names 200 defendants on a Schedule A instead of filing individual lawsuits against each defendant, the filing costs drop 99.5% to about \$2 per defendant instead of \$402 per defendant. That \$400 difference per defendant makes more enforcement actions financially viable.

The rightsowners' windfall comes at the government's expense. If 200 defendants are improperly joined in a single complaint, the government loses \$80,000 in potential filing fees. If that average holds true over the 3,200+ SAD Scheme cases, the SAD Scheme has cost the courts over \$250 million so far. In practice, the number would likely be substantially lower if rightsowners had to pay the full filing fee per defendant because rightsowners would not sue so many merchants;<sup>71</sup> this dynamic highlights how filing fees serve an important function of screening cases that aren't worth the public costs to adjudicate them.<sup>72</sup>

*Sealed Defendant Identities.* Courts generally require litigants to publicly identify themselves to ensure transparency of the judicial system.<sup>73</sup>

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69. Emojico Declaration, *supra* note 1, at para. 21. IP trolling routinely involves expansive approaches to joinder. See Sag & Haskell, *supra* note 2, at 584–88 (describing courts' varying approaches to joinder when BitTorrent users independently download parts of a copyrighted work).

70. This includes the \$350 filing fee for civil actions per 28 U.S.C. § 1926(a), plus a \$52 administration fee. District Court Miscellaneous Fee Schedule, U.S. Cts., <https://www.uscourts.gov/services-forms/fees/district-court-miscellaneous-fee-schedule> [<https://perma.cc/8PLC-7D5P>] (last visited Sept. 8, 2023).

71. See Setty & Poritz, *supra* note 12 (quoting Justin Gaudio, an attorney at Greer Burns & Crain, as saying that “[b]rand owners cannot afford to pay a quarter-billion [dollars] in filing fees to enforce their trademark rights through the courts” (second alteration in original)).

72. See Carl Reynolds & Jeff Hall, Conf. of State Ct. Adm'rs, 2011–2012 Policy Paper: Courts Are Not Revenue Centers 7 (2011), [https://cosca.ncsc.org/\\_data/assets/pdf\\_file/0019/23446/courtsarenotrevenuecenters-final.pdf](https://cosca.ncsc.org/_data/assets/pdf_file/0019/23446/courtsarenotrevenuecenters-final.pdf) [<https://perma.cc/4SHU-P2NJ>] (“Court users derive a private benefit from the courts and may be charged reasonable fees partially to offset the cost of the courts borne by the public-at-large.”).

73. E.g., Eugene Volokh, *The Law of Pseudonymous Litigation*, 73 *Hastings L.J.* 1353, 1360–61 (2022); Tom Isler, *White Paper: Anonymous Civil Litigants*, Reps. Comm. for Freedom of the Press, <https://www.rcfp.org/journals/news-media-and-law-fall-2015/white-paper-anonymous-civil-l> [<https://perma.cc/6RP7-PFQL>] (last visited Aug. 16, 2023) (“Throughout the country, anonymous or pseudonymous litigation is generally disfavored . . . .” (footnote omitted)); cf. Lior Jacob Strahilevitz, *Pseudonymous Litigation*,

Although sealed defendant identities are occasionally appropriate, judges should scrutinize such requests carefully rather than accept the rightsowner's un rebutted assertions at face value.<sup>74</sup>

*Dismissal of Merchants Who Fight Back.* As discussed above, rightsowners can strategically use defendant dismissals to control the adversarial information made available to judges.<sup>75</sup> Judges should consider what information they are not receiving in any case with many voluntary dismissals.

*Non-Individualized Adjudication.* It usually is not cost-effective for rightsowners to engage in individualized litigation against each SAD Scheme defendant. Ex parte hearings are a low-cost alternative—they facilitate non-individualized adjudication for all defendants because defendants aren't around to make their individual cases.

*Extrajudicial Resolutions.* The ex parte TRO is the linchpin to the SAD Scheme. To get it, rightsowners must show "specific facts . . . that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition."<sup>76</sup> Judges should enforce the "specific facts" requirement vigorously,<sup>77</sup> but the SAD Scheme shows that rightsowners can succeed with generic filings.<sup>78</sup>

Ex parte TROs generally should preserve the status quo until the defendant can appear,<sup>79</sup> but SAD Scheme TROs *change* the status quo and can negate the need for further judicially supervised proceedings. That makes the SAD Scheme ex parte TRO an inappropriate judicial intervention.

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77 U. Chi. L. Rev. 1239, 1240 (2010) (outlining "a theory of pseudonymous litigation and identify[ing] what is at stake in a case caption"). See generally Bernard Chao, Not So Confidential: A Call for Restraint in Sealing Court Records, 2011 Patently-O Patent L.J. 6, <https://cdn.patentlyo.com/media/docs/2011/07/chao.sealedrecords.pdf> [<https://perma.cc/W4TT-CF65>] (describing the public interest furthered by transparent judicial records).

74. See Appellant NeoMagic Corporation's Opening Brief, *supra* note 30, at 42–44 (arguing that a case should not be sealed against a defendant without a finding of "good cause").

75. See *supra* note 35 and accompanying text.

76. Fed. R. Civ. P. 65(b)(1)(A).

77. E.g., *Reno Air Racing Ass'n, Inc. v. McCord*, 452 F.3d 1126, 1131 (9th Cir. 2006) ("[C]ourts have recognized very few circumstances justifying the issuance of an ex parte TRO.").

78. See Appellant NeoMagic Corporation's Opening Brief, *supra* note 30, at 44–47 ("[D]espite the lack of showing of any irreparable harm attributable to NeoMagic, Gorge was able to induce the district court to enter a far-overreaching restraining order that allowed Gorge the ability to seize all of NeoMagic's financial accounts . . .").

79. *Granny Goose Foods, Inc. v. Bhd. of Teamsters Loc. No. 70*, 415 U.S. 423, 439 (1974) ("*Ex parte* temporary restraining orders . . . should be restricted to serving their underlying purpose of preserving the status quo and preventing irreparable harm just so long as is necessary to hold a hearing, and no longer.").



*Limited Error Correction.* Intellectual property cases have heightened risks of judicial errors.

First, IP rights often have indeterminate boundaries.<sup>80</sup> Rightsowners routinely push their claims to those borders or beyond,<sup>81</sup> expecting that defendants will push back on any overclaims. When defendants don't appear in court and the property borders aren't clear, judges may accept the overclaims.<sup>82</sup>

Second, courts routinely need extrinsic evidence to determine the validity and scope of IP rights, and a non-adversarial process won't produce this evidence.<sup>83</sup> For example, design patent infringement may require a thorough prior art review to determine whether "an ordinary observer, taking into account the prior art, would believe the [allegedly infringing] design to be the same as the patented design."<sup>84</sup> The rightsowner can't be trusted to find and submit prior art; after all, they would immediately argue that any items should be disregarded. The judge may lack the technical expertise or research capacity to find the prior art themselves. Without the right prior art before the judge, "*ex parte* assessments of design patent infringement are likely to lead to significant over-enforcement."<sup>85</sup>

In SAD Scheme cases, any factual or legal errors are unlikely to be corrected or appealed because most defendants will settle, be voluntarily dismissed, or no-show.<sup>86</sup>

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80. The rights conferred by patent, copyright, and trademark doctrines often overlap. Laura A. Heymann, *Overlapping Intellectual Property Doctrines: Elections of Rights Versus Selection of Remedies*, 17 *Stan. Tech. L. Rev.* 239, 242–49 (2013).

81. E.g., James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 *Yale L.J.* 882, 884–86 (2007) (describing how ambiguities in copyright, trademark, and patent law create a feedback loop that benefits rightsowners).

82. Judges sometimes unilaterally push back on rights overclaims. See Notification of Docket Entry at 1, *Grumpy Cat Ltd. v. Individuals, Corps., Ltd. Liab. Cos., P'ships, & Uninc. Ass'ns Identified on Schedule A Hereto*, No. 1:22-cv-03216 (N.D. Ill. filed June 23, 2022), ECF No. 24 ("Some of the accused products likely infringe plaintiff's trademarks or copyrights, but the court is not persuaded that the accused products depicted in every submitted screenshot infringe. . . . Not every frowning cartoon cat infringes; or at least plaintiff has failed to persuade that its intellectual property reaches that far.").

83. See Sarah R. Wasserman Rajec, *Patents Absent Adversaries*, 81 *Brook. L. Rev.* 1073, 1082–83 (2016) (arguing that the adversarial system develops evidence better than a non-adversarial or inquisitorial system).

84. *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 678–79 (Fed. Cir. 2008).

85. See Burstein, *Against the Design-Seizure Bill*, *supra* note 5.

86. See *supra* text accompanying notes 57–58. SAD Scheme defendants are not likely to appeal in any circumstance, but they likely cannot appeal TROs at all. See 28 U.S.C. § 1292(a)(1) (2018); see also *Pre-Term Cleveland v. Att'y Gen. of Ohio*, No. 20-3365, 2020 WL 1673310, at \*1 (6th Cir. Apr. 6, 2020) (noting that under 28 U.S.C. § 1292(a)(1), federal appellate courts "generally lack jurisdiction to hear an appeal of a district court's decision to grant or deny a TRO" absent exceptional circumstances).

For example, Emojico requested a default judgment against some defendants.<sup>87</sup> The court spotted Emojico's overclaim; it was improperly seeking to propertize a dictionary word.<sup>88</sup> Nevertheless, the judge ignored the descriptive fair use statutory defense in determining liability because the defendants did not raise the defense (they couldn't—they defaulted).<sup>89</sup> Instead, the judge said descriptive fair use only negated the claim of willful infringement, not the trademark infringement itself, and awarded statutory damages of "only" \$25,000 against each defendant.<sup>90</sup> But if the defendants qualified for descriptive fair use, the court should not have awarded any damages at all because the infringement case failed. Yet, because the defendants defaulted, they won't appeal the ruling.

#### IV. WAYS TO ADDRESS THE SAD SCHEME

It's hard to know how often SAD Scheme lawsuits are legitimate and the optimal way for rightsowners to obtain redress. Are there ways to preserve the legitimate cases while curbing illegitimate ones? This Part offers some ideas.

##### A. *Judicial Education*

As described in Part III, the SAD Scheme depends heavily on judges credulously accepting rightsowners' unrebutted claims. Judges could reduce abusive SAD Scheme lawsuits simply by challenging rightsowners' filings more vigorously.

Yet, judges often disregard the rare defendant pushback.<sup>91</sup> Further, although Northern District of Illinois judges now have seen many SAD Scheme cases, they keep coming—and Judge Pacold is still helping rightsowners file factually threadbare filings.<sup>92</sup> Thus, greater judicial awareness alone may not cure SAD Scheme abuses.

##### B. *Changes in Online Marketplace Policies*

The SAD Scheme would wane if online marketplaces did not honor *ex parte* TROs so expansively. For example, any account freeze should only

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87. *Emoji Co. v. Individuals, Corps., Ltd. Liab. Cos., P'ships, & Uninc. Ass'ns Identified on Schedule A*, Nos. 20-cv-04678, 21-cv-05319, 21-cv-05453, 2022 WL 4465593, at \*1 (N.D. Ill. Sept. 26, 2022).

88. *Id.* at \*4–5 (“Plaintiff suggests that any person who sells a product depicting a familiar emoji is forbidden from using the one word that most closely describes the image depicted. Plaintiff’s right cannot be so expansive.”).

89. *Id.* at \*5; see also 15 U.S.C. § 1115(b)(4) (2018) (describing the descriptive fair use defense, which can be invoked in response to a trademark infringement claim).

90. *Emoji Co.*, 2022 WL 4465593, at \*5–7.

91. See, e.g., *supra* note 68 (describing an instance in which a court acquiesced to a dubious legal theory in a SAD case).

92. See *supra* note 54 and accompanying text (describing how Judge Pacold provides plaintiffs in SAD cases with templates for filings).

relate to the items and money associated with the allegedly infringing activity, not the entire account and all funds in possession. Courts have nevertheless rejected this argument. Wish asked a judge for a more tailored asset freeze, but the judge responded that Wish wasn't the right party to raise the objection (because the money was the merchants', not Wish's) and Wish couldn't prove that the money in its possession wasn't from infringing sales.<sup>93</sup>

Furthermore, online marketplaces fear their own liability exposure, and that deters them from voluntarily adopting nuanced policies. It's simpler and lower risk for them to categorically shut down alleged infringers identified in the TRO.

### C. *Greater Use of Existing Legal Doctrines*

In addition to more vigorous enforcement of the rules explored in Part III, some other existing FRCP provisions might help curb abusive SAD Scheme lawsuits:

*Defendant classes.* FRCP 23 contemplates that defendants can form classes, just like rightsowners do.<sup>94</sup> For example, a defendant class could bust the rightsowner's trademark or establish defenses like descriptive fair use. Few individual defendants, however, have enough motivation and resources to fight their case, let alone organize a class.

*Attorneys' fees awards.* Prevailing defendants may be awarded attorneys' fees in extraordinary patent<sup>95</sup> or trademark cases<sup>96</sup> or at a judge's discretion in copyright cases.<sup>97</sup> Judges could also impose FRCP 11 sanctions if rightsowner's counsel didn't properly do pre-filing investigations, misrepresented the situation to the judge, or made overly generic filings.<sup>98</sup>

Fee shifts can make mass IP enforcement less financially attractive<sup>99</sup> and compensate SAD Scheme defendants willing to fight back. Further,

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93. See Order at 1–2, *MSM Design & Eng'g LLC v. P'ships & Uninc. Ass'ns Identified on Schedule "A"*, No. 20 C 121 (N.D. Ill. July 28, 2021), ECF No. 49; Order at 1–2, *Oraldent Ltd. v. P'ships & Uninc. Ass'ns Identified on Schedule "A"*, No. 20 C 304 (N.D. Ill. Feb. 22, 2021), ECF No. 44.

94. See Fed. R. Civ. P. 23; see also Assaf Hamdani & Alon Klement, *The Class Defense*, 93 *Calif. L. Rev.* 685, 690–91 (2005) (proposing a mechanism in which a class of defendants can consolidate their defense claims); Francis X. Shen, *The Overlooked Utility of the Defendant Class Action*, 88 *Denv. U. L. Rev.* 73, 79–85 (2010) (summarizing courts' approaches to defendant class actions); Robert R. Simpson & Craig Lyle Perra, *Defendant Class Actions*, 32 *Conn. L. Rev.* 1319, 1323 (2000) (noting that defendant class actions have been used in "various types of cases, including, but not limited to, patent infringement cases, suits against local officials challenging the validity of state laws, securities litigation, and actions against employers").

95. 35 U.S.C. § 285 (2018).

96. 15 U.S.C. § 1117(a) (2018).

97. 17 U.S.C. § 505 (2018).

98. Fed. R. Civ. P. 11.

99. For example, fee shifts to defendants helped unravel Righthaven's mass copyright enforcements. See Ian Polonsky, *You Can't Go Home Again: The Righthaven Cases* and

SAD Scheme cases should qualify as “extraordinary” cases for fee shift purposes for the reasons outlined in Part III.<sup>100</sup>

Nevertheless, judges have rejected discretionary fee shifts in SAD Scheme cases. One court explained its fee shift denial:

[T]his case has followed the same trajectory of many other cases in this District and in districts throughout the country in instances where a plaintiff discovers that its intellectual property has likely been pirated and identical or substantially similar knock-off products are being offered for sale from on-line platforms. To hold that this case is exceptional would topsy-turvy that term—elevating what is ordinary to extraordinary. It would erect an unwarranted barrier to plausible claims by legitimately injured Plaintiffs.<sup>101</sup>

The judge’s pro-rightsowner sympathy is not unusual. It’s a primary reason why judges might not use fee shifts more aggressively in SAD Scheme cases, even when it’s deserved. Plus, rightsowners might avoid fee shifts by dismissing defendants voluntarily,<sup>102</sup> even though judges should award fee shifts in those circumstances to prevent strategic gaming.

*Bonds.* FRCP 65 says that a “court may issue a preliminary injunction or a temporary restraining order only if the movant gives security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained.”<sup>103</sup>

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Copyright Trolling on the Internet, 36 Colum. J.L. & Arts 71, 90 (2012); see also *Righthaven LLC v. DiBiase*, No. 2:10-CV-01343-RLH, 2011 WL 5101938, at \*1 (D. Nev. Oct. 26, 2011) (amounting to nearly \$120,000 in fees and costs); *Righthaven LLC v. Wolf*, 813 F. Supp. 2d 1265, 1273 (D. Colo. 2011) (awarding attorney’s fees to the defendant); *Righthaven, LLC v. Leon*, No. 2:10-CV-01672-GMN-LRL, 2011 WL 2633118, at \*2 (D. Nev. July 5, 2011) (amounting to over \$3,800 in fees); Judgment in a Civil Case at 1, *Righthaven LLC v. Hoehn*, 792 F. Supp. 2d 1138 (D. Nev. 2011) (No. 2:11-CV-00050-PMP-RJJ) (on file with the *Columbia Law Review*) (reaching over \$34,000 in fees).

Some overaggressive rightsowners repeatedly bring ill-advised cases, even after fee shifts and sanctions. See, e.g., Richard Liebowitz, Wikipedia, [https://en.wikipedia.org/wiki/Richard\\_Liebowitz](https://en.wikipedia.org/wiki/Richard_Liebowitz) [<https://perma.cc/RC3T-X3A8>] (last visited Sept. 28, 2023).

100. See *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545, 554 (2014) (holding that, in the patent context, the awarding of attorney’s fees is warranted in cases “that stand[] out from others with respect to the substantive strength of a party’s litigating position . . . or the unreasonable manner in which the case was litigated”).

101. *Gorge Design Grp. LLC v. Syarme*, No. 2:20-cv-1384, 2020 WL 8672008, at \*3 (W.D. Pa. Dec. 4, 2020).

102. See *id.* at \*1 (discussing how the rightsowner’s voluntary dismissal meant that NeoMagic technically didn’t prevail).

The Emojico Declaration, *supra* note 1, was filed after the rightsowner voluntarily dismissed the defendant. The court summarily denied the defendant’s fee shift request without explanation. *Order, Emoji Co. v. Individuals, Corps., Ltd. Liab. Cos., P’ships, & Uninc. Ass’ns Identified on Schedule A Hereto*, No. 21-cv-1739 (N.D. Ill. Mar. 23, 2022), ECF No. 116.

103. Fed. R. Civ. P. 65(c).

Courts set bond amounts at their discretion, but the amount should be high enough to accommodate the losses to all potentially affected parties, including the targeted merchants, the online marketplaces, and consumers.<sup>104</sup> Unfortunately, courts routinely undervalue bonds in SAD Scheme cases because they don't anticipate how much harm the ex parte TRO will cause.<sup>105</sup>

Bonds serve an important gatekeeping function. For example, after one court required a SAD Scheme rightsowner to tender a bond of \$10,000 per defendant, the rightsowner dropped the number of defendants from 218 to 5 because the 2% premium to secure funds for a \$2.18 million bond was too much.<sup>106</sup>

But bonds suffer some of the same limitations as attorneys' fee shifts: Dismissed or settled defendants aren't likely to seek payment from the bond, and judges won't make awards out of the bond if it seems punitive to the rightsowner to do so.<sup>107</sup> While higher bond amounts could force rightsowners to evaluate their cases more carefully upfront due to the

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104. See *Rathmann Grp. v. Tanenbaum*, 889 F.2d 787, 790 (8th Cir. 1989) (“The bond should be of an amount adequate to protect [the defendant’s] business . . .”).

105. See Appellant NeoMagic Corporation’s Opening Brief, *supra* note 30, at 36 (“Gorge’s bond amounted to less than \$130 per defendant, and for that it was able to seize over \$300,000 of NeoMagic’s funds and obtain an order allowing Gorge to take control of NeoMagic’s online marketplace . . .”).

106. Plaintiff’s Statement Relating to the December 19, 2022 Minute Order No. 19, *Blue Sphere, Inc. v. Individuals, Corps., Ltd. Liab. Cos., P’ships, & Uninc. Ass’ns Identified on Schedule A Hereto (Blue Sphere I)*, No. 22-cv-5599 (N.D. Ill. filed Dec. 21, 2022), ECF No. 20.

The rightsowner filed a new complaint against the 213 dropped defendants. See Complaint, *Blue Sphere, Inc. v. Individuals, Corps., Ltd. Liab. Cos., P’ships, & Uninc. Ass’ns Identified on Schedule A Hereto (Blue Sphere II)*, No. 22-cv-6502 (N.D. Ill. filed Nov. 21, 2022), ECF No. 1. The first judge did not appreciate the maneuver:

Plaintiff’s counsel engaged in that judicial rug-pulling sub silentio, without telling this Court or Judge Guzman what they were doing. . . . Plaintiff’s counsel later explained that they do not like this Court’s bond requirements. So they decided to refile the case and get another judge. . . . The Federal Rules and the U.S. Code allow a certain amount of forum shopping. But they do not allow judge shopping. . . . Parties can pick their lawyers, and parties can pick their cases. But parties cannot pick their judges. Plaintiff’s counsel cannot drop defendants, and then refile on behalf of those defendants, in an attempt to get what they perceive to be a greener judicial pasture.

Minute Entry, *Blue Sphere I*, No. 22-cv-5599 (N.D. Ill. filed Jan. 18, 2023), ECF No. 28 (citation omitted). The same judge later added: “Clients have some latitude at picking a forum. Clients have no latitude picking a judge. Judge shopping ain’t a thing here or anywhere else. . . . This is absolutely beyond the pale.” Celeste Bott, ‘Judge Shopping Ain’t a Thing Here,’ *Ill. Judge Warns IP Atty*, Law360 (May 2, 2023), <https://www.law360.com/legalethics/articles/1603426/judge-shopping-ain-t-a-thing-here-ill-judge-warns-ip-atty> (on file with the *Columbia Law Review*) (internal quotation marks omitted) (quoting Transcript of Proceedings at 6–7, 9, *Blue Sphere I*, No. 22-cv-5599 (N.D. Ill. heard Jan. 18, 2023), ECF No. 35).

107. See *supra* notes 99–100 and accompanying text.

surety fee, more aggressive judicial imposition of bonds isn't likely to materially impact SAD Scheme cases.

D. *Possible Statutory Reforms*

It is unlikely that Congress would adopt any anti-SAD Scheme legislative reforms. Congress is constantly paralyzed by gridlock; it is difficult to pass any reforms that do not benefit rightsowners; and Congress might misconceptualize the SAD Scheme as a regional (i.e., Chicago) problem. If Congress ever considers ways to curb the SAD Scheme, it should evaluate these ideas for reforms:

*Filing fees scaled to the number of defendants.*<sup>108</sup> Enumerating lots of defendants in a single complaint is critical to the SAD Scheme's financial success. It would change the rightsowners' economic calculus if filing costs reflected this practice.<sup>109</sup> For example, the \$402 filing fees might cover only the first X defendants, after which each additional defendant could cost another \$402. If X were set high enough so that most legitimate cases would qualify for the fixed pricing, this pricing change could easily cut back on abusive cases.

*Stronger presumptions against sealed defendant identities.* To emphasize that sealed defendant identities should be exceptional, the FRCP could impose heightened judicial scrutiny of cases with sealed defendant identities. For example: Filing fees could be higher when the complaint has sealed defendant identities; rightsowners could be required to proactively disclose how often they have filed complaints with sealed defendant identities and how those cases resolved; judges could be required to take extra steps upfront to verify the legitimacy of sealing requests before a rightsowner can move forward; and the default rule could be that any sealed defendant identities automatically become unsealed within a statutorily specified number of days or weeks after filing unless the rightsowner shows an extraordinary need to keep the identities sealed.

#### CONCLUSION

Reading this paper often leaves readers feeling confused, frustrated, and angry. The SAD Scheme seemingly contravenes basic civil procedure and intellectual property rules, and readers cannot understand how rightsowners get away with it. Furthermore, it's hard to believe that judges tolerate or even encourage these practices rather than emphatically shutting them down.

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108. Alternatively, Congress could adopt more restrictive joinder rules for trademark and copyright cases analogous to the patent joinder rules in 35 U.S.C. § 299.

109. Cf. Jonathan S. Masur, *Costly Screens and Patent Examination*, 2 J. Legal Analysis 687, 688 (2010) (discussing how patent prosecution costs can screen out low-value applications).

Yet, SAD Scheme cases keep growing in number precisely because rightsowners are achieving outcomes they should not be able to obtain. Even if the SAD Scheme does help some rightsowners shut down some counterfeiters, in our jurisprudential system the ends do not justify the means. Instead, judges and regulators should do more to protect the interests of the many thousands of victimized merchants as well as the marketplaces and their consumers. Rightsowners have other ways to combat foreign counterfeiters without denigrating the rule of law.



**COMMITTEE ON COURT ADMINISTRATION AND CASE MANAGEMENT  
OF THE  
JUDICIAL CONFERENCE OF THE UNITED STATES**

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March 15, 2024

MEMORANDUM

To: Judges, United States District Courts  
District Court Executives  
Clerks, United States District Courts

From: Judge Gregory Van Tatenhove   
Chair, Committee on Court Administration and Case Management

RE: GUIDANCE FOR CIVIL CASE ASSIGNMENT IN THE DISTRICT COURTS

At its March 2024 session, the Judicial Conference, upon recommendation of the Committee on Court Administration and Case Management (CACM), approved the following policy regarding case assignment practices:

District courts should apply district-wide assignment to:

- a. civil actions seeking to bar or mandate statewide enforcement of a state law, including a rule, regulation, policy, or order of the executive branch or a state agency, whether by declaratory judgment and/or any form of injunctive relief; and
- b. civil actions seeking to bar or mandate nationwide enforcement of a federal law, including a rule, regulation, policy, or order of the executive branch or a federal agency, whether by declaratory judgment and/or any form of injunctive relief.

On behalf of the CACM Committee, I write to share the attached Guidance for Civil Case Assignment in District Courts. The guidance supports implementation of the above policy, which is applicable in instances when the remedy sought has implications beyond the parties before the court and the local community, and the importance of having a case heard by a judge with ties to



the local community is not a compelling factor. And it provides general guidance in civil case assignment practices.

The guidance is predicated on the Judicial Conference's longstanding policies supporting the random assignment of cases and ensuring that district judges remain generalists. The most crucial tool in achieving these policy goals is the case assignment practices or methods employed in dividing the business of the court. Case assignment practices or methods that do not reflect the longstanding Judicial Conference policy of random case assignment tend to undermine the independence of the branch and the trust of the public in the judiciary.

These policies and the accompanying guidance inform the district courts' statutory authority and discretion to divide the business of the court pursuant to 28 U.S.C. § 137. They should not be viewed as impairing a court's authority or discretion. Instead, they set out various ways for courts to align their case assignment practices with the longstanding Judicial Conference policy of random case assignment. Simply put, these policies should serve the purpose of securing a "just, speedy, and inexpensive determination of every action and proceeding." Fed. R. Civ. P. 1.

If you have any questions about the guidance or policy, please contact [Erin Butler Conner](#), Administrative Office's Court Services Office, at 202-502-3217.

Attachment

cc: Chief Judges, United States Courts of Appeals  
Circuit Executives

## GUIDANCE FOR CIVIL CASE ASSIGNMENT IN DISTRICT COURTS<sup>1</sup>

### BACKGROUND

The Judicial Conference's longstanding policies supporting the random assignment of cases and ensuring that district judges remain generalists<sup>2</sup> deter both judge-shopping and the assignment of cases based on the perceived merits or abilities of a particular judge.

The tools used to accomplish random case assignment are a court's divisional and judicial case assignment methods employed pursuant to 28 U.S.C. § 137. Under 28 U.S.C. § 137(a), "[t]he business of a court having more than one judge shall be divided among the judges as provided by the rules and orders of the court."<sup>3</sup> This statute provides individual courts wide latitude to establish case assignment systems, permitting flexibility in managing their caseloads efficiently and in a manner that best suits the various needs of the district and the communities they serve. The chief judge is "responsible for the observance of such rules and orders" and is charged with "divid[ing] the business and assign[ing] the cases so far as such rules and orders do not otherwise prescribe." The statute also provides that "[i]f the district judges in any district are unable to agree upon the adoption of rules or orders for that purpose the judicial council of the circuit shall make the necessary orders." Additionally, 28 U.S.C. § 332(d)(1) provides that "each [circuit] judicial council shall make all necessary and appropriate orders for the effective and expeditious administration of justice within its circuit."

At its March 2024 session, the Judicial Conference, upon recommendation of the Committee on Court Administration and Case Management (CACM), approved the following policy regarding case assignment practices:<sup>4</sup>

District courts should apply district-wide assignment to:

- a. civil actions seeking to bar or mandate statewide enforcement of a state law, including a rule, regulation, policy, or order of the executive branch or a state agency, whether by declaratory judgment and/or any form of injunctive relief; and
- b. civil actions seeking to bar or mandate nationwide enforcement of a federal law, including a rule, regulation, policy, or order of the executive branch or a federal agency, whether by declaratory judgment and/or any form of injunctive relief.

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<sup>1</sup> Issued March 2024, by the Judicial Conference Committee on Court Administration and Case Management.

<sup>2</sup> See JCUS-SEP 1995, p. 46; JCUS-MAR 1999, p. 13; JCUS-MAR 2000, p. 13.

<sup>3</sup> The division of the business of the courts is not solely accomplished through rules and orders. There are a variety of practices and policies utilized to accomplish this objective.

<sup>4</sup> JCUS-MAR 2024, p. \_\_.

## GUIDANCE FOR CIVIL CASE ASSIGNMENT IN DISTRICT COURTS

The guidance set forth below applies to all civil cases, including patent cases.<sup>5</sup> It does not apply to criminal cases as there are unique factors and considerations applicable to criminal cases that are not implicated in civil cases. Bankruptcy cases were not specifically considered in drafting the guidance. Case assignment in the bankruptcy context remains under study.

### GUIDANCE

Courts are encouraged to conduct regular review of their civil case assignment practices, particularly courts with single-Article III judge divisions.

While recognizing the statutory authority and discretion that district courts have with respect to case assignment, and that the division of the business of the district court among the judges is accomplished through various case assignment practices, to assist with developing these practices and aligning them with Judicial Conference policy, the CACM Committee shares the following guidance:

1. Public confidence in the case assignment process requires transparency. Therefore, consider incorporating case assignment practices into rules and orders as opposed to internal plans or policies. To the extent a court currently maintains internal plans or policies, the court should make them accessible to the public on the court's website.
2. In crafting civil case assignment practices, consider various issues that generate concern, such as achieving randomness in assignments; ensuring the district judges remain generalists; balancing caseload among judges in the district; avoiding and addressing recusals, conflicts of interest, and appearances of impropriety; considering potentially disqualifying events impacting assignments, such as injury, illness, or incapacitation of a judge; managing related cases; and promoting the efficiency, convenience, and other benefits of parties' cases being heard by local judges.
3. Regardless of where a case is filed, avoid case assignment practices that result in the likelihood that a case will be assigned to a particular judge, absent a determination that proceeding in a particular geographic location is appropriate.

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<sup>5</sup> The CACM Committee presented its "Report on the Patent Case Assignment Study in the District Courts" (Patent Report) to the Judicial Conference at its September 2023 session, and the Secretary of the Judicial Conference transmitted it to Congress on October 3, 2023. The Patent Report concluded that the most effective tools in achieving the shared goal of both Congress and the Judicial Conference of promoting random case assignment are the divisional and judicial case assignment practices and policies employed in dividing the business of a district court as contemplated by 28 U.S.C. § 137, which allows each district court to divide the business of the court in a way that best serves the district. The Patent Report also recognized that district courts utilize various practices and policies in dividing the business of the court to achieve randomness in the divisional and judicial assignment of cases, and specifically in single-Article III judge divisions. Given the complexities associated with case assignment, the CACM Committee concluded that guidance on achieving random case assignment would benefit courts and that regular review of case assignment plans should be encouraged.

## GUIDANCE FOR CIVIL CASE ASSIGNMENT IN DISTRICT COURTS

4. Employ case assignment practices that successfully avoid the likelihood that a case will be assigned to a particular judge, such as:
  - (a) District-wide assignment of all cases;
  - (b) District-wide assignment of certain cases based on Nature of Suit code, case categories, or case-type; or
  - (c) Shared case assignments between the judge in a single-judge division with a judge or judges in another division or divisions.
  
5. Judicial Conference policy states that district courts should apply district-wide assignment in civil actions seeking to bar or mandate statewide or nationwide enforcement of a state or federal law, including a rule, regulation, policy, or order of the executive branch or a state or federal agency, whether by declaratory judgment and/or any form of injunctive relief.<sup>6</sup>

The policy is applicable in instances when the remedy sought has implications beyond the parties before the court and the local community, and the importance of having a case heard by a judge with ties to the local community is not a compelling factor.

To facilitate assignment and avoid circumvention of a district-wide assignment policy, courts should consider entering a standing or general order, or promulgating a local rule addressing the following:

- (a) If such relief is sought when the case is opened, note on the JS-44 (Civil Cover Sheet) in section “VI. CAUSE OF ACTION” that the remedy sought has implications beyond the parties before the court or that the case seeks to bar or mandate statewide or nationwide enforcement of a state or federal law.
- (b) If such relief is sought after the case is opened, require the party seeking such relief to prominently display such information in the case caption upon filing the motion.
- (c) Include in the court’s case assignment practices a provision addressing the filing of an amended complaint. For example, if an amended complaint or motion seeking such relief is filed within thirty (30) days of when the case is opened, or before significant steps have been taken in the action, the judge to whom the case is assigned should transfer the case back to the Clerk of Court for reassignment on the district-wide wheel.

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<sup>6</sup> JCUS-MAR 2024, p. \_\_.

## GUIDANCE FOR CIVIL CASE ASSIGNMENT IN DISTRICT COURTS

### CONTACT INFORMATION

Questions or comments concerning this guidance and assistance in its implementation may be directed to Policy Staff to the Committee on Court Administration and Case Management.

## Trade Secret Cases Are Up As Clients Eye Patent Alternatives

By **Ivan Moreno**

Law360 (March 15, 2024, 2:36 PM EDT) -- Trade secret litigation has seen a gradual increase over the past decade, driven by the promise of substantial damages awards, a new federal law, and frustration over the challenges of patent litigation, according to intellectual property attorneys.

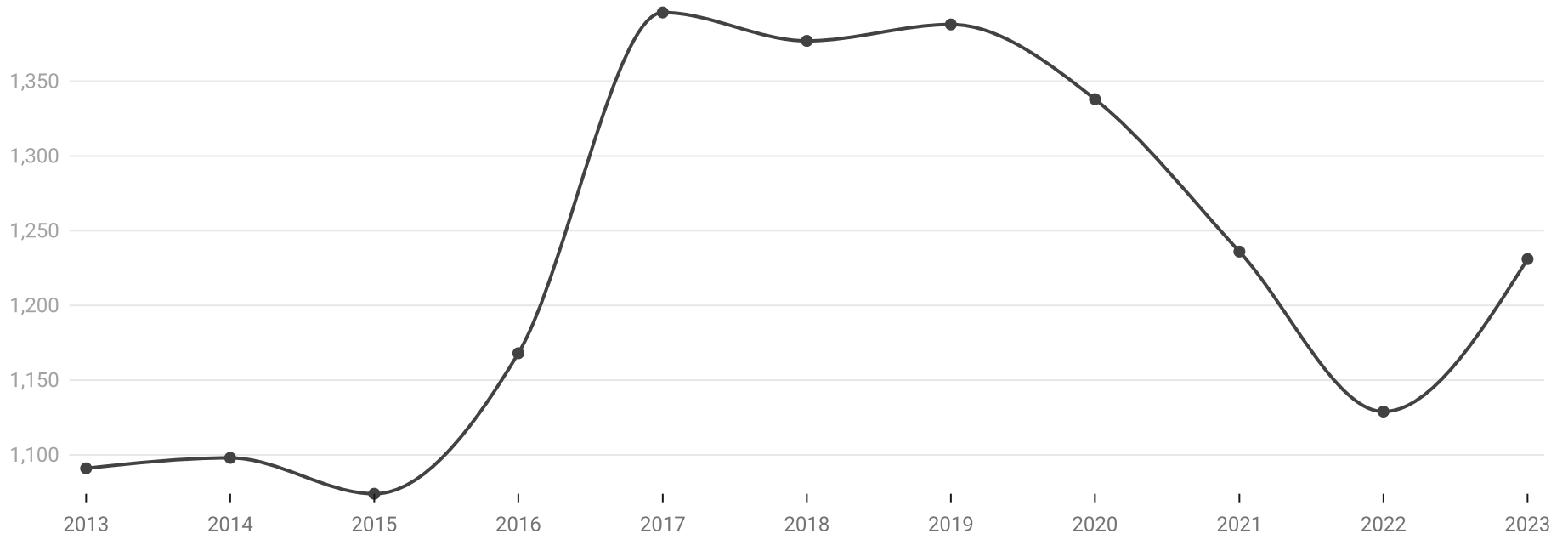
Damages awards that have reached hundreds of millions of dollars in the past five years have added to the appeal of trade secret cases, along with the 2016 passage of the Defend Trade Secrets Act, which allows plaintiffs to file misappropriation claims in federal court, attorneys told Law360.

Just under 1,100 trade secret cases were filed in federal court in 2013, a number that rose to nearly 1,400 in 2017, the year after the trade secrets law took effect, according to data from legal analytics firm Lex Machina and Law360 reporting. The number of cases remained at over 1,300 annually until dipping during the height of the pandemic to 1,236 in 2021 and then 1,129 in 2022. Last year, 1,231 trade secret cases were filed in federal court.

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## Federal Trade Secret Filings Tick Back Up

Trade secret cases have been on the rise over the past decade. Filings rose after the passage of the Defend Trade Secrets Act in 2016, and while filings took a dip during the pandemic, they began climbing back up again in 2023.



Source: Lex Machina • Created with Datawrapper

While it was possible to file trade secret claims in federal court before the Defend Trade Secrets Act, the new law provided uniformity throughout the court system. The Lex Machina figures do not include state court filings.

Ching-Lee Fukuda, a partner at Sidley Austin LLP and head of its New York IP litigation practice, has seen this trend play out in her own practice. During the majority of her 26 years in IP litigation, the cases she handled were mostly all patents, but about 10 years ago, that began to change, she said.

"It was still kind of in a slow ramp mode compared to now. In my current practice, even though it's still heavily in patents, about 50% of my cases in the last two or three years have been trade secrets," Fukuda said. "Just personally, it's been a huge growth area, and where we're seeing the growth in trade secrets is across all kinds of industries."

Attorneys told Law360 that because patents have become easier to invalidate under Section 101 of the Patent Act if they cover abstract ideas or laws of nature, litigation has become more unpredictable and difficult. The Patent Trial and Appeal Board, created in 2012 with the America Invents Act, has provided another avenue to attack a patent's validity.

"So all of that, I think, has led to this question of, 'Do we put our eggs into the patent basket, or do we retain some of what we develop

as trade secrets so that we know that we can protect it as long as it's not being stolen?" Fukuda said.

The rise of trade secret cases comes as patent lawsuits in federal courts dropped last year to 3,111, a nearly 20% decline from 3,839 in 2022, according to a **February** report from Lex Machina. Last year's count was the lowest for any year since 2010.

The decline, however, appears to be tied to fewer suits from what Lex Machina describes as "high-volume plaintiffs" — those who file at least 10 patent cases per year. Excluding those plaintiffs, patent filings have actually remained fairly steady at about 2,200 annually during the past five years.

### **An 86% Trial Win Rate**

The long and burdensome process of litigating patent cases has attracted litigation funders to the trade secret space, said Baldo Vinti, partner and chair of IP litigation at Proskauer Rose LLP.

"Most cases that involve trade secrets, you're trying to stop the trade secret from being used," Vinti said. "Someone stole it. They're using it. And you want to put an end to that. And so generally, a lot of times what happens is the case revolves around the [temporary restraining order] or a preliminary injunction hearing. Obviously litigation funders would like to get their money back as soon as possible."

While there are no registration requirements for trade secrets, plaintiffs have to show that they took reasonable steps to guard their inventions from the public to succeed on a misappropriation claim. They must also have confidential documentation that demonstrates the existence of the trade secret, whether it's software, a formula or client lists.

"It doesn't matter whether it's an abstract idea, whether it's a law of nature or what you're claiming as a trade secret. As long as it's confidential and it derives some independent value from that confidentiality, then you proceed," Vinti said. "And so litigation funders like that."

Few trade secret cases go to trial — the vast majority settle before then. But when they do, plaintiffs have a much better chance of winning than defendants. In the five-year span between 2019 and 2023, plaintiffs won 146 cases compared to 24 by defendants, according to Lex Machina. That's an 86% win rate, compared with the 57% win rate for plaintiffs in all federal cases.

"There's something to be said for having a safe with a lock on it and keeping documents in there," said Justin Krieger, managing partner of Kilpatrick Townsend & Stockton LLP's Denver office. "I honestly don't know if this is true or not, but there's this legendary story that makes the rounds about litigation out of Texas involving a big oil company that had a trade secret case, and they rolled down the center of the courtroom a safe on a dolly with big squeaky wheels. A visual like that can make quite a difference to a jury, for sure."

Juries have also shown a willingness to award enormous amounts in damages to the victor. In 2020, an Illinois jury **awarded \$764 million** in damages to Motorola Solutions LLC after finding that Chinese rival Hytera Corp. infringed copyrights and misappropriated trade secrets to make a competing digital two-way radio. A judge later reduced the amount to **nearly \$544 million** at the urging of Hytera, which is appealing the verdict to the Seventh Circuit.

As with patents, some trade secret awards have been subsequently trimmed after an initial verdict. For example, a New York federal jury in 2020 awarded Cognizant affiliate TriZetto \$855 million after finding that Syntel Inc. misappropriated trade secrets and infringed copyright software. The award has been reduced a couple of times since then, most recently on **Wednesday** when a judge vacated roughly \$200 million in damages.

"The trade secret law is still very new," said Randy Kay, a Jones Day partner who chairs the firm's global trade secrets area. "Very few



cases have gone through trial and appeal to lead to an appellate decision on damages. So in a sense, it's an open book still on what damages might be recoverable, in comparison to patent cases, where for decades now courts have reined in certain damage claims and issued decisions that can be restrictive in some cases."

### **Ways to Catch Wrongdoers**

Another draw for trade secret litigation is that the 2016 law gives plaintiffs extraterritorial reach, according to Kay.

"You don't have the option for a patent lawsuit if the conduct is exclusively in Asia. But the Defend Trade Secrets Act allows a lawsuit in the U.S. for misappropriation occurring entirely outside of the U.S., if certain criteria are met," Kay said.

Hytera's appeal to the Seventh Circuit is one dispute that is expected to test the limits of the law's extraterritoriality. A decision is expected this year.

Kay said the standard of liability also differs between patent and trade cases. In patent disputes, the issue is whether a defendant is making or selling the patented invention. With trade secrets, the question becomes whether a defendant acquired or disclosed a trade secret.

"So the trade secret defendant doesn't need to have commercialized and made sales in order for there to be a claim," Kay said. "There [are] times when that's meaningful because you might catch the wrongdoer before they've launched their product, and you may not have a patent claim in that case."

Kay emphasized that while there were significant differences between trade secret and patent litigation, "they both continue to be viable options."

Not everything can be a trade secret. Certain inventions, such as mechanical equipment, can be difficult if not impossible to keep secret because they can be reverse-engineered. Client lists are not patentable, either.

Getting a patent makes sense in a competitive industry where several businesses are trying to invent something similar, because it could mean a decadeslong monopoly on a product, attorneys say. On the other hand, legal protections for trade secrets last as long as the secret remains a secret. Coca-Cola and KFC have managed to keep their product recipes a secret for decades.

"If you think your competitors are kind of right up on you, and you think they're going to figure [your invention] out, you might want to file a patent on it, even though you might be able to keep it a trade secret," Krieger said.

Vinti, the head of Proskauer's IP litigation, said he expected trade secret cases to continue to rise, due to the proliferation of generative artificial intelligence and states banning employee noncompete agreements.

"A lot of [generative AI] is something that can't be reverse-engineered relatively easily, and so I do think that is one of the reasons why generative AI is a good candidate for trade secret protection," Vinti said.

With greater employee mobility, and noncompete agreements unenforceable in many states, Vinti said clients are becoming more aware about trade secret claims.

"We're seeing clients come to us and saying, 'Look, we just lost an employee. They may have trade secrets.' They're just mentioning that right off the bat," Vinti said.

--Additional reporting by Sam Bell. Graphics by Ben Jay. Editing by Karin Roberts.

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UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF ILLINOIS

**LOCAL PATENT RULES**

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**UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF ILLINOIS**

**LOCAL PATENT RULES**

**PREAMBLE**

These Local Patent Rules provide a standard structure for patent cases that will permit greater predictability and planning for the Court and the litigants. These Rules also anticipate and address many of the procedural issues that commonly arise in patent cases. The Court's intention is to eliminate the need for litigants and judges to address separately in each case procedural issues that tend to recur in the vast majority of patent cases.

The Rules require, along with a party's disclosures under Federal Rule of Civil Procedure 26(a)(1), meaningful disclosure of each party's contentions and support for allegations in the pleadings. Complaints and counterclaims in patent cases often need discovery to flesh out the basis for each party's contentions. The Rules require the parties to provide the particulars behind allegations of infringement, non-infringement, and invalidity at an early date. Because Federal Rule of Civil Procedure 11 requires a party to have factual and legal support for allegations in its pleadings, early disclosure of the basis for each side's allegations will impose no unfair hardship and will benefit all parties by enabling a focus on the contested issues at an early stage of the case. The Rules' supplementation of the requirements of Rule 26(a)(1) and other Federal Rules is also appropriate due to the various ways in which patent litigation differs from most other civil litigation, including its factual complexity; the routine assertion of counterclaims; the need for the Court to construe, and thus for the parties to identify, disputed language in patent claims; and the variety of ways in which a patent may be infringed or invalid.

The initial disclosures required by the Rules are not intended to confine a party to the contentions it makes at the outset of the case. It is not unusual for a party in a patent case to learn additional grounds for claims of infringement, non-infringement, and invalidity as the case progresses. After a reasonable period for fact discovery, however, each party must provide a final statement of its contentions on relevant issues, which the party may thereafter amend only "upon a showing of good cause and absence of unfair prejudice, made in timely fashion following discovery of the basis for the amendment." LPR 3.4.

The Rules also provide a standardized structure for claim construction proceedings, requiring the parties to identify and exchange position statements regarding disputed claim language before presenting disputes to the Court. The Rules contemplate that claim construction will be done, in most cases, toward the end of fact discovery. The committee of lawyers and judges that drafted and proposed the Rules considered placing claim construction at both earlier and later spots in the standard schedule. The decision to place claim construction near the end of fact discovery is premised on the determination that claim construction is more likely to be a meaningful process that deals with the truly significant disputed claim terms if the parties have had sufficient time, via the discovery process, to

ascertain what claim terms really matter and why and can identify (as the Rules require) which are outcome determinative. The Rules' placement of claim construction near the end of fact discovery does not preclude the parties from proposing or the Court from requiring an earlier claim construction in a particular case. This may be appropriate in, for example, a case in which it is apparent at an early stage that the outcome will turn on one claim term or a small number of terms that can be identified without a significant amount of fact discovery.

Finally, the Rules provide for a standardized protective order that is deemed to be in effect upon the initiation of the lawsuit. This is done for two reasons. First, confidentiality issues abound in patent litigation. Second, early entry of a protective order is critical to enable the early initial disclosures of patent-related contentions that the Rules require. Absent a "default" protective order, the making of initial disclosures, and thus the entire schedule, would be delayed while the parties negotiated a protective order. The parties may, either at the outset of the case or later, seek a revised protective order that is more tailored to their case. Because, however, the Rules provide for automatic entry of the default protective order, the desire to negotiate a more tailored version is not a basis to delay the disclosure and discovery schedule that the Rules contemplate.

## **1. SCOPE OF RULES**

### **LPR 1.1      Application and Construction**

These Rules ("LPR") apply to all cases filed in or transferred to this District after September 24, 2009, in which a party makes a claim of infringement, non-infringement, invalidity, or unenforceability of a utility patent. The Court may modify the obligations and deadlines of the LPR based on the circumstances of any particular case. If a party files, prior to the Claim Construction Proceedings provided for in LPR Section 5, a motion that raises claim construction issues, the Court may defer the motion until after the Claim Construction Proceedings.

### **LPR 1.2      Initial Scheduling Conference**

In their conference pursuant to Fed. R. Civ. P. 26(f), the parties must discuss and address those matters found in the form scheduling order contained in LPR Appendix "A." A completed proposed version of the scheduling order is to be presented to the Court within seven (7) days after the Rule 26(f) conference or at such other time as the Court directs. Paragraphs 4(e), 7(c) and 7(d) of the form scheduling order shall be included, without alteration, in this proposed scheduling order.

### **LPR 1.3      Fact Discovery**

Fact discovery shall commence upon the date for the Initial Disclosures under LPR 2.1 and shall be completed twenty-eight (28) days after the date for exchange of claim terms and

phrases under LPR 4.1. Fact discovery may resume upon entry of a claim construction ruling and shall end forty-two (42) days after entry of the claim construction ruling.

#### **Comment**

The Rule states that resumption of fact discovery upon entry of a claim construction ruling “may” occur. The Rule does not provide that discovery shall automatically resume as a matter of right. It is intended that parties seeking further discovery following the claim construction ruling shall submit a motion explaining why further discovery is necessitated by the claim construction ruling.

#### **LPR 1.4 Confidentiality**

The protective order found in LPR Appendix B shall be deemed to be in effect as of the date for each party's Initial Disclosures. Any party may move the Court to modify the Appendix B protective order for good cause. The filing of such a motion does not affect the requirement for or timing of any of the disclosures required by the LPR.

#### **LPR 1.5 Certification of Disclosures**

All disclosures made pursuant to LPR 2.2, 2.3, 2.4, 2.5, 3.1, and 3.2 must be dated and signed by counsel of record (or by the party if unrepresented by counsel) and are subject to the requirements of Federal Rules of Civil Procedure 11 and 26(g).

#### **LPR 1.6 Admissibility of Disclosures**

The disclosures provided for in LPR 2.2, 2.3, 2.4, and 2.5 are inadmissible as evidence on the merits.

#### **Comment**

The purpose of the initial disclosures pursuant to LPR 2.2 - 2.5 is to identify the likely issues in the case, to enable the parties to focus and narrow their discovery requests. Permitting use of the initial disclosures as evidence on the merits would defeat this purpose. A party may make reference to the initial disclosures for any other appropriate purpose.

#### **LPR 1.7 Relationship to Federal Rules of Civil Procedure**

A party may not object to mandatory disclosures under Federal Rule of Civil Procedure 26(a) or to a discovery request on the ground that it conflicts with or is premature under the LPR, except to the following categories of requests and disclosures:

(a) requests for a party's claim construction position;

(b) requests to the patent claimant for a comparison of the asserted claims and the accused apparatus, device, process, method, act, or other instrumentality;

(c) requests to an accused infringer for a comparison of the asserted claims and the prior art;

(d) requests to an accused infringer for its non-infringement contentions; and

(e) requests to the patent claimant for its contentions regarding the presence of claim elements in the prior art.

Federal Rule of Civil Procedure 26's requirements concerning supplementation of disclosure and discovery responses apply to all disclosures required under the LPR.

## **2. PATENT INITIAL DISCLOSURES**

### **Comment**

LPR 2.2 - 2.5 supplements the initial disclosures required by Federal Rule of Civil Procedure 26(a)(1). As stated in the comment to LPR 1.6, the purpose of these provisions is to require the parties to identify the likely issues in the case, to enable them to focus and narrow their discovery requests. To accomplish this purpose, the parties' disclosures must be meaningful - as opposed to boilerplate - and non-evasive. These provisions should be construed accordingly when applied to particular cases.

### **LPR2.1 Initial Disclosures**

The plaintiff and any defendant that files an answer or other response to the complaint shall exchange their Initial Disclosures under Federal Rule of Civil Procedure 26(a)(1) ("Initial Disclosures") within fourteen (14) days after the defendant files its answer or other response, provided, however, if defendant asserts a counterclaim for infringement of another patent, the Initial Disclosures shall be exchanged within fourteen (14) days after the plaintiff files its answer or other response to that counterclaim. As used in this Rule, the term "document" has the same meaning as in Federal Rule of Civil Procedure 34(a):

(a) A party asserting a claim of patent infringement shall produce or make the following available for inspection and copying along with its Initial Disclosures, to the extent they are in the party's possession, custody or control.

(1) all documents concerning any disclosure, sale or transfer, or offer to sell or transfer, of any item embodying, practicing or resulting from the practice of the claimed invention prior to the date of application for the patent in suit. Production of a document pursuant to this Rule is not an admission that the document evidences or is prior art under 35 U.S.C. § 102;

(2) with respect to patents that are not governed by the America Invents Act (“AIA”) but instead are governed by the pre-AIA patent statute: all documents concerning the conception, reduction to practice, design, and development of each claimed invention, which were created on or before the date of application for the patent in suit or a priority date otherwise identified for the patent in suit, whichever is earlier;

(3) all communications to and from the U.S. Patent and Trademark Office for each patent in suit and for each patent or patent application on which a claim for priority is based; and

(4) all documents concerning ownership of the patent rights by the party asserting patent infringement.

(b) A party opposing a claim of patent infringement shall produce or make the following available for inspection and copying, along with its Initial Disclosures:

(1) documents sufficient to show the operation and construction of all aspects or elements of each accused apparatus, product, device, component, process, method or other instrumentality identified with specificity in the pleading of the party asserting patent infringement; and

(2) a copy of each item of prior art of which the party is aware that allegedly anticipates each asserted patent and its related claims or renders them obvious or, if a copy is unavailable, a description sufficient to identify the prior art and its relevant details; and

(3) a statement of the gross sales revenue from the accused product(s) (a) for the six (6) year period preceding the filing of the complaint or, if shorter, (b) from the date of issuance of the patent that will enable the parties to estimate potential damages and engage in meaningful settlement negotiations.

With respect to LPR 2.1 (a) and (b), each producing party shall separately identify by production number which documents correspond to each category of the corresponding LPR.

## **LPR 2.2 Initial Infringement Contentions**

A party claiming patent infringement must serve on all parties "Initial Infringement Contentions" containing the following information within fourteen (14) days after the Initial Disclosures under LPR 2.1:

(a) an identification of no more than 25 claims of each patent in suit that are allegedly infringed by the opposing party, but no more than 50 claims total, including for each claim the applicable statutory subsection of 35 U.S.C. § 271;



(b) separately for each asserted claim, an identification of each accused apparatus, product, device, process, method, act, or other instrumentality ("Accused Instrumentality") of the opposing party of which the party claiming infringement is aware. Each Accused Instrumentality must be identified by name, if known, or by any product, device, or apparatus which, when used, allegedly results in the practice of the claimed method or process;

(c) a chart identifying specifically where each element of each asserted claim is found within each Accused Instrumentality, including for each element that such party contends is governed by 35 U.S.C. § 112(6)/112(f), a description of the claimed function of that element and the identity of the structure(s), act(s), or material(s) in the Accused Instrumentality that performs the claimed function;

(d) identification of whether each element of each asserted claim is claimed to be present in the Accused Instrumentality literally or under the doctrine of equivalents. For any claim under the doctrine of equivalents, the Initial Infringement Contentions must include an initial explanation of each function, way, and result that is equivalent and why any differences are not substantial;

(e) for each claim that is alleged to have been indirectly infringed, an identification of any direct infringement and a description of the acts of the alleged indirect infringer that contribute to or are inducing that direct infringement. If alleged direct infringement is based on joint acts of multiple parties, the role of each such party in the direct infringement must be described;

(f) for any patent that claims priority to an earlier application, the priority date to which each asserted claim allegedly is entitled;

(g) identification of the basis for any allegation of willful infringement; and

(h) if a party claiming patent infringement wishes to preserve the right to rely, for any purpose, on the assertion that its own or its licensee's apparatus, product, device, process, method, act, or other instrumentality practices the claimed invention, the party must identify, separately for each asserted patent, each such apparatus, product, device, process, method, act, or other instrumentality that incorporates or reflects that particular claim, including whether it is marked (actually or virtually) with the patent number.

### **LPR 2.3 Initial Non-Infringement, Unenforceability and Invalidity Contentions**

Each party opposing a claim of patent infringement or asserting invalidity or unenforceability shall serve upon all parties its "Initial Non-Infringement, Unenforceability and Invalidity Contentions" , within fourteen (14) days after service of the Initial Infringement Contentions. Such Initial Contentions shall be as follows:

(a) Non-Infringement Contentions shall contain a chart, responsive to the chart required by LPR 2.2(c), that separately indicates, for each identified element in each asserted claim, to the extent then known by the party opposing infringement, whether such element is present literally or under the doctrine of equivalents in each Accused Instrumentality and, if not, each reason for such denial and the relevant distinctions. Conclusory denials are not permitted.

(b) Invalidity Contentions must contain the following information to the extent then known to the party asserting invalidity:

(1) an identification, with particularity, of up to twenty five (25) items of prior art per asserted patent that allegedly invalidates each asserted claim. Each prior art patent shall be identified by its number, country of origin, and date of issue. Each prior art publication must be identified by its title, date of publication, and where feasible, author and publisher. Prior art in the form of sales, offers for sale, or uses shall be identified by specifying the item offered for sale or publicly used or known, the date the offer or use took place or the information became known, and the identity of the person or entity which made the use or which made and received the offer, or the person or entity which made the information known or to whom it was made known. For a patent governed by the pre-AIA amendments to the patent statute, any prior art under 35 U.S.C. § 102(f) shall be identified by providing the name of the person(s) from whom and the circumstances under which the invention or any part of it was derived, and prior art under 35 U.S.C. § 102(g) (pre-AIA) shall be identified by providing the identities of the person(s) or entities involved in and the circumstances surrounding the making of the invention before the patent applicant(s);

(2) for each item of prior art, a detailed statement of whether it allegedly anticipates or renders obvious each asserted claim. If a combination of items of prior art allegedly makes a claim obvious, the Invalidity Contentions must identify each such combination and the reasons to combine such items;

(3) a chart identifying where specifically in each alleged item of prior art each element of each asserted claim is found, including for each element that such party contends is governed by 35 U.S.C. § 112(6)/112(f), a description of the claimed function of that element and the identity of the structure(s), act(s), or material(s) in each item of prior art that performs the claimed function;

(4) a detailed statement of any grounds of invalidity based on indefiniteness under 35 U.S.C. § 112(2)/112(b), enablement or written description under 35 U.S.C. § 112(1)/112(a), or any other basis; and

(5) a detailed statement of any grounds for contentions that a claim is invalid as non-statutory/patent ineligible under 35 U.S.C. §101.

(c) Unenforceability contentions shall identify the acts allegedly supporting and all bases for the assertion of unenforceability.

**LPR 2.4 Document Production Accompanying Initial Non-Infringement and Invalidity Contentions**

With the Initial Non-Infringement and Invalidity Contentions under LPR 2.3, the party opposing a claim of patent infringement shall supplement its Initial Disclosures and, in particular, must produce or make available for inspection and copying:

(a) any additional documentation showing the operation of any aspects or elements of an Accused Instrumentality identified by the patent claimant in its LPR 2.2 chart; and

(b) a copy of any additional items of prior art identified pursuant to LPR 2.3 that does not appear in the file history of the patent(s) at issue.

**LPR 2.5 Initial Response to Non-Infringement and Invalidity Contentions**

Within fourteen (14) days after service of the Initial Non-Infringement and Invalidity Contentions under LPR 2.3, each party claiming patent infringement shall serve upon all parties its "Initial Response to Non-Infringement and Invalidity Contentions."

(a) With respect to invalidity issues, the initial response shall contain a chart, responsive to the chart required by LPR 2.3(a)-(d), that states as to each identified element in each asserted claim, to the extent then known, whether the party admits to the identity of elements in the prior art and, if not, the reason for such denial.

(b) In response to denials of infringement, if the party asserting infringement intends to rely upon Doctrine of Equivalents, such party must include an initial explanation of each function, way, and result that is equivalent and why any differences are not substantial, to the extent not previously provided in response to LPR 2.2(d).

**LPR 2.6 Disclosure Requirement in Patent Cases Initiated by Complaint for Declaratory Judgment**

In a case initiated by a complaint for declaratory judgment in which a party files a pleading seeking a judgment that a patent is not infringed, is invalid, or is unenforceable, LPR 2.2 and 2.3 shall not apply unless a party makes a claim for patent infringement. If no claim of infringement is made, the party seeking a declaratory judgment must comply with LPR 2.3 and 2.4 within twenty-eight (28) days after the Initial Disclosures.

**3. FINAL CONTENTIONS**

**LPR 3.1 Final Infringement, Unenforceability and Invalidity Contentions**

(a) Final Infringement Contentions. Final infringement contentions shall be served in two stages:

(1) Within nineteen (19) weeks after the due date for service of Initial Infringement Contentions, each party claiming patent infringement must serve on all other parties a list identifying no more than 10 claims per patent and no more than 20 claims overall that the party is asserting, each of which must be selected from claims identified in the Initial Infringement Contentions.

(2) Within twenty-one (21) weeks after the due date for service of Initial Infringement Contentions, each party claiming patent infringement must serve on all other parties "Final Infringement Contentions" containing the information required by LPR 2.2 (a)-(h). In the Final Infringement Contentions, no Accused Instrumentality may be accused of infringing more than ten (10) claims per patent and twenty (20) claims overall, selected from the claims identified in the Initial Infringement Contentions. If the Doctrine of Equivalents is being asserted, the Final Infringement Contentions must include an explanation of each function, way, and result that is equivalent and why any differences are not substantial.

(b) Final Unenforceability and Invalidity Contentions. Each party asserting invalidity or unenforceability of a patent claim shall serve on all other parties, at the same time that the Final Infringement Contentions required by LPR 3.1(a)(2) are served, "Final Unenforceability and Invalidity Contentions" containing the information required by LPR 2.3 (b) and (c). Final Invalidity Contentions may rely on more than twenty-five (25) prior art references only by order of the Court upon a showing of good cause and absence of unfair prejudice to opposing parties. For each claim alleged to be invalid, the Final Unenforceability and Invalidity Contentions are limited to four (4) prior art grounds per claim and four (4) non-prior art grounds. No claim asserted to be infringed shall be subject to more than eight (8) total grounds per claim. Each of the following shall constitute separate grounds: indefiniteness, lack of written description, lack of enablement, unenforceability, and non-statutory subject matter under 35 U.S.C. § 101. Each assertion of anticipation and each combination of references shall constitute separate grounds.

### **LPR 3.2 Final Non-infringement, Enforceability and Validity Contentions**

Not later than 28 days after the due date for Final Infringement Contentions under LPR 3.1:

(a) Each party asserting non-infringement of a patent claim shall serve on all other parties "Final Non-infringement Contentions" containing the information called for in LPR 2.3(a).

(b) Each party asserting patent infringement shall serve "Final Enforceability and Validity Contentions" in response to any "Final Unenforceability and Invalidity Contentions."

### **LPR 3.3 Document Production Accompanying Final Invalidation Contentions**

With the Final Invalidation Contentions, the party asserting invalidity of any patent claim shall produce or make available for inspection and copying: a copy or sample of all prior art identified pursuant to LPR 3.1(b), to the extent not previously produced, that does not appear in the file history of the patent(s) at issue. If any such item is not in English, an English translation of the portion(s) relied upon shall be produced. The translated portion of the non-English prior art shall be sufficient to place in context the particular matter upon which the party relies.

The producing party shall separately identify by production number which documents correspond to each category.

### **LPR3.4. Amendment of Final Contentions**

A party may amend its Final Infringement Contentions or Final Non-infringement and Invalidation Contentions only by order of the Court upon a showing of good cause and absence of unfair prejudice to opposing parties, made promptly upon discovery of the basis for the amendment.

An example of a circumstance that may support a finding of good cause, absent undue prejudice to the non-moving party, includes a claim construction by the Court different from that proposed by the party seeking amendment.

The duty to supplement discovery responses does not excuse the need to obtain leave of court to amend contentions.

### **LPR 3.5 Relationship to USPTO Proceedings and Prior Litigation**

(a) In the parties' Rule 26(f) Report, the parties shall advise the court with respect to each patent in suit (1) whether the patent is eligible to be challenged at the USPTO by each defendant, (2) what form such a challenge may take (inter parties review, post grant review, covered business method review, ex parte reexamination, etc.), (3) the earliest and latest date such a challenge is permitted to be made for each defendant, (4) whether the patent has been the subject of prior USPTO reviews and, if so, the status of the same, and (5) any other prior litigation history of the patent and the status of the same.

(b) Absent exceptional circumstances, no party may file a motion to stay the lawsuit pending any proceeding in the U.S. Patent and Trademark Office after the due date for service of that party's Final Contentions pursuant to LPR 3.2.

### **LPR3.6 Discovery Concerning Opinions of Counsel**

(a) The substance of a claim of reliance on advice of counsel offered in defense to a charge of willful infringement, and other information within the scope of a waiver of the attorney-client privilege based upon disclosure of such advice, is not subject to discovery until seven (7) days after the court's claim construction ruling.

(b) On the day advice of counsel information becomes discoverable under LPR 3.6(a), a party claiming reliance on advice of counsel shall disclose to all other parties the following:

- (1) All written opinions of counsel upon which the party will rely;
- (2) All information provided to the attorney in connection with the advice;
- (3) All written attorney work product developed in preparing the opinion that the attorney disclosed to the client; and
- (4) Identification of the date, sender and recipient of all written and oral communications with the attorney or law firm concerning the subject matter of the advice by counsel.

(c) After advice of counsel information becomes discoverable under LPR 3.6(a), a party claiming willful infringement may take the deposition of any attorneys preparing or rendering the advice relied upon and any persons who received or claims to have relied upon such advice.

(d) This Rule does not address whether materials other than those listed in LPR 3.6(b)(1-4) are subject to discovery or within the scope of any waiver of the attorney-client privilege.

(e) In a case where advice of counsel is considered relevant to a patent-related claim or defense, fact discovery relating to advice of counsel shall not commence until seven (7) days after entry of a claim construction ruling, notwithstanding LPR 1.3, and shall end forty-two (42) days after entry of the claim construction ruling.

## **4. CLAIM CONSTRUCTION PROCEEDINGS**

### **LPR4.1 Exchange of Proposed Claim Terms To Be Construed Along With Proposed Constructions**

(a) Within fourteen (14) days after service of the Final Invalidation Contentions pursuant to LPR 3.2, each party shall serve a list of (i) the claim terms and phrases the party contends the Court should construe; (ii) the party's proposed constructions; (iii) identification of any claim element that the party contends is governed by 35 U.S.C. § 112(6); and (iv) the party's description of the function of that element, and the structure(s), act(s), or material(s)

corresponding to that element, identified by column and line number with respect to the asserted patent(s).

(b) Within seven (7) days after the exchange of claim terms and phrases, the parties must meet and confer and agree upon no more than ten (10) terms or phrases to submit for construction by the court. No more than ten (10) terms or phrases may be presented to the Court for construction absent prior leave of court upon a showing of good cause. The assertion of multiple non-related patents shall, in an appropriate case, constitute good cause. If the parties are unable to agree upon ten terms, then five shall be allocated to all plaintiffs and five to all defendants. For each term to be presented to the Court, the parties must certify whether it is outcome-determinative.

### **Comment**

In some cases, the parties may dispute the construction of more than ten terms. But because construction of outcome-determinative or otherwise significant claim terms may lead to settlement or entry of summary judgment, in the majority of cases the need to construe other claim terms of lesser importance may be obviated. The limitation to ten claim terms to be presented for construction is intended to require the parties to focus upon outcome-determinative or otherwise significant disputes.

## **LPR 4.2 Claim Construction Briefs**

(a) Opening Claim Construction Brief. Within thirty-five (35) days after the exchange of terms set forth in LPR 4.1(a), the parties opposing infringement shall file their Opening Claim Construction Brief, which may not exceed twenty-five (25) pages absent prior leave of court. The brief shall identify any intrinsic evidence with citation to the Joint Appendix under LPR 4.2(b) and shall separately identify any extrinsic evidence the party contends supports its proposed claim construction. If a party offers the testimony of a witness to support its claim construction, it must include with its brief a sworn declaration by the witness setting forth the substance of the witness' proposed testimony, and promptly make the witness available for deposition (if the witness is under the control of the party) concerning the proposed testimony.

(b) Joint Appendix. On the date for filing the Opening Claim Construction Brief, the parties shall file a Joint Appendix containing the patent(s) in dispute and the prosecution history for each patent. The prosecution history must be paginated, and all parties must cite to the Joint Appendix when referencing the materials it contains. Any party may file a separate appendix to its claim construction brief containing other supporting materials.

(c) Responsive Claim Construction Brief. Within twenty-eight (28) days after filing of the Opening Claim Construction brief, the parties claiming infringement shall file their Responsive Claim Construction Brief, which may not exceed twenty-five (25) pages absent prior leave of Court. The brief shall identify any intrinsic evidence with citation to the Joint Appendix under

LPR 4.2(b) and shall separately identify any extrinsic evidence the party contends supports its proposed claim construction. If a party offers the testimony of a witness to support its claim construction, it must include with its brief a sworn declaration by the witness setting forth the substance of the witness's proposed testimony and promptly make the witness available for deposition (if the witness is under the control of the party) concerning the proposed testimony. If such a deposition occurs, the date for the filing of a Reply Claim Construction brief shall be extended by seven (7) calendar days. The brief shall also describe all objections to any extrinsic evidence identified in the Opening Claim Construction Brief.

(d) Reply Claim Construction Brief Within fourteen (14) days after filing of the Responsive Claim Construction Brief, the parties opposing infringement shall file their Reply Claim Construction Brief, which may not exceed fifteen (15) pages absent prior leave of Court. The brief shall describe all objections to any extrinsic evidence identified in the Opening Claim Construction Brief.

(e) The presence of multiple alleged infringers with different products or processes shall, in an appropriate case, constitute good cause for allowing additional pages in the Opening, Responsive, or Reply Claim Construction Briefs or for allowing separate briefing as to different alleged infringers.

(f) Joint Claim Construction Chart. Within seven (7) days after the date for filing of the Reply Claim Construction Brief, the parties shall file (1) a joint claim construction chart that sets forth each claim term and phrase addressed in the claim construction briefs; each party's proposed construction, and (2) a joint status report containing the parties' proposals for the nature and form of the claim construction hearing pursuant to LPR 4.3.

#### **Comment**

The committee opted for consecutive claim construction briefs rather than simultaneous briefs, concluding that consecutive briefing is more likely to promote a meaningful exchange regarding the contested points. For the same reason, the committee opted to have the alleged infringer file the opening claim construction brief. Patent holders are more likely to argue for a "plain meaning" construction or for non-construction of disputed terms; alleged infringers tend to be less likely to do so.

The Rules provide for three briefs (opening, response, and reply), not four, due to the likelihood of a claim construction hearing or argument. The Court's determination not to hold a hearing or argument may constitute a basis to permit a surreply brief by the patent holder. A judge may choose not to require or permit a reply brief.

### **LPR 4.3      Claim Construction Hearing**



Unless the Court orders otherwise, a claim construction oral argument or hearing may be held within twenty-eight (28) days after filing of the Reply Claim Construction Brief. Either before or after the filing of claim construction briefs, the Court shall issue an order describing the schedule and procedures for a claim construction hearing. Any exhibits, including demonstrative exhibits, to be used at a claim construction hearing must be exchanged no later than three (3) days before the hearing.

## **5. EXPERT WITNESSES**

### **LPR 5.1 Disclosure of Experts and Expert Reports**

Unless the Court orders otherwise,

(a) for issues other than claim construction to which expert testimony shall be directed, expert witness disclosures and depositions shall be governed by this Rule;

(b) within twenty-eight (28) days after the claim construction ruling or the close of discovery after the claim construction ruling, whichever is later, each party shall make its initial expert witness disclosures required by Federal Rule of Civil Procedure 26 on issues for which it bears the burden of proof;

(c) within twenty eight (28) days after the date for initial expert reports, each party shall make its rebuttal expert witness disclosures required by Federal Rule of Civil Procedure 26 on the issues for which the opposing party bears the burden of proof.

### **LPR 5.2 Depositions of Experts**

Depositions of expert witnesses shall be completed within twenty-eight (28) days after exchange of expert rebuttal disclosures.

### **LPR 5.3 Presumption Against Supplementation of Reports**

Amendments or supplementation to expert reports after the deadlines provided herein are presumptively prejudicial and shall not be allowed absent prior leave of court upon a showing of good cause that the amendment or supplementation could not reasonably have been made earlier and that the opposing party is not unfairly prejudiced.

## **6. DISPOSITIVE MOTIONS**

### **LPR 6.1 Final Day for Filing Dispositive Motions**

All dispositive motions shall be filed within twenty-eight (28) days after the scheduled date for the end of expert discovery.

**Comment**

This Rule does not preclude a party from moving for summary judgment at an earlier stage of the case if circumstances warrant. It is up to the trial judge to determine whether to consider an "early" summary judgment motion. *See also* LPR 1.1 (judge may defer a motion raising claim construction issues until after claim construction hearing is held).

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
LOCAL RULES as of [December 1, 2019]<sup>1</sup>**

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<sup>1</sup> These rules include amendments through General Order [19-14], which was filed on [November 12th, 2019].

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**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
LOCAL RULES**

**SECTION I: CIVIL RULES**

**LOCAL RULE CV-1 Scope and Purpose of Rules**

- (a) The rules of procedure in any proceeding in this court are those prescribed by the laws of the United States, the Federal Rules of Civil Procedure, these local rules, and any orders entered by the court. These local rules shall be construed as consistent with Acts of Congress and rules of practice and procedure prescribed by the Supreme Court of the United States and the United States Court of Appeals for the Fifth Circuit.
- (b) **Admiralty Rules.** The Supplemental Rules for Certain Admiralty and Maritime Claims, as adopted by the Supreme Court of the United States, shall govern all admiralty and maritime actions in this court.
- (c) **Patent Rules.** The “Rules of Practice for Patent Cases before the Eastern District of Texas” shall apply to all civil actions filed in or transferred to this court which allege infringement of a utility patent in a complaint, counterclaim, cross-claim, or third party claim, or which seek a declaratory judgment that a utility patent is not infringed, is invalid, or is unenforceable. Judges may opt out of this rule by entering an order.

**LOCAL RULE CV-3 Commencement of Action**

- (a) **Habeas Corpus and 28 U.S.C. § 2255 Motions.** The clerk may require that petitions for a writ of habeas corpus and motions filed pursuant to 28 U.S.C. § 2255 be filed on a set of standardized forms approved by this court and supplied, upon request, by the clerk without cost to the petitioner. Petitioners who do not proceed *in forma pauperis* must pay a \$5.00 filing fee. *See* 28 U.S.C. § 1914(a). There is no filing fee for Section 2255 motions filed by prisoners in federal custody.
- (b) **Page Limitation for Petitions for a Writ of Habeas Corpus and 28 U.S.C. § 2255 Motions.** Absent leave of court, 28 U.S.C. §§ 2241 and 2254 habeas corpus petitions and 28 U.S.C. § 2255 motions and the initial responsive pleadings thereto, shall not exceed thirty pages in non-death penalty cases, and one hundred pages in death penalty cases, excluding attachments. Replies and sur-replies, along with all other motions and responses thereto, shall not exceed fifteen pages in length in non-death penalty cases and thirty pages in length in death penalty cases, excluding attachments. Documents that exceed ten pages in length must include a table of contents and table of authorities, with page references. Tables and certificates of service and conference are not counted against the applicable page limit.

- (c) **Motions for Stay of Execution.** A motion for stay of execution filed on behalf of a petitioner challenging a sentence of death must be filed at least seven days before the petitioner's scheduled execution date or recite good cause for any late filing.
- (d) **Page Limitations in Civil Rights Lawsuits.** Absent leave of court, complaints and the initial responsive pleadings thereto filed in civil rights proceedings shall not exceed thirty pages, excluding attachments. Documents that exceed ten pages in length must include a table of contents and table of authorities, with page references. Tables and certificates of service and conference shall not counted against the applicable page limit.

#### **LOCAL RULE CV-4 Complaint, Summons, and Return**

- (a) At the commencement of the action, counsel shall prepare and file the civil cover sheet, Form JS 44, along with the complaint. When filing a patent, trademark, or copyright case, counsel is also responsible for electronically filing an AO Form 120 or 121 using the event Notice of Filing of Patent/Trademark Form (AO 120) or Notice of Filing of Copyright Form (AO 121).

If service of summons is not waived, the plaintiff must prepare and submit a summons to the clerk for each defendant to be served with a copy of the complaint. The clerk is required to collect the filing fee authorized by federal statute before accepting a complaint for filing.

- (b) **Electronic Filing of Complaints.** Attorneys must electronically file a civil complaint upon opening a civil case in CM/ECF.
- (c) On the complaint, all litigants shall type or print all party names contained in the case caption with the accurate capitalization and spacing for each party (e.g., Martha vanDerkloot, James De Borne). This procedure seeks to ensure that accurate computer party name searches can later be performed.
- (d) Service of civil process shall not be executed by the United States Marshal except for government initiated process, extraordinary writ, or when ordered to do so by a judge. The party requesting service is responsible for preparing all process forms to be supplied by the clerk. When process is to be served by the United States Marshal, the party seeking service shall complete the required U.S. Marshal Form 285.

#### **LOCAL RULE CV-5 Service and Filing of Pleadings and Other Documents**

- (a) **Electronic Filing Required.** Except as expressly provided or in exceptional circumstances preventing a Filing User from filing electronically, all documents filed with the court shall be electronically filed in compliance with the following procedures.
  - (1) **Exemptions from Electronic Filing Requirement.** The following are exempted from the requirement of electronic filing:
    - (A) In a criminal case, the charging documents, including the complaint, information, indictment, and any superseding indictment; affidavits in support of search and arrest warrants, pen registers, trap and trace requests,

wiretaps, and other related documentation; and *ex parte* documents filed in connection with ongoing criminal investigations;

- (B) Documents filed by *pro se* litigants (prisoner and non-prisoner);
- (C) Official administrative records or transcripts of prior court or administrative proceedings from other courts or agencies that are required to be filed by law, rule, or local rule; and
- (D) Sealed civil complaints (these documents should be filed with the clerk along with a motion to seal the case pursuant to submission instructions provided by the clerk's office). *See* Local Rule 5(a)(7)(A).

(2) **Registration for Electronic Filing.**

- (A) The clerk shall register all attorneys admitted to the bar of this court, including those admitted *pro hac vice*, as Filing Users of the court's Electronic Filing System. Registration as a Filing User constitutes consent to electronic service of all documents as provided in these rules in accordance with the Federal Rules of Civil and Criminal Procedure. The clerk shall provide Filing Users with a user log-in and password once registration is completed. Filing Users agree to protect the security of their passwords and immediately notify the clerk if they learn that their password has been compromised. After registration, attorneys are required to maintain their own account information, including changes in e-mail address. Documents sent from the court will be deemed delivered if sent to the last known e-mail address given to the court.
- (B) With court permission, a *pro se* litigant may register as a Filing User in the Electronic Filing System solely for purposes of the action. If, during the course of the proceeding, the party retains an attorney who appears on the party's behalf, the attorney must advise the clerk to terminate the party's registration as a Filing User upon the attorney's appearance.
- (C) A Filing User may apply to the court for permission to withdraw from participation in the Electronic Filing System for good cause shown.

(3) **Significance of Electronic Filing.**

- (A) Electronic transmission of a document to the Electronic Filing System consistent with these rules, together with the transmission of a Notice of Electronic Filing from the court, constitutes filing of the document for all purposes and constitutes entry of the document on the docket kept by the clerk. Receipt by the filing party of a Notice of Electronic Filing from the court is proof of service of the document on all counsel who are deemed to have consented to electronic service.
- (B) When a document has been filed electronically, the official record is the

electronic recording of the document as stored by the court, and the filing party is bound by the document as filed. A document filed electronically is deemed filed at the “entered on” date and time stated on the Notice of Electronic Filing from the court.

- (C) Service is deemed completed at the “entered on” date and time stated on the Notice of Electronic Filing from the court, except that documents filed electronically after 5:00 p.m. Central Time shall be deemed served on the following day.
  - (D) Filing a document electronically does not alter the filing deadline for that document. Filing must be completed before midnight Central Time in order to be considered timely filed that day.
- (4) **File Size Limitations.** No single electronic file, whether containing a document or an attachment, may exceed fifteen megabytes in size. Documents or attachments in excess of fifteen megabytes must be divided into multiple files and accurately described to the court. *See* Local Rule CV-7 (page requirements for motions and responses).
- (5) **Signatures.** The user log-in and password required to submit documents to the Electronic Filing System serves as the Filing User’s signature on all electronic documents filed with the court. The name of the Filing User under whose log-in and password the document is submitted must be preceded by either an image of the Filing User’s signature or an “/s/” typed in the space where the signature would otherwise appear. *See* Local Rule CV-11(b) (“Signing the Pleadings”).
- (6) **Attachments and Exhibits.** Filing Users must submit and describe each exhibit or attachment with specificity as a separate PDF document, unless the court permits conventional filing. *See* Local Rules CV-5(a)(4) (“File Size Limitations”), CV-7(b) (“Documents Supporting Motions”), and CV-56(d) (“Proper Summary Judgment Evidence”). Non-documentary exhibits to motions (e.g., CD-ROM disks) should be filed with the clerk’s office with a copy to the presiding judge.
- (7) **Sealed Documents.**
- (A) All sealed documents must state “Filed Under Seal” at the top of the document.
  - (B) Unless authorized by statute or rule, a document in a civil case shall not be filed under seal unless it contains a statement by counsel following the certificate of service that certifies that (1) a motion to seal the document has been filed, or (2) the court already has granted authorization to seal the document.
  - (C) A motion to file document(s) under seal must be filed separately and immediately before the document(s) sought to be sealed. If the motion to seal is granted, the document will be deemed to have been filed as of the



original date of its filing. If the motion is denied, the document will be struck. A motion to seal that is filed as a sealed document does not need to include the certification specified in Section (B) above. *See* Local Rule CR-49(b) (additional rules regarding the filing of sealed documents in criminal cases).

(D) Documents requested or authorized to be filed under seal or *ex parte* shall be filed in electronic form. Service in “electronic form” shall be of documents identical in all respects to the documents(s) filed with the court; service copies shall not include encryption, password security, or other extra steps to open or access unless the same are found in the document as filed. All sealed or *ex parte* documents filed with the court must comply with the file size and other form requirements of Local Rules CV-5(a) and CV-7. Counsel is responsible for serving documents under seal to opposing counsel and may do so in electronic form. Counsel is also responsible for complying with Local Rule CV-5(a)(9) regarding courtesy copies of filings. When a sealed order is entered by the court, the clerk will send a copy of the sealed order to each party's lead attorney who is responsible for distributing the order to all other counsel of record for that party. *See* Local Rule CV-11.

(E) Except as otherwise provided by Local Rule CR-49, a party filing a document under seal must publicly file a version of that document with the confidential information redacted within two days, unless the entire document is confidential information. For purposes of this rule, “confidential information” is information that the filing party contends is confidential or proprietary in a pending motion to file under seal; information that has been designated as confidential or proprietary under a protective order or non-disclosure agreement; or information otherwise entitled to protection from disclosure under a statute, rule, order, or other legal authority.

(8) **Entry of Court Orders.**

(A) All orders, decrees, judgments, and court proceedings will be filed electronically by the court or court personnel in accordance with these rules, which will constitute entry on the docket kept by the clerk. Any order filed electronically has the same force and effect as if the judge had signed a paper copy of the order and it had been entered on the docket in a conventional manner.

(B) A Filing User submitting a document electronically that requires a judge’s signature must promptly deliver the document in such form as the court requires.

(9) **Paper Copies of Lengthy Documents.** Unless otherwise ordered by the presiding judge, if a document to be filed electronically exceeds ten pages in length, including

attachments, a paper copy of the filed document must be sent contemporaneously to the presiding judge's chambers. A copy of the "Notice of Electronic Filing" must be attached to the front of the paper copy of the filed document. The paper copy should be sent directly to the judge's chambers and not to the clerk's office. *See* Local Rule CV-10(b) (regarding tabs and dividers for voluminous documents). Judges may opt out of this rule by entering an order. Such orders can be found on the court's website, located at [www.txed.uscourts.gov](http://www.txed.uscourts.gov).

- (10) **Technical Failures.** A technical failure does not relieve a party from exercising due diligence to timely file and serve documents. A Filing User whose filing is made untimely as the result of a technical failure of the court will have a reasonable grace period to file from the time that the technical failure is cured. There will be a notice on the court's website indicating when the database was down and the duration of the grace period. A Filing User whose filing is made untimely as the result of a technical failure not attributable to the court may seek appropriate relief from the court.
- (b) **Filing by Paper.** When filing by paper is permitted, the original pleadings, motions, and other papers shall be filed with the clerk.
- (c) **Certificates of Service.** The certificate of service required by Fed. R. Civ. P. 5(d) shall indicate the date and method of service. Sealed documents in civil cases must indicate that the sealed document was promptly served by means other than the CM/ECF system (e.g., e-mail, conventional mail).
- (d) **Service by Facsimile or Electronic Means Authorized.** Except with regard to *pro se* litigants that have not consented in writing to receiving service by electronic means, parties may serve copies of pleadings and other case related documents to other parties by facsimile or electronic means in lieu of service and notice by mail. Such service is deemed complete upon sending. Service after 5:00 p.m. Central Time shall be deemed served on the following day for purposes of calculating responsive deadlines.
- (e) **Service of Documents Filed by *Pro Se* Litigants.** A document filed by a *pro se* litigant shall be deemed "served" for purposes of calculating deadlines under the Local Rules or Federal Rules of Civil Procedure on the date it is electronically docketed in the court's CM/ECF system.

#### **LOCAL RULE CV-5.2 Privacy Protections for Filings Made with the Court**

- (a) **Electronic Filing of Transcripts by Court Reporters.** The following procedures apply to all court transcripts filed on or after May 19, 2008. The court reporter or transcriber shall electronically file all court transcripts,<sup>2</sup> including a completed version of the attached "Notice of Filing of Official Transcript." Upon request, the clerk shall make an electronic version of any transcript available for public inspection without charge at the clerk's office public terminal. *See* 28 U.S.C. § 753(b).

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<sup>2</sup> Contract court reporters may either file court transcripts electronically in the CM/ECF database or submit an electronic PDF version of the transcript to the clerk, who will thereupon file it.

(b) **Availability of Transcripts of Court Proceedings.** Electronically-filed transcripts of court proceedings are subject to the following rules:

- (1) A transcript provided to a court by a court reporter or transcriber will be available at the clerk's office for inspection for a period of ninety days after it is electronically filed with the clerk. During the ninety-day inspection period, access to the transcript in CM/ECF is limited to the following users: (a) court staff; (b) public terminal users; (c) attorneys of record or parties who have purchased the transcript from the court reporter or transcriber; and (d) other persons as directed by the court. During the ninety-day period, court staff may not copy or print transcripts for a requester and the transcript may not be printed from the public computer terminals in the clerk's office.
- (2) During the ninety-day period, a copy of the transcript may be obtained from the court reporter or transcriber at the rate established by the Judicial Conference. The transcript will also be available within the court for internal use, and an attorney who obtains the transcript from the court reporter or transcriber may obtain remote electronic access to the transcript through the court's CM/ECF system for purposes of creating hyperlinks to the transcript in court filings and for other purposes.
- (3) Within seven days of the filing of the transcript in CM/ECF, each party wishing to redact a transcript must inform the court, by filing the attached "Notice of Intent to Request Redaction," of the party's intent to redact personal data identifiers from the transcript as required by Fed. R. Civ. P. 5.2. If no such notice is filed within the allotted time, the court will assume redaction of personal data identifiers from the transcript is not necessary.
- (4) If redaction is requested, a party is to submit to the court reporter or transcriber and file with the court, within twenty-one days of the transcript's delivery to the clerk, or longer if a court so orders, a statement indicating where the personal data identifiers to be redacted appear in the transcript. The court reporter or transcriber must redact the identifiers as directed by the party. These procedures are limited to the redaction of the specific personal identifiers listed in Fed. R. Civ. P. 5.2. If an attorney wishes to redact additional information, he or she must make a motion to the court. The transcript will not be electronically available until the court has ruled on any such motion.
- (5) The court reporter or transcriber must, within thirty-one days of the filing of the transcript, or longer if the court so orders, perform the requested redactions and file a redacted version of the transcript with the clerk. Redacted transcripts are subject to the same access restrictions as outlined above during the initial ninety days after the first transcript has been filed. The original unredacted electronic transcript shall be retained by the clerk as a restricted document.
- (6) If, after the ninety-day period has ended, there are no redacted documents or motions linked to the transcript, the clerk will remove the public access restrictions and make the unredacted transcript available for inspection and copying in the

clerk's office and for download from the CM/ECF system.

- (7) If, after the ninety-day period has ended, a redacted transcript has been filed with the court, the clerk will remove the access restrictions as appropriate and make the redacted transcript available for inspection and copying in the clerk's office and for download from the CM/ECF system or from the court reporter or transcriber.

### **LOCAL RULE CV-6 Computation of Time**

**Deficient or Corrected Documents.** When a document is corrected or re-filed by an attorney following a deficiency notice from the clerk's office (e.g., for a missing certificate of service or certificate of conference), the time for filing a response runs from service of the corrected or re-filed document, not the original document.

### **LOCAL RULE CV-7 Pleadings Allowed; Form of Motions and Other Documents**

- (a) **Generally.** All pleadings, motions, and responses to motions, unless made during a hearing or trial, shall be in writing, conform to the requirements of Local Rules CV-5 and CV-10, and shall be accompanied by a separate proposed order in searchable and editable PDF format for the judge's signature. Each pleading, motion, or response to a motion must be filed as a separate document, except for motions for alternative relief (e.g., a motion to dismiss or, alternatively, to transfer). The proposed order shall be endorsed with the style and number of the cause and shall not include a date or signature block. Motions, responses, replies, and proposed orders, if filed electronically, shall be submitted in "searchable PDF" format and shall not contain restrictions or security settings that prohibit copying, highlighting, or commenting. All other documents, including attachments and exhibits, should be in "searchable PDF" form whenever possible.

- (1) **Case Dispositive Motions.** Case dispositive motions shall not exceed thirty pages, excluding attachments, unless leave of court is first obtained. Likewise, responses to such motions shall not exceed thirty pages, excluding attachments, unless leave of court is first obtained. *See* Local Rule CV-56 (regarding attachments to motions for summary judgment and responses thereto). Any reply or sur-reply to an opposed case dispositive motion filed pursuant to Section (f) of this rule shall not exceed ten pages, excluding attachments.

Case dispositive motions shall contain a statement of the issues to be decided by the court. Responses to case dispositive motions must include a response to the movant's statement of issues.

- (2) **Non-dispositive Motions.** Non-dispositive motions shall not exceed fifteen pages, excluding attachments, unless leave of court is first obtained. Likewise, responses to such motions shall not exceed fifteen pages, excluding attachments, unless leave of court is first obtained. Any reply or sur-reply brief to an opposed non-dispositive motion filed pursuant to Section (f) of this rule shall not exceed five pages, excluding attachments. Non-dispositive motions include, among others, motions to transfer venue, motions for partial summary judgment, and motions for new trial

pursuant to Fed. R. Civ. P. 59.

- (3) **Total Page Limits for Summary Judgment Motions.** If a party files more than one summary judgment motion, the following additional limitations apply:
  - (A) A party's summary judgment motions shall not exceed sixty pages collectively, excluding attachments;
  - (B) A nonmovant's responses to a party's summary judgment motions shall not exceed sixty pages collectively, excluding attachments;
  - (C) Reply briefing to a party's summary judgment motions shall not exceed twenty pages collectively, excluding attachments; and
  - (D) A nonmovant's sur-reply briefing to a party's summary judgment motions shall not exceed twenty pages collectively, excluding attachments.
- (4) **Motions to Reconsider.** Motions to reconsider must specifically state the action and the docket sheet document number to be reconsidered in the title of the motion (e.g., "Motion to Reconsider Denial of Motion for Partial Summary Judgment (dkt # x)").
- (b) **Documents Supporting Motions.** When allegations of fact not appearing in the record are relied upon in support of a motion, all affidavits and other pertinent documents shall be served and filed with the motion. The court strongly recommends that any attached materials have the cited portions highlighted or underlined in the copy provided to the court, unless the citation encompasses the entire page. The page preceding and following a highlighted or underlined page may be submitted if necessary to place the highlighted or underlined material in context. Only relevant, cited-to excerpts of attached materials should be attached to the motion or the response.
- (c) **Briefing Supporting Motions.** The motion and any briefing shall be contained in one document. The briefing shall contain a concise statement of the reasons in support of the motion and citation of authorities upon which the movant relies. Briefing is an especially helpful aid to the judge in deciding motions to dismiss, motions for summary judgment, motions to remand, and post-trial motions.
- (d) **Response and Briefing.** The response and any briefing shall be contained in one document. A party opposing a motion shall file the response, any briefing and supporting documents within the time period prescribed by Subsection (e) of this rule. A response shall be accompanied by a proposed order conforming to the requirements of Subsection (a) of this rule. Briefing shall contain a concise statement of the reasons in opposition to the motion and a citation of authorities upon which the party relies. A party's failure to oppose a motion in the manner prescribed herein creates a presumption that the party does not controvert the facts set out by movant and has no evidence to offer in opposition to the motion.
- (e) **Time to File Response.** A party opposing a motion has fourteen days (twenty-one days for

summary judgment motions) from the date the motion was served in which to file a response and any supporting documents, after which the court will consider the submitted motion for decision. Any party may separately move for an order of this court lengthening or shortening the response period.

- (f) **Reply Briefs.** Unless otherwise directed by the presiding judge, a party who has filed an opposed motion may serve and file a reply brief responding to the issues raised in the response within seven days from the date the response is served. A sur-reply responding to issues raised in the reply may be served and filed within seven days from the date the reply is served. The court need not wait for the reply or sur-reply before ruling on the motion. Absent leave of court, no further submissions on the motion are allowed.
- (g) **Oral Hearings.** A party may in a motion or a response specifically request an oral hearing, but the allowance of an oral hearing shall be within the sole discretion of the judge to whom the motion is assigned.
- (h) **“Meet and Confer” Requirement.** The “meet and confer” motions practice requirement imposed by this rule has two components, a substantive and a procedural component.

For opposed motions, the substantive component requires, at a minimum, a personal conference, by telephone or in person, between an attorney for the movant and an attorney for the non-movant. In any discovery-related motion, the substantive component requires, at a minimum, a personal conference, by telephone or in person, between the lead attorney and any local counsel for the movant and the lead attorney and any local counsel for the non-movant.

In the personal conference, the participants must give each other the opportunity to express his or her views concerning the disputes. The participants must also compare views and have a discussion in an attempt to resolve their differing views before coming to court. Such discussion requires a sincere effort in which the participants present the merits of their respective positions and meaningfully assess the relative strengths of each position.

In discovery-related matters, the discussion shall consider, among other things: (1) whether and to what extent the requested material would be admissible in a trial or is reasonably calculated to lead to the discovery of admissible evidence; (2) the burden and costs imposed on the responding party; (3) the possibility of cost-shifting or sharing; and (4) the expectations of the court in ensuring that parties fully cooperate in discovery of relevant information.

Except as otherwise provided by this rule, a request for court intervention is not appropriate until the participants have met and conferred, in good faith, and concluded, in good faith, that the discussions have conclusively ended in an impasse, leaving an open issue for the court to resolve. Good faith requires honesty in one’s purpose to discuss meaningfully the dispute, freedom from intention to defraud or abuse the discovery process and faithfulness to one’s obligation to secure information without court intervention. For opposed motions, correspondence, e-mails, and facsimile transmissions do not constitute compliance with the substantive component and are not evidence of good faith. Such materials, however,

may be used to show bad faith of the author.

An unreasonable failure to meet and confer violates Local Rule AT-3 and is grounds for disciplinary action. A party may file an opposed motion without the required conference only when the non-movant has acted in bad faith by failing to meet and confer.

The procedural requirement of the “meet and confer” rule is one of certification. It appears in Section (i) of this rule, entitled “Certificates of Conference.”

- (i) **Certificates of Conference.** Except as specified below, all motions must be accompanied by a “certificate of conference” at the end of the motion following the certificate of service. The certificate must state: (1) that counsel has complied with the meet and confer requirement in Local Rule CV-7(h); and (2) whether the motion is opposed or unopposed. Opposed motions shall include a statement in the certificate of conference, signed by the movant’s attorney, that the personal conference or conferences required by this rule have been conducted or were attempted, the date and manner of such conference(s) or attempts, the names of the participants in the conference(s), an explanation of why no agreement could be reached, and a statement that discussions have conclusively ended in an impasse, leaving an open issue for the court to resolve. In discovery-related motions, the certificate of conference shall be signed by the lead attorney and any local counsel. In situations involving an unreasonable failure to meet and confer, the movant shall set forth in the certificate of conference the facts believed to constitute bad faith. Neither the “meet and confer” nor the “certificate of conference” requirements are applicable to *pro se* litigants (prisoner or non-prisoner) or to the following motions:

- (1) to dismiss;
- (2) for judgment on the pleadings;
- (3) for summary judgment, including motions for partial summary judgment;
- (4) for judgment as a matter of law;
- (5) for new trial;
- (6) issuance of letters rogatory;
- (7) objections to report and recommendations of magistrate judges or special masters;
- (8) for reconsideration;
- (9) for sanctions under Fed. R. Civ. P. 11, provided the requirements of Fed. R. Civ. P. 11(c)(2) have been met;
- (10) for writs of garnishment;
- (11) any enforcement remedy provided for by the Federal Debt Collection Procedure Act, 28 U.S.C. § 3101, *et seq.*; and
- (12) any motion that is joined by, agreed to, or unopposed by, all the parties.

- (j) **Re-urged Motions in Transferred/Removed Cases.** Except in prisoner cases, any motions pending in another federal or state court made by any party will be considered moot at the time of transfer or removal unless they are re-urged in this court. *See* Local Rule CV-81(d).
- (k) **Motions for Leave to File.** Motions for leave to file a document should be filed separately and immediately before the document for which leave is sought. If the motion for leave to file is granted, the document will be deemed to have been filed as of the original date of its filing. If the motion is denied, the document will be struck or, in the case of motions to file a document exceeding page limitations, the excess pages and attachments cited only therein will not be considered by the court. The time for filing any responsive documents will run from the date of the order on the motion for leave.
- (l) **Emergency Motions.** Emergency motions are only those necessary to avoid imminent, irreparable harm such that a motion pursuant to LOCAL RULE CV-7(e) to shorten the period for a response is inadequate. Counsel filing an emergency motion should ensure that: (1) the caption of the motion begins with the word “emergency;” (2) the motion is electronically filed using the CM/ECF drop down menu option entitled “emergency;” (3) the motion clearly states the alleged imminent, irreparable harm and the circumstances making proceeding under LOCAL RULE CV-7(e) inadequate; and (4) the chambers of the presiding judge is notified, either by telephone, e-mail, or fax, that an emergency motion has been filed.
- (m) **Motions *in Limine*.** Motions *in limine* should be contained within a single document subject to the page limitations of Local Rule CV-7(a)(2) for non-dispositive motions.

#### **LOCAL RULE CV-10 Form of Pleadings**

- (a) **Generally.** When offered for filing, all documents, excluding preexisting documentary exhibits and attachments, shall:
  - (1) be endorsed with the style and number of the action;
  - (2) have a caption containing the name and party designation of the party filing the document and a statement of the character of the document clearly identifying it (e.g., Defendant John Doe’s Answer; Defendant John Doe’s Motion to Dismiss under Rule 12(b)(6)). *See* Local Rule CV-38(a) (cases involving jury demands); *see also* Local Rule CV-7(a) (each motion must be filed as a separate document, except when the motion concerns a request for alternative relief);
  - (3) be signed by the lead attorney or with his or her permission;
  - (4) when filed by paper, be plainly written, typed, or printed, double-spaced, on 8<sup>1/2</sup> inch by 11-inch white paper; and
  - (5) be double spaced and in a font no smaller than 12-point type.
- (b) **Tabs and Dividers.** When filed by paper, original documents offered for filing shall not



include tabs or dividers. The copy of the original that is required to be filed for the court's use, if voluminous, should have dividers or tabs, as should all copies sent to opposing counsel. *See* Fed. R. Civ. P. 5(a).

- (c) **Covers.** "Blue backs" and other covers are not to be submitted with paper filings.
- (d) **Deficient Pleadings/Documents.** The clerk shall monitor documents for compliance with the federal and local rules as to format and form. If the document sought to be filed is deficient as to form, the clerk shall immediately notify counsel, who should be given a reasonable opportunity, preferably within one day, to cure the perceived defect. If the perceived defect is not cured in a timely fashion, the clerk shall refer the matter to the appropriate district or magistrate judge for a ruling as to whether the documents should be made part of the record.
- (e) **Hyperlinks.** Electronically filed documents may contain the following types of hyperlinks:
  - (1) Hyperlinks to other portions of the same document;
  - (2) Hyperlinks to CM/ECF that contains a source document for a citation;
  - (3) Hyperlinks to documents already filed in any CM/ECF database;
  - (4) Hyperlinks between documents that will be filed together at the same time;
  - (5) Hyperlinks that the clerk may approve in the future as technology advances.

Hyperlinks to cited authority may not replace standard citation format. Complete citations must be included in the text of the filed document. A hyperlink, or any site to which it refers, will not be considered part of the record. Hyperlinks are simply convenient mechanisms for accessing material cited in a filed document. The court accepts no responsibility for, and does not endorse, any product, organization, or content at any hyperlinked site, or at any site to which that site might be linked. The court accepts no responsibility for the availability or functionality of any hyperlink.

#### **LOCAL RULE CV-11 Signing of Pleadings, Motions, and Other Documents**

- (a) **Lead Attorney.**
  - (1) **Designation.** On the first appearance through counsel, each party shall designate a lead attorney on the pleadings or otherwise.
  - (2) **Responsibility.** The lead attorney is responsible in that action for the party. That individual attorney shall attend all court proceedings or send a fully informed attorney with authority to bind the client.
- (b) **Signing the Pleadings.** Every document filed must be signed by the lead attorney or by an attorney of record who has the permission of the lead attorney. Requests for postponement of the trial shall also be signed by the party making the request.

- (1) **Required Information.** Under the signature, the following information shall appear:
- (A) attorney's individual name;
  - (B) state bar number;
  - (C) office address, including zip code;
  - (D) telephone and facsimile numbers; and
  - (E) e-mail address.
- (c) **Withdrawal of Counsel.** Attorneys may withdraw from a case only by motion and order under conditions imposed by the court. When an Assistant United States Attorney enters an appearance in a case, another Assistant United States Attorney may replace the attorney by filing a notice of substitution that identifies the attorney being replaced. Unless the presiding judge otherwise directs, the notice effects the withdrawal of the attorney being replaced. Change of counsel will not be cause for delay.
- (d) **Change of Address.** Notices will be sent only to an e-mail and/or mailing address on file. A *pro se* litigant must provide the court with a physical address (i.e., a post office box is not acceptable) and is responsible for keeping the clerk advised in writing of his or her current physical address. *Pro se* litigants must also advise the court of the case numbers of all pending cases in which they are participants in this district.
- (e) **Request for Termination of Electronic Notice.** If an attorney no longer desires to receive electronic notification of filings in a particular case due to settlement or dismissal of his or her client, the attorney may file a request for termination of electronic notice.
- (f) **Sanctions Concerning Vexatious *Pro Se* Litigants.** The court may make orders as are appropriate to control the conduct of a vexatious *pro se* litigant. *See* Local Rule CV-65.1(b).

#### **LOCAL RULE CV-12 Filing of Answers and Defenses**

An attorney may request that the deadline be extended for a defendant to answer the complaint or file a motion under Fed. R. Civ. P. 12(b). Unless otherwise ordered by the court, where the requested extension: (1) is not opposed; and (2) is not more than thirty days and does not result in an overall extension of the defendant's deadline exceeding forty-five days, the request shall be by application to the clerk, not motion. The application shall be acted upon with dispatch by the clerk on the court's behalf, and the deadline to answer or otherwise respond is stayed pending action by the clerk.

#### **LOCAL RULE CV-26 Provisions Governing Discovery; Duty of Disclosure**

- (a) **No Excuses.** Absent a court order to the contrary, a party is not excused from responding to discovery because there are pending motions to dismiss, to remand, or to change venue. Parties asserting the defense of qualified immunity may submit a motion to limit discovery to those materials necessary to decide the issue of qualified immunity.

(b) **Disclosure of Expert Testimony.**

- (1) When listing the cases in which the witness has testified as an expert, the disclosure shall include the styles of the cases, the courts in which the cases were pending, the cause numbers, and whether the testimony was in trial or by deposition.
- (2) By order in the case, the judge may alter the type or form of disclosures to be made with respect to particular experts or categories of experts, such as treating physicians.

(c) **Notice of Disclosure.** The parties shall promptly file a notice with the court that the disclosures required under Fed. R. Civ. P. 26(a)(1) and (a)(2) have taken place.

(d) **Relevant to Any Party's Claim or Defense.** The following observations are provided for counsel's guidance in evaluating whether a particular piece of information is "relevant to any party's claim or defense:"

- (1) it includes information that would not support the disclosing parties' contentions;
- (2) it includes those persons who, if their potential testimony were known, might reasonably be expected to be deposed or called as a witness by any of the parties;
- (3) it is information that is likely to have an influence on or affect the outcome of a claim or defense;
- (4) it is information that deserves to be considered in the preparation, evaluation, or trial of a claim or defense; and
- (5) it is information that reasonable and competent counsel would consider reasonably necessary to prepare, evaluate, or try a claim or defense.

(e) **Discovery Hotline (903) 590-1198.** The court shall provide a judge on call during business hours to rule on discovery disputes and to enforce provisions of these rules. Counsel may contact the duty judge for that month by dialing the hotline number listed above for any case in the district and get a hearing on the record and ruling on the discovery dispute, including whether a particular discovery request falls within the applicable scope of discovery, or request to enforce or modify provisions of the rules as they relate to a particular case.

**LOCAL RULE CV-30 Depositions Upon Oral Examination**

In cases where there is a neutral non-party witness or a witness whom all parties must examine, the time limit shall be divided equally among plaintiffs and defendants. Depositions may be taken after 5:00 p.m., on weekends, or holidays with approval of a judge or by agreement of counsel. Unless permitted by Fed. R. Civ. P. 30(c)(2), a party may not instruct a deponent not to answer a question. Objections to questions during the oral deposition are limited to "Objection, leading" and "Objection, form." Objections to testimony during the oral deposition are limited to "Objection, nonresponsive." These objections are waived if not stated as phrased during the oral deposition.

All other objections need not be made or recorded during the oral deposition to be later raised with the court. The objecting party must give a clear and concise explanation of an objection if requested by the party taking the oral deposition, or the objection is waived.

### **LOCAL RULE CV-34 Production of Documents and Things**

**Authorizations.** At any time after the parties have conferred as required by Fed. R. Civ. P. 26(f), a party may request medical records, wage and earning records, or Social Security Administration records of another party as follows:

- (a) Where a party's physical or mental condition is at issue, that party shall provide to the opposing counsel either the party's medical records or a signed authorization so that records of health care providers which are relevant to injuries and damages claimed may be obtained. If additional records are desired, the requesting party must show the need for them.
- (b) Where lost earnings, lost earning capacity, or back pay is at issue, the party making such claims shall furnish signed authorizations to the opposing party's counsel so that wage and earning records of past and present employers and the Social Security Administration records may be obtained.
- (c) Copies of any records obtained with authorizations provided pursuant to Sections (1) or (2) above shall be promptly furnished to that party's counsel. Records obtained shall remain confidential. The attorney obtaining such records shall limit their disclosure to the attorney's client (or, in the case of an entity, those employees or officers of the entity necessary to prepare the defense), the attorney's own staff, and consulting and testifying experts who may review the records in connection with formulating their opinions in the case.

### **LOCAL RULE CV-38 Right to a Jury Trial; Demand**

- (a) **Jury Demand.** A party demanding trial by jury pursuant to Fed. R. Civ. P. 38(b) is encouraged to do so by electronically filing a separate document styled as a "jury demand." If the jury demand is included in a pleading, that pleading must bear the word "jury" at the top, immediately below the case number. *See* Fed. R. Civ. P. 38(b)(1).
- (b) **Taxation of Jury Costs for Late Settlement.** Except for good cause shown, whenever the settlement of an action tried by a jury causes a trial to be postponed, canceled, or terminated before a verdict, all juror costs, including attendance fees, mileage, and subsistence, may be imposed upon the parties unless counsel has notified the court and the clerk's office of the settlement at least one day prior to the day on which the trial is scheduled to begin. The costs shall be assessed equally against the parties and their counsel unless otherwise ordered by the court.

### **LOCAL RULE CV-42 Consolidation; Separate Trials Consolidation of Actions.**

- (a) **Duty to Notify Court of Collateral Proceedings and Re-filed Cases.** Whenever a civil matter commenced in or removed to the court involves subject matter that either comprises

all or a material part of the subject matter or operative facts of another action, whether civil or criminal, then pending before this or another court or administrative agency, or previously dismissed or decided by this court, counsel for the filing party shall identify the collateral proceedings or re-filed case(s) on the civil cover sheet filed in this court. The duty to notify the court and opposing counsel of any collateral proceeding continues throughout the pendency of the action.

- (b) **Consolidation—Multiple Judges Involved.** Upon the assignment of related actions to two or more different judges with the district, the affected judges may, in their discretion, agree to assign the related actions to one judge.

#### **LOCAL RULE CV-43 Taking of Testimony**

**Interpreters in Civil Cases Not Instituted by the United States.** The presiding judge shall approve the utilization of interpreters in all civil cases not instituted by the United States. Absent a judicial order to the contrary, the presiding judge shall encourage the use of certified interpreters, or when no certified interpreter is reasonably available, “otherwise qualified” interpreters. *See* 28 U.S.C. § 1827(b). The presiding judge may approve the use of an interpreter who is not certified or “otherwise qualified” if no certified or “otherwise qualified” interpreter is reasonably available. Upon request, the clerk shall make lists of certified and otherwise qualified interpreters available to parties.

#### **LOCAL RULE CV-47 Selecting Jurors**

##### **Communication with Jurors.**

- (a) No party or attorney for a party shall converse with a member of the jury during the trial of an action.
- (b) After a verdict is rendered, an attorney must obtain leave of court to converse with members of the jury.

#### **LOCAL RULE CV-50 Judgment as a Matter of Law in a Jury Trial**

**Total Page Limits for Motions for Judgment as a Matter of Law.** The total page limits imposed by Local Rule CV-7(a)(3) on motions for summary judgment shall also apply to motions for judgment as a matter of law pursuant to Fed. R. Civ. P. 50.

#### **LOCAL RULE CV-54 Judgments; Costs**

- (a) A party awarded costs by final judgment or by judgment that a presiding judge directs be entered as final under Fed. R. Civ. P. 54(b) must apply to the clerk for taxation of such costs by filing a bill of costs. Unless otherwise provided by statute or by an order of the presiding judge, the bill of costs must be filed with the clerk and served on any party entitled to such service no later than fourteen days after the clerk enters the judgment on the docket.
- (b) **Procedure for Contested Bill of Costs.** Before filing a bill of costs, a party must:

- (1) submit the proposed bill of costs to opposing counsel for review in light of the applicable law; and
- (2) if there are any areas of disagreement, meet and confer with opposing counsel in an effort to submit an agreed bill of costs to the court. If the parties have a legitimate dispute on which they cannot agree, the parties have the option of filing either (A) a joint motion indicating the areas of agreement and the areas of disagreement to be resolved by the court or (B) a motion by the party requesting costs indicating the areas of agreement and the areas of disagreement to be resolved by the court, to which the opposing party may file a response. Either type of motion must contain a certificate confirming compliance with the conference requirements of this rule.

## **LOCAL RULE CV-56 Summary Judgment**

### **Procedure.**

- (a) **Motion.** Any motion for summary judgment must include: (1) a statement of the issues to be decided by the court; and (2) a “Statement of Undisputed Material Facts.” If the movant relies upon evidence to support its motion, the motion should include appropriate citations to proper summary judgment evidence as set forth below. Proper summary judgment evidence should be attached to the motion in accordance with Section (d) of this rule.
- (b) **Response.** Any response to a motion for summary judgment must include: (1) a response to the statement of issues; and (2) a response to the “Statement of Undisputed Material Facts.” The responsive brief should be supported by appropriate citations to proper summary judgment evidence as set forth below. Proper summary judgment evidence should be attached in accordance with Section (d) of this rule.
- (c) **Ruling.** In resolving the motion for summary judgment, the court will assume that the facts as claimed and supported by admissible evidence by the moving party are admitted to exist without controversy, except to the extent that such facts are controverted in the responsive brief filed in opposition to the motion, as supported by proper summary judgment evidence. The court will not scour the record in an attempt to unearth an undesignated genuine issue of material fact.
- (d) **Proper summary judgment evidence.** As used within this rule, “proper summary judgment evidence” means excerpted copies of pleadings, depositions, documents, electronically stored information, answers to interrogatories, admissions, affidavits or declarations, stipulations (including those made for purposes of the motion only), and other admissible evidence cited in the motion for summary judgment or the response thereto. “Appropriate citations” means that any excerpted evidentiary materials that are attached to the motion or the response should be referred to by page and, if possible, by line. Counsel are strongly encouraged to highlight or underline the cited portion of any attached evidentiary materials, unless the citation encompasses the entire page. The page preceding and following a highlighted page may be submitted if necessary to place the highlighted material in context. Only relevant, cited-to excerpts of evidentiary materials should be attached to the motion or the response.

## **LOCAL RULE CV-62 Stay of Proceedings to Enforce a Judgment**

- (a) **Bond or Other Security.** Unless otherwise ordered by the presiding judge, a bond or other security staying execution of a money judgment shall be in the amount of the judgment, plus 20% of that amount to cover interest and any award of damages for delay, plus \$250.00 to cover costs. The parties may waive the requirement of a bond or other security by stipulation.

The bond shall:

- (1) confirm whether the security provider is on the Treasury Department's list of certified companies, unless the court orders otherwise (a link to this list may be found on the court's website); and
  - (2) confirm the underwriting limitation, if applicable for the type of security.
- (b) **Electronic Filing Requirement for Bonds.** When a bond or other security is posted for any reason, it must be electronically filed in the case by the posting party. The paper original of the security shall be retained by the posting party unless otherwise directed by the court.

## **LOCAL RULE CV-63 Inability of a Judge to Proceed, Reassignment of Actions after Recusal or Disqualification.**

- (a) **Single-Judge Divisions.**

- (1) Upon the disqualification or recusal of a judge from participation in an action or proceeding pending in a division wherein actions are assigned to only one judge, a reassignment of the action or matter shall be made in accordance with an order of the chief judge of the district.
- (2) When the chief judge is the only judge who is assigned actions in a particular division and is disqualified or recuses himself in an action or proceeding pending in that division, the action or matter systematically shall be reassigned to the judge in active service, present in the district and able and qualified to act as chief judge, who is senior in precedence over the remaining judges in the district. Such action or matter may be reassigned by such acting chief judge as provided in Section (a)(1) above.

- (b) **Multi-Judge Divisions.** Upon the disqualification of a judge from participation in an action or proceeding pending in a division wherein the caseload is divided between two judges, the action or matter systematically shall be reassigned and transferred to the other judge sitting in that division. Where the caseload in the division is divided between more than two judges, the action or matter systematically shall be randomly reassigned and transferred to a judge in the division who is not disqualified. The clerk shall randomly assign another case to the recusing/disqualified judge in place of the case he or she recused in or was disqualified in. In instances where each judge in a two-judge or a multi-judge division recuses himself or herself or is disqualified, the action or matter systematically

shall be reassigned and transferred in accordance with an order of the chief judge of the district to any judge in active service, in another division, who is not disqualified.

- (c) **All Judges Disqualified.** If all judges in the district recuse themselves or are disqualified to preside over a particular civil or criminal action or matter, the clerk shall, without delay, so certify to the chief judge of the United States Court of Appeals for the Fifth Circuit, in order that he may re-assign such action or matter to a suitable judge.
- (d) **Recusal When Former Judge of this District Appears as Counsel.** For a period of one year after the retirement or resignation of a former federal judge of this district, the judges of this court shall recuse themselves in any case in which the former colleague appears as counsel. *See* 28 U.S.C. § 455; Committee on Codes of Conduct Advisory Opinion No. 70.

### **LOCAL RULE CV-65 Injunctions**

An application for a temporary restraining order or for a preliminary injunction shall be made on an instrument separate from the complaint.

### **LOCAL RULE CV-65.1 Security; Proceedings Against Sureties**

- (a) **No Attorneys, Clerks, or Marshals as Sureties.** No attorney, clerk, or marshal, or the deputies of any clerk or marshal shall be received as security on any cost, bail, attachment, forthcoming or replevy bond, without written permission of a judge of this court.
- (b) **Vexatious Litigants; Security for Costs.** On its own motion or on motion of a party and after an opportunity to be heard, the court may at any time order a *pro se* litigant to give security in such amount as the court determines to be appropriate to secure the payment of any costs, sanctions, or other amounts which may be awarded against a vexatious *pro se* litigant.

### **LOCAL RULE CV-72 Magistrate Judges**

- (a) **Powers and Duties of a United States Magistrate Judge in Civil Cases.** Each United States magistrate judge of this court is authorized to perform the duties conferred by Congress or applicable rule.
- (b) **Objections to Non-dispositive Matters — 28 U.S.C. § 636(b)(1)(A).** An objection to a magistrate judge's order made on a non-dispositive matter shall be specific. Any objection and response thereto shall not exceed five pages. A party may respond to another party's objections within fourteen days after being served with a copy; however, the court need not await the filing of a response before ruling on an objection. No further briefing is allowed absent leave of court.
- (c) **Review of Case Dispositive Motions and Prisoner Litigation — 28 U.S.C. § 636(b)(1)(B).** Objections to reports and recommendations and any response thereto shall not exceed eight pages. No further briefing is allowed absent leave of court.
- (d) **Assignment of Matters to Magistrate Judges.** The method for assignment of duties to a



magistrate judge and for the allocation of duties among the several magistrate judges of the court shall be made in accordance with orders of the court or by special designation of a district judge.

#### **LOCAL RULE CV-77 District Courts and Clerks**

**Notice of Orders, Judgments, and Other Filings.** The clerk may serve and give notice of orders, judgments, and other filings by e-mail in lieu of service and notice by conventional mail to any person who has signed a filed pleading or document and provided an e-mail address with his/her pleadings as specified in Local Rule CV-11(b)(1)(E). Any other attorney who wishes to receive notice of judicial orders, judgments, and other filings must file a notice of appearance of counsel with the court.

By providing the court with an e-mail address, the party submitting the pleadings is deemed to have consented to receive service and notice of judicial orders and judgments from the clerk by e-mail. Lead attorneys who wish to be excluded from receiving judicial notices by e-mail may do so by filing a motion with the court; non-lead attorneys who wish to be excluded from e-mail noticing may do so by filing a notice with the court.

Notice of judicial orders, judgments, and other filings is complete when the clerk obtains electronic confirmation of the receipt of the transmission. Notice by e-mail by the clerk that occurs after 5:00 p.m. on any day is deemed effective as of the following day.

#### **LOCAL RULE CV-79 Records Kept by the Clerk**

(a) **Submission of Hearing/Trial Exhibits.**

- (1) The parties shall not submit exhibits to the clerk's office prior to a hearing/trial without a court order. The clerk shall return to the party any physical exhibits not complying with this rule.
- (2) Exhibits shall be properly marked but not placed in binders. Multiple-paged documentary exhibits should be properly fastened. Additional copies of exhibits may be submitted in binders for the court's use.
- (3) The parties shall provide letter-sized copies of any documentary, physical, or

oversized exhibit to the court prior to the conclusion of a hearing/trial. At the conclusion of a hearing/trial, the parties shall provide the courtroom deputy with PDF copies of all exhibits that were admitted by the court, unless otherwise ordered. Oversized exhibits will be returned at the conclusion of the trial or hearing. If parties desire the oversized exhibits to be sent to the appellate court, it will be their responsibility to send them.

(b) **Hazardous Documents or Items Sent to the Court.** Prisoners and other litigants shall not send to this court (including the district clerk, any judges, and any other court agency) documents or items that constitute a health hazard as defined below:

- (1) The clerk is authorized to routinely and immediately dispose of, without seeking a judge's permission, any papers or items sent to the court by prisoners or other litigants that are smeared with or contain blood, hair, food, feces, urine, or other body fluids. Although "[t]he clerk must not refuse to file a paper solely because it is not in the form prescribed by these rules or by a local rule or practice," Fed. R. Civ. P. 5(d), papers or other items containing or smeared with excrement or body fluids are excepted from this rule on the ground that they constitute a health hazard and can be refused by the clerk for that reason, which is a reason other than improper form.
- (2) In the event the clerk receives weapons or drugs that are intended to be filed as exhibits, the clerk shall notify the judge assigned to the case of that fact, or in the event that no case has been filed, the chief judge.
- (3) The clerk shall maintain a log of the items that are disposed of pursuant to General Order 96-6. The log shall contain the case number and style, if any, the name of the prisoner or litigant who sent the offending materials, and a brief description of the item disposed of. The clerk also shall notify the prisoner/litigant and, if applicable, the warden or other supervising official of the appropriate correctional facility that the item in question was destroyed and that sanctions may be imposed if the prisoner continues to forward papers, items, or physical exhibits in violation of General Order 96-6.

#### **LOCAL RULE CV-81 Removed Actions**

Parties removing cases from state court to federal court shall comply with the following:

- (a) File with the clerk a notice of removal which reflects the style of the case exactly as it was styled in state court;
- (b) If a jury was requested in state court, the removed action will be placed on the jury docket

of this court provided the removing party or parties file a separate jury demand pursuant to Local Rule CV-38(a);

- (c) The removing party or parties shall furnish to the clerk the following information at the time of removal:
  - (1) a list of all parties in the case, their party type (e.g., plaintiff, defendant, intervenor, receiver, etc.) and current status of the removed case (e.g., pending, dismissed);
  - (2) a civil cover sheet and certified copy of the state court docket sheet; a copy of all pleadings that assert causes of action (e.g., complaints, amended complaints, supplemental complaints, petitions, counter-claims, cross-actions, third party actions, interventions, etc.); all answers to such pleadings and a copy of all process and orders served upon the party removing the case to this court as required by 28 U.S.C. § 1446(a);
  - (3) a complete list of attorneys involved in the action being removed, including each attorney's bar number, address, telephone number, and party or parties represented by that attorney;
  - (4) a record of which parties have requested jury trial (this information is in addition to filing a separate jury demand pursuant to Local Rule CV-38(a)); and
  - (5) the name and address of the court from which the case was removed.
- (d) Any motions pending in state court will be considered moot at the time of removal unless they are re-urged in this court.

#### **LOCAL RULE CV-83 Rules by District Courts; Judge's Directives**

- (a) **Docket Calls.** Traditional docket calls are abolished. Each judge shall endeavor to set early and firm trial dates which will eliminate the need for multiple-case docket calls.
- (b) **Transferred or Remanded Cases.** Absent an order to the contrary, no sooner than the twenty-first day following an order of the court transferring or remanding a case, the clerk shall transmit the case file to the directed court. Where a case has been remanded to state court, the clerk shall mail: (1) a certified copy of the court's order and docket sheet directing such action; and (2) all pleadings and other documents on file in the case. Where a case has been transferred to another federal district court, the electronic case file shall be transferred to the directed court. If a timely motion for reconsideration of the order of transfer or remand has been filed, the clerk shall delay mailing or transferring the file until the court has ruled on the motion for reconsideration.
- (c) **Standing Orders.** Any standing order adopted by a judge pursuant to Fed. R. Civ. P. 83(b) must conform to any uniform numbering system prescribed by the Judicial Conference of the United States and must be filed with the clerk. The court will periodically review all standing orders for compliance with Rule 83(b) and for possible inclusion in the local rules. This subsection does not apply to provisions in scheduling or other case-specific orders.

- (d) **Courtroom Attire and Conduct.** All persons present in a courtroom where a trial, hearing, or other proceeding is in progress must dress and conduct themselves in a manner demonstrating respect for the court. The presiding judge has discretion to establish appropriate standards of dress and conduct.
  
- (e) **Alternative Dispute Resolution.** – Consistent with 28 U.S.C. § 651, the use of alternative dispute resolution processes in all civil actions, including adversary proceedings in bankruptcy, is authorized. Litigants in all civil actions shall consider the use of an alternative dispute resolution process at an appropriate stage in the litigation. This consideration shall include, but is not limited to, mediation as provided in the Court-Annexed Mediation Plan set forth on the court’s website (per General Order 14-06) which is incorporated herein by reference.

## **SECTION II: CRIMINAL RULES**

### **LOCAL RULE CR-1 Scope**

The rules of procedure in any criminal proceeding in this court are those prescribed by the laws of the United States, the Federal Rules of Criminal Procedure, these local rules, and any orders entered by the court. These rules shall be construed as consistent with acts of Congress and rules of practice and procedure prescribed by the Supreme Court of the United States and the United States Court of Appeals for the Fifth Circuit.

### **LOCAL RULE CR-6 The Grand Jury**

- (a) **Selection of Grand Jurors.** Grand jurors shall be selected at random in accordance with a plan adopted by this court pursuant to applicable federal statute and rule.
- (b) **Grand Jury Subpoenas.** Sealed grand jury subpoenas shall be kept by the clerk for three years from the date the witness is ordered to appear. After that time, the clerk may destroy the subpoenas.
- (c) **Signature of the Grand Jury Foreperson.** The grand jury foreperson shall sign the indictment with initials rather than his or her whole name. The foreperson will continue to sign the concurrence of the grand jury using his or her whole name.

### **LOCAL RULE CR-10 Arraignments**

In the interest of reducing delays and costs, judges and magistrate judges may conduct the arraignment at the same time as the post-indictment initial appearance.

### **LOCAL RULE CR-24 Trial Jurors**

- (a) **Communication with Jurors.**
  - (1) No party or attorney for a party shall converse with a member of the jury during the trial of an action.
  - (2) After a verdict is rendered, an attorney must obtain leave of court to converse with members of the jury.
- (b) **Signature of the Petit Jury Foreperson.** The petit jury foreperson shall sign all documents or communications with the court using his or her initials.

### **LOCAL RULE CR-47 Motions**

- (a) **Form and Content of a Motion.** All motions and responses to motions, unless made during a hearing or trial, shall be in writing, conform to the requirements of Local Rules CV-5 and CV-10, and be accompanied by a separate proposed order for the judge's signature. The proposed order shall be endorsed with the style and cause number and shall not include a date or signature block. Dispositive motions—those which could, if granted,

result in the dismissal of an indictment or counts therein or the exclusion of evidence— shall contain a statement of the issues to be decided by the court. Responses to dispositive motions must include a response to the movant’s statement of issues. All motions, responses, replies, and proposed orders, if filed electronically, shall be submitted in “searchable PDF” format. All other documents, including attachments and exhibits, should be in “searchable PDF” form whenever possible.

(1) **Page Limits.**

- (A) **Dispositive Motions.** Dispositive motions shall not exceed thirty pages, excluding attachments, unless leave of court is first obtained. Likewise, responses to such motions shall not exceed thirty pages, excluding attachments, unless leave of court is first obtained. Any reply brief shall not exceed ten pages, excluding attachments.
- (B) **Non-dispositive Motions.** Non-dispositive motions shall not exceed fifteen pages, excluding attachments, unless leave of court is first obtained. Likewise, responses to such motions shall not exceed fifteen pages, excluding attachments, unless leave of court is first obtained. Any reply brief shall not exceed five pages, excluding attachments.

(2) **Briefing Supporting Motions and Responses.** The motion and any briefing shall be contained in one document. The briefing shall contain a concise statement of the reasons in support of the motion and citation of authorities upon which the movant relies. Likewise, the response and any briefing shall be contained in one document. Such briefing shall contain a concise statement of the reasons in opposition to the motion and a citation of authorities upon which the party relies.

(3) **Certificates of Conference.** Except as specified below, all motions must be accompanied by a “certificate of conference.” It should be placed at the end of the motion following the certificate of service. The certificate must state: (1) that counsel has conferred with opposing counsel in a good faith attempt to resolve the matter without court intervention; and (2) whether the motion is opposed or unopposed. Certificates of conference are not required of *pro se* litigants (prisoner or non-prisoner) or for the following motions:

- (A) motions to dismiss;
- (B) motions for judgment of acquittal;
- (C) motions to suppress;
- (D) motions for new trial;
- (E) any motion that is joined, by, agreed to, or unopposed by all the parties;
- (F) any motion permitted to be filed *ex parte*;

- (G) objections to report and recommendations of magistrate judges;
- (H) motions for reconsideration;
- (I) dispositive motions; and
- (J) any motion related to enforcement of a debt, including relief under the Federal Debt Collection Procedures Act, 28 U.S.C. § 3101, *et seq.* and the All Writs Act, 28 U.S.C. § 1651.

(b) **Timing of a Motion.**

- (1) **Responses.** A party opposing a motion has fourteen days from the date the motion was served in which to serve and file a response and any supporting documents, after which the court will consider the submitted motion for decision. Any party may separately move for a court order lengthening or shortening the period within which a response may be filed.
- (2) **Reply Briefs and Sur-Replies.** Unless otherwise directed by the presiding judge, a party who has filed an opposed motion may serve and file a reply brief responding to issues raised in the response within seven days from the date the response is served. A sur-reply responding to issues raised in the reply may be served and filed within seven days from the date the reply is served. The court need not wait for the reply or sur-reply before ruling on the motion. Absent leave of court, no further submissions on the motion are allowed.

- (c) **Affidavit Supporting a Motion.** When allegations of fact not appearing in the record are relied upon in support of a motion, all affidavits and other pertinent documents shall be served and filed with the motion. It is strongly recommended that any attached materials have the cited portions highlighted or underlined in the copy provided to the court, unless the citation encompasses the entire page. The page preceding and following a highlighted or underlined page may be submitted if necessary to place the highlighted or underlined material in context. Only relevant, cited-to excerpts of attached materials should be attached to the motion or the response.

**LOCAL RULE CR-49 Service and Filing**

- (a) **Generally.** All pleadings and documents submitted in criminal cases must conform to the filing, service, and format requirements contained in Local Rules CV-5, CV-10, and CV-11.
  - (1) **Defendant Number.** In multi-defendant cases, each defendant receives a “defendant number.” The numbers are assigned in the order in which defendants are listed on the complaint or indictment. When filing documents with the court, parties shall identify by name and number each defendant to whom a document applies.
  - (2) **Sealed Indictments.** In multi-defendant cases involving one or more sealed indictments, the government should, at the time the sealed indictment is filed, provide the clerk with appropriately redacted copies of the indictment for each defendant. The goal of this procedure is to protect the confidential aspect of the sealed indictment with regard to any defendants not yet arrested.

- (b) **Public Access to Criminal Case Documents Generally.** In order to serve the legal presumption of openness in criminal case proceedings, pleadings in this court are generally to be filed unsealed. Except for the documents listed in Section (c) of this rule, decisions as to whether to seal a particular pleading are made on a case-by-case basis by the court, with findings specific enough that a reviewing court can determine whether the sealing or closure was properly entered.
- (1) Absent specific court findings to the contrary, all documents other than those specifically listed in paragraph (c) below and those submitted with a motion to seal in accordance with Local Rules CV-5(a)(7) and CR-49(a) are to remain unsealed.
- (c) **Authorization to Routinely Seal Particular Types of Criminal Case Documents.** Despite the general rule cited in Section (b) above, there is an overriding interest in routinely sealing certain types of criminal case documents, because public dissemination of the documents would substantially risk endangering the lives or safety of law enforcement officers, United States Marshals, agents, defendants, witnesses, cooperating informants, judges, court employees, defense counsel, prosecutors, or their respective family members, and could jeopardize continuing criminal investigations. The documents that trigger this overriding interest are:
- (1) unexecuted summonses or warrants (e.g., search warrants, arrest warrants);
  - (2) pen register or a trap and trace device applications pursuant to either 18 U.S.C. § 3121 *et seq.* or 18 U.S.C. § 2516 *et seq.*;
  - (3) pretrial bail or presentence investigation reports and any addenda and objections thereto;
  - (4) the statements of reasons in the judgment of conviction;
  - (5) plea agreements,<sup>3</sup> which are governed by Section (d) below;
  - (6) addenda to plea agreements described in Section (e) below;
  - (7) motions for downward departure for substantial assistance, and responsive pleadings and orders granting or denying the same;
  - (8) motions pursuant to Section 5K1.1 of the United States Sentencing Guidelines, memoranda in support thereof, responsive pleadings and orders granting or denying the same;
  - (9) motions for reduction of sentence under Fed. R. Crim. P. 35(b), memoranda in support thereof, responsive pleadings and orders granting or denying the same;

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<sup>3</sup> The plea agreement does not include the factual basis of the offense and stipulation or the elements of the offense, which are separate documents typically filed at the same time as the plea agreement.



- (10) amended judgments pursuant to a grant of a Fed. R. Crim. P. 35(b) motion; and
- (11) orders restoring federal benefits filed in conjunction with item 10 above.

The documents listed above shall be filed under seal without need of a motion to seal or a certification by counsel. Other than plea agreements, the documents shall remain sealed unless otherwise ordered by the court.

(d) **Sealing and Unsealing of Plea Agreements**

- (1) Until it is accepted by the court, a plea agreement is in the nature of an unaccepted offer of terms between parties. In addition to the findings of Section (c) above, making a plea agreement public before it has been accepted may lead to publicity that would tend to prejudice a defendant who decides to exercise his right to trial by making it more difficult to select jurors who have not formed an opinion about the case. Such publicity may also provide details of the case pertinent to co-defendants who have not pled, thus prejudicing them. Therefore, plea agreements shall be filed under seal.
- (2) The plea agreement shall be unsealed when the terms and conditions of the plea agreement are accepted absent a further court order finding that there is an overriding policy interest in keeping that particular plea agreement sealed and providing findings specific enough that a reviewing court can determine whether the sealing or closure was properly entered. The routine unsealing of sealed plea agreements is intended to serve the right of public access to criminal case documents.

(e) **Sealed Addendums to Plea Agreements.** Every plea agreement in this court shall have an addendum that is sealed (see Section (c)(6) above). The addendum will either state “no provisions are included in this addendum,” or it will contain specific provisions dealing with possible reductions in sentence in return for the defendant’s substantial assistance to the government. This will allow each plea agreement to be unsealed upon sentencing without prejudicing or endangering a cooperating defendant or the defendant’s family or other informants and defendants.

(f) In those instances where the court orders an entire criminal case sealed, case documents shall be e-mailed to the following addresses for filing by the relevant divisional clerk’s office:

Beaumont	bmtcrimdocs@txed.uscourts.gov
Lufkin	lufcrimdocs@txed.uscourts.gov
Marshall	marcrimdocs@txed.uscourts.gov
Sherman	shrcrimdocs@txed.uscourts.gov
Texarkana	texcrimdocs@txed.uscourts.gov
Tyler	tylcrimdocs@txed.uscourts.gov

- (g) Defendants proceeding *pro se* shall submit all sealed criminal case documents in paper format to the clerk's office for filing.
- (h) Unless otherwise ordered by the presiding judge, counsel filing a document under seal must send a paper copy of that document to the presiding judge's chambers. The paper copy should be sent directly to the judge's chambers, not to the clerk's office.

#### **LOCAL RULE CR-49.1 Privacy Protection for Filings Made with the Court**

- (a) **Electronic Filing of Transcripts by Court Reporters.** Any transcript of criminal proceedings in this court filed by a court reporter or transcriber shall be filed electronically, including a "Notice of Filing of Official Transcript." The clerk will post a "model notice" for the court reporter or transcriber's use on the court's web site. Upon request, the clerk shall make an electronic version of any unsealed transcript available for public inspection without charge at the clerk's office. *See* 28 U.S.C. § 753(b).
- (b) **Availability of Transcripts of Court Proceedings.** Electronically-filed transcripts of criminal court proceedings are subject to the following rules:
  - (1) A transcript provided to a court by a court reporter or transcriber will be available at the clerk's office for inspection for a period of ninety days after it is electronically filed with the clerk. During the ninety-day inspection period, access to the transcript in CM/ECF is limited to the following users: (a) court staff; (b) public terminal users; (c) attorneys of record or parties who have purchased the transcript from the court reporter or transcriber; and (d) other persons as directed by the court. Court staff may not copy or print transcripts for a requester during the ninety-day inspection period.
  - (2) During the ninety-day period, a copy of the transcript may be obtained from the court reporter or transcriber at the rate established by the Judicial Conference. The transcript will also be available within the court for internal use, and an attorney who obtains the transcript from the court reporter or transcriber may obtain remote electronic access to the transcript through the court's CM/ECF system for purposes of creating hyperlinks to the transcript in court filings and for other purposes.
  - (3) Within seven days of the filing of the transcript in CM/ECF, each party wishing to redact a transcript must inform the court, by filing the attached "Notice of Intent to Request Redaction," of the party's intent to redact personal data identifiers from the transcript as required by Fed. R. Crim. P. 49.1. If no such notice is filed within the allotted time, the court will assume redaction of personal data identifiers is not necessary.
  - (4) If redaction is requested, a party is to submit to the court reporter or transcriber and file with the court, within twenty-one days of the transcript's delivery to the clerk, or longer if a court so orders, a statement indicating where the personal data identifiers to be redacted appear in the transcript. The court reporter or transcriber must redact the identifiers as directed by the party. These procedures are limited to the redaction of the specific personal identifiers listed in Fed. R. Crim. P. 49.1(a).

If an attorney wishes to redact additional information, he or she may make a motion to the court. The transcript will not be electronically available until the court has ruled on any such motion.

- (5) The court reporter or transcriber must, within thirty-one days of the filing of the transcript, or longer if the court so orders, perform the requested redactions and file a redacted version of the transcript with the clerk. Redacted transcripts are subject to the same access restrictions as outlined above during the initial ninety days after the first transcript has been filed. The original unredacted electronic transcript shall be retained by the clerk as a restricted document.
- (6) If, after the ninety-day period has ended, there are no redaction documents or motions linked to the transcript, the clerk will remove the public access restrictions and make the unredacted transcript available for inspection and copying in the clerk's office and for download from the CM/ECF system.
- (7) If, after the ninety-day period has ended, a redacted transcript has been filed with the court, the clerk will remove the access restrictions as appropriate and make the redacted transcript available for inspection and copying in the clerk's office and for download from the CM/ECF system or from the court reporter or transcriber.

#### **LOCAL RULE CR-55 Records**

- (a) **Submission of Hearing/Trial Exhibits.** The parties shall not submit exhibits to the clerk's office prior to a hearing/trial without a court order. The clerk shall return to the party any physical exhibits not complying with this rule. Exhibits shall be properly marked, but not placed in binders. Multiple-paged documentary exhibits should be properly fastened. Additional copies of trial exhibits may be submitted in binders for the court's use.
- (b) **Post-trial/hearing Exhibit Procedures.** The parties shall provide letter-sized copies of any documentary, physical, or oversized exhibit to the court prior to the conclusion of a hearing/trial. At the conclusion of a hearing/trial, the parties shall provide the courtroom deputy with PDF copies of all exhibits that were admitted by the court, unless otherwise ordered. Oversized exhibits will be returned at the conclusion of the trial or hearing. If parties desire the oversized exhibits to be sent to the appellate court, it will be their responsibility to send them.

#### **LOCAL RULE CR-59 Matters Before a Magistrate Judge**

- (a) **Powers and Duties of a United States Magistrate Judge in Civil Cases.** Each United States magistrate judge of this court is authorized to perform the duties conferred by Congress or applicable rule.
- (b) **Objections to Non-dispositive Matters — 28 U.S.C. § 636(b)(1)(A).** An objection to a magistrate judge's order made on a non-dispositive matter shall be specific. Any objection and response thereto shall not exceed five pages. A party may respond to another party's objections within fourteen days after being served with a copy; however, the court need not await the filing of a response before ruling on an objection. No further briefing is

allowed absent leave of court.

- (c) **Review of Case Dispositive Motions and Prisoner Litigation — 28 U.S.C. § 636(b)(1)(B).** Objections to reports and recommendations and any response thereto shall not exceed eight pages. No further briefing is allowed absent leave of court.
- (d) **Assignment of Matters to Magistrate Judges.** The method for assignment of duties to a magistrate judge and for the allocation of duties among the several magistrate judges of the court shall be made in accordance with orders of the court or by special designation of a district judge.

## **SECTION III: ATTORNEYS**

### **LOCAL RULE AT-1 Admission to Practice**

- (a) An attorney who has been admitted to practice before the Supreme Court of the United States, a United States Court of Appeals, a United States District Court, or the highest court of a state, is eligible for admission to the bar of this court. He or she must be of good moral and professional character and must be a member in good standing of the state and federal bars in which he or she is licensed.
- (b) Each applicant shall file an application on a form prescribed by the court. If the applicant has previously been subject to disciplinary proceedings, full information about the proceedings, the charges, and the result must be given.
  - (1) A motion for admission made by a member in good standing of the State Bar of Texas or the bar of any United States District Court shall accompany the completed admission form. The movant must state that the applicant is competent to practice before this court and is of good personal and professional character.
  - (2) The applicant must state in the application that he or she has read Local Rule AT-3, the “Standards of Practice to be Observed by Attorneys,” and the local rules of this court and that he or she will comply with the standards of practice adopted in Local Rule AT-3 and with the local rules.
  - (3) The applicant must provide with the application form an oath of admission signed in the presence of a notary public on a form prescribed by the court. The completed application for admission, motion for admission, and oath of admission shall be submitted to the court, along with the admission fee required by law and any other fee required by the court. Upon investigation of the fitness, competency, and qualifications of the applicant, the completed application form may be granted or denied by the clerk subject to the oversight of the chief judge.
- (c) The clerk shall maintain a complete list of all attorneys who have been admitted to practice before the court.
- (d) An attorney who is not admitted to practice before this court may appear for or represent a party in any case in this court only upon an approved application to appear pro hac vice. When an attorney who is not a member of the bar of this court appears in any case before this court, he or she shall first submit electronically an application to appear pro hac vice with the clerk. The applicant must read and comply with Local Rule AT-3, the “Standards of Practice to be Observed by Attorneys,” and the local rules of this court. The application shall be made using the form that is available on the court’s website and must be signed by the applicant personally. Detailed instructions on how to e-file the application appear on the court’s website, located at [www.txed.uscourts.gov](http://www.txed.uscourts.gov). Such application also shall be accompanied by a \$100.00 local fee, which must be paid electronically. Any attachments to pro hac vice applications will be handled as electronic sealed documents by the clerk’s office. The application shall be acted upon with dispatch by the clerk on the court’s behalf. The clerk shall notify the applicant as soon as possible after the application is acted upon.

- (e) **Federal Government Attorneys.** No bar admission fees shall be charged to attorneys who work for the United States government, including Assistant United States Attorneys, Assistant Federal Public Defenders, and CJA Panel attorneys. Bar admission fees cannot be waived for federal law clerks, however, as they do not appear in court on behalf of the United States but instead perform job duties that do not require admission to practice in the court. The clerk's office has no authority to waive bar admission fees for attorneys who work for state, county, or city governments.

#### **LOCAL RULE AT-2 Attorney Discipline**

- (a) **Generally.** The standards of professional conduct adopted as part of the Rules Governing the State Bar of Texas shall serve as a guide governing the obligations and responsibilities of all attorneys appearing in this court. It is recognized, however, that no set of rules may be framed which will particularize all the duties of the attorney in the varying phases of litigation or in all the relations of professional life. Therefore, the attorney practicing in this court should be familiar with the duties and obligations imposed upon members of this bar by the Texas Disciplinary Rules of Professional Conduct, court decisions, statutes, and the usages customs and practices of this bar.

(b) **Disciplinary Action Initiated in Other Courts.**

- (1) Except as otherwise provided in this subsection, a member of the bar of this court shall automatically lose his or her membership if he or she loses, either temporarily or permanently, the right to practice law before any state or federal court for any reason other than nonpayment of dues, failure to meet continuing legal education requirements, or voluntary resignation unrelated to a disciplinary proceeding or problem. This rule shall include, but is not limited to, instances where an attorney: (A) is disbarred, (B) is suspended, (C) is removed from the roll of active attorneys, (D) resigns in lieu of discipline, (E) has his or her pro hac vice status revoked as a result of misconduct, or (F) has any other discipline affecting his or her right to practice law imposed, by agreement or otherwise, as a result of the attorney's failure to adhere to any applicable standard of professional conduct.

(2) **Procedure.**

(A) If it appears that there exists a ground for discipline set forth in paragraph (b)(1) above, the clerk shall serve a notice and order upon the attorney concerned, such order to become effective thirty days after the date of service, imposing identical discipline in this district.

(B) Within twenty-one days of service of the notice and order upon the attorney, the attorney may file a motion for modification or revocation of the order. Any such motion must set forth with specificity the facts and principles relied upon by the attorney as showing good cause why a different disposition should be ordered by this court. The motion must also identify all cases currently pending in the Eastern District of Texas where the attorney has filed an appearance. For each matter, the motion should identify the attorney's client(s). The timely filing of such a motion will stay the effectiveness of the order until further order by this court.

(C) If the attorney concerned files a motion seeking modification or revocation of the order, the matter shall be assigned to the chief judge, or a judge designated by the chief judge.

(D) Discipline shall be imposed under this section unless the attorney concerned establishes that: (i) the procedure followed in the other jurisdiction deprived the attorney of due process, (ii) the proof was so clearly lacking that the court determines it cannot accept the final conclusion of the other jurisdiction, (iii) the imposition of the identical discipline would result in a grave injustice, (iv) the misconduct established by the other jurisdiction warrants substantially different discipline in this court, or (v) the misconduct for which the attorney was disciplined in the other jurisdiction does not constitute professional misconduct in this State or in this court.

(E) As soon as practicable, the assigned judge shall consider the attorney's motion for modification or revocation on written submission. If good cause is not established, the judge shall enter an order directing that the clerk of the court may proceed to impose discipline set forth in the order described in paragraph AT-2(b)(2)(A) above or take other such action as justice and this rule may require. If the judge determines it is appropriate to hold a hearing, the judge may direct such a hearing pursuant to paragraph (b)(3) below.

(3) **Hearing.**

If the judge determines that a hearing is appropriate, the concerned attorney shall have the right to counsel and at least fourteen days' notice of the date of the hearing. Prosecution of the reciprocal discipline may be conducted by an attorney specially appointed by the court. Costs of the prosecuting attorney and any fees allowed by the court shall be paid from the attorney admission fund.

(4) **Duty of Attorney to Report Discipline.**

A member of this bar who has lost the right to practice law before any state or federal court, either permanently or temporarily, must advise the clerk of that fact within thirty days of the effective date of the disciplinary action. For purposes of this rule, "disciplinary action" includes, but is not limited to, the circumstances set forth in paragraph AT-2(b)(1) above. The clerk will thereafter proceed in accordance with this rule. Absent excusable neglect, an attorney's failure to comply with this subsection shall waive that attorney's right to contest the imposition of reciprocal discipline.

- (c) **Conviction of a Crime.** A member of the bar of this court who is convicted of a felony offense in any state or federal court will be immediately and automatically suspended from practice and thereafter disbarred upon final conviction.
- (d) **Disciplinary Action Initiated in this Court.**
  - (1) **Grounds for Disciplinary Action.** This court may, after an attorney has been given an opportunity to show cause to the contrary, take any appropriate disciplinary action against any attorney:
    - (A) for conduct unbecoming a member of the bar;
    - (B) for failure to comply with these local rules or any other rule or order of this court;
    - (C) for unethical behavior;
    - (D) for inability to conduct litigation properly; or
    - (E) because of conviction by any court of a misdemeanor offense involving dishonesty or false statement.
  - (2) **Disciplinary Procedures.**
    - (A) When it is shown to a judge of this court that an attorney has engaged in conduct which might warrant disciplinary action involving suspension or disbarment, the judge receiving the information shall bring the matter to the attention of the chief judge, who will poll the full court as to whether disciplinary proceedings should be held. If the court determines that further disciplinary proceedings are necessary, the disciplinary matter will be assigned to the chief judge, or a judge designated by the chief judge, who will notify the lawyer of the charges and give the lawyer opportunity to show good cause why he or she should not be suspended or disbarred. Upon the charged lawyer's response to the order to show cause, and after a hearing before the chief judge or a judge designated by the chief judge, if requested, or upon expiration of the time prescribed for a response if no response is made, the chief judge or a judge designate by the chief judge, shall enter an appropriate order.
    - (B) At any hearing before the chief judge or a judge designated by the chief judge, the charged lawyer shall have the right to counsel and at least fourteen days' notice of the time of the hearing and charges. Prosecution of



the charges may be conducted by an attorney specially appointed by the court. Costs of the prosecutor and any fees allowed by the court shall be paid from the attorney admission fee fund.

- (e) **Notification of Disciplinary Action.** Upon final disciplinary action by the court, the clerk shall send certified copies of the court's order to the State Bar of Texas, the United States Court of Appeals for the Fifth Circuit, and the National Discipline Data Bank operated by the American Bar Association.
  
- (f) **Reinstatement.** Except for suspensions as reciprocal discipline pursuant to paragraph AT-2(b), any lawyer who is suspended by this court is automatically reinstated to practice at the end of the period of suspension, provided that the bar membership fee required by Local Rule AT-1(b)(3) has been paid. Any lawyer who was suspended as reciprocal discipline pursuant to paragraph AT-2(b) may apply, in writing, at the end of the period of suspension imposed by this court. In the application for reinstatement, the attorney shall advise the court of the status of the attorney's right to practice before the jurisdiction giving rise to reciprocal discipline in this court. The attorney shall also make a full disclosure of any disciplinary actions that may have occurred in other federal or state courts since the imposition of reciprocal discipline by this court. Any lawyer who is disbarred by this court may not apply for reinstatement for at least three years from the effective date of his or her disbarment. Petitions for reinstatement shall be sent to the clerk and assigned to the chief judge for a ruling. Petitions for reinstatement must include a full disclosure concerning the attorney's loss of bar membership in this court and any subsequent felony convictions or disciplinary actions that may have occurred in other federal or state courts.

### **LOCAL RULE AT-3 Standards of Practice to be Observed by Attorneys**

Attorneys who appear in civil and criminal cases in this court shall comply with the following standards of practice in this district.<sup>4</sup>

- (a) In fulfilling his or her primary duty to the client, a lawyer must be ever conscious of the broader duty to the judicial system that serves both attorney and client.
- (b) A lawyer owes candor, diligence, and utmost respect to the judiciary.
- (c) A lawyer owes, to opposing counsel, a duty of courtesy and cooperation, the observance of which is necessary for the efficient administration of our system of justice and the respect of the public it serves.
- (d) A lawyer unquestionably owes, to the administration of justice, the fundamental duties of personal dignity and professional integrity.
- (e) Lawyers should treat each other, the opposing party, the court, and court staff with courtesy and civility and conduct themselves in a professional manner at all times.
- (f) A client has no right to demand that counsel abuse the opposite party or indulge in offensive conduct. A lawyer shall always treat adverse witnesses and suitors with fairness and due consideration.
- (g) In adversary proceedings, clients are litigants and though ill feeling may exist between clients, such ill feeling should not influence a lawyer's conduct, attitude, or demeanor toward opposing lawyers.
- (h) A lawyer should not use any form of discovery or the scheduling of discovery as a means of harassing opposing counsel or counsel's client.
- (i) Lawyers will be punctual in communications with others and in honoring scheduled appearances and will recognize that neglect and tardiness are demeaning to the lawyer and to the judicial system.
- (j) If a fellow member of the bar makes a just request for cooperation or seeks scheduling accommodation, a lawyer will not arbitrarily or unreasonably withhold consent. The court is not bound to accept agreements of counsel to extend deadlines imposed by rule or court order.
- (k) Effective advocacy does not require antagonistic or obnoxious behavior, and members of the bar will adhere to the higher standard of conduct which judges, lawyers, clients, and the public may rightfully expect.
- (l) The court also encourages attorneys to be familiar with the Codes of Pretrial and Trial Conduct promulgated by the American College of Trial Lawyers, which can be found on the court's website, located at [www.txed.uscourts.gov](http://www.txed.uscourts.gov), and to conduct themselves accordingly.

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<sup>4</sup> The standards enumerated here are set forth in the *en banc* opinion in *Dondi Props. Corp. v. Commerce Sav. & Loan Ass'n.*, 121 F.R.D. 284 (N.D. Tex. 1988).

Current as of December 1, 2019 (General Order 19-14)

## **SECTION IV: ADMIRALTY RULES**

### **Local Admiralty Rule (a). Authority and Scope.**

LAR (a)(1) Authority. The local admiralty rules of the United States District Court for the Eastern District of Texas are promulgated by a majority of the judges as authorized by and subject to the limitation of Federal Rule of Civil Procedure 83 (Federal Rule or Rules).

LAR (a)(2) Scope. The local admiralty rules apply only to civil actions that are governed by Supplemental Rule A of the Supplemental Rules for Certain Admiralty and Maritime Claims (Supplemental Rule or Rules). All other local rules are applicable in these cases, but to the extent that another local rule is inconsistent with the applicable local admiralty rules, the local admiralty rules shall govern.

LAR (a)(3) Citation. The local admiralty rules may be cited by the letters “LAR” and the lower case letters and numbers in parentheses that appear at the beginning of each section. The lower case letter is intended to associate the local admiralty rule with the Supplemental Rule that bears the same capital letter.

LAR (a)(4) Definitions. As used in the Local Admiralty Rules, the word “Rule” followed by a numeral (*e.g.*, Rule 12) means a Federal Rule of Civil Procedure; the word “Rule” followed by a capital letter (*e.g.*, Rule C) means a Supplemental Rule for Certain Admiralty and Maritime Claims; the word “court” means the district court issuing these LARs; the term “judicial officer” means the United States district judge or a United States magistrate judge; the word “clerk” means the clerk of the district court and includes deputy clerks of court; the word “Marshal” means the United States Marshal and includes deputy Marshals; the word “keeper” means any person or entity appointed by the Marshal to take physical custody of and maintain the vessel or other property under arrest or attachment; and the term “substitute custodian” means the individual or entity who, upon motion and order of the court, assumes the duties of the Marshal or keeper with respect to the vessel or other property arrested or attached.

LAR (a)(5) Bonds. When a bond is posted under the Local Admiralty Rules for any reason, it should be electronically filed in the case by the posting party. The paper original of the bond shall be retained by the posting party unless otherwise directed by the court.

**Local Admiralty Rule (b). Maritime Attachment and Garnishment.**

LAR (b)(1) Use of State Procedures. When the plaintiff invokes a state procedure in order to attach or garnish as permitted by the Rules or the Supplemental Rules, the process of attachment or garnishment shall identify the state law upon which the attachment or garnishment is based.

**Local Admiralty Rule (c) Actions in Rem: Special Provisions.**

LAR (c)(1) Intangible Property. The summons to show cause why property should not be deposited in court issued pursuant to Supplemental Rule C(3)(c) shall direct the person having control of intangible property to show cause no later than seven days after service why the intangible property should not be delivered to the court to abide the judgment. A judicial officer for good cause shown may lengthen or shorten the time. Service of the warrant has the effect of arresting the intangible property and bringing it within the control of the court. Service of the summons to show cause requires a garnishee wishing to retain possession of the property to establish grounds for doing so, including specification of the measures taken to segregate and safeguard the intangible property arrested. The person who is served may, upon order of the court, deliver or pay over to the person on whose behalf the warrant was served or to the clerk of the court the intangible property proceeded against to the extent sufficient to satisfy the plaintiff's claim. If such delivery or payment is made, the person served is excused from the duty to show cause. The person asserting any ownership interest in the property or a right of possession may show cause as provided in Supplemental Rule C(6)(a) why the property should not be delivered to the court.

LAR (c)(2) Publication of Notice of Action and Arrest. The notice required by Rule C(4) shall be published at least once in a newspaper named in LAR (g)(2), and plaintiff's attorney shall file with the clerk a copy of the notice as it was published. The notice shall contain:

- (A) The court, title, and number of the action;
- (B) The date of the arrest;
- (C) The identity of the property arrested;
- (D) The name, address, and telephone number of the attorney for plaintiff;
- (E) A statement that a person asserting any ownership interest in the property or a right of possession pursuant to Supplemental Rule C(6) must file a statement of such interest with the clerk and serve it on the attorney for plaintiff within fourteen days after publication;
- (F) A statement that an answer to the complaint must be filed and served within twenty-one days after filing the statement of ownership interest in the property or right of possession, and that otherwise, default may be entered and condemnation ordered;
- (G) A statement that applications for intervention under Federal Rule 24 by persons asserting maritime liens or other interests shall be filed within thirty days after publication; and
- (H) The name, address, and telephone number of the Marshal, keeper, or substitute custodian.

LAR (c)(3) Default In Action In Rem.

- (A) Notice Required. A party seeking a default judgment in an action in rem must satisfy the judge that due notice of the action and arrest of the property has been given:
- (1) By publication as required in LAR (c)(2), and
  - (2) By service upon the Marshal and keeper, substitute custodian, master, or other person having custody of the property, and
  - (3) By mailing such notice to every other person who has not appeared in the action and is known to have an interest in the property.
- (B) Persons with Recorded Interests.
- (1) If the defendant property is a vessel documented under the laws of the United States, plaintiff must attempt to notify all persons named in the United States Coast Guard certificate of ownership.
  - (2) If the defendant property is a vessel numbered as provided in the Federal Boat Safety Act, plaintiff must attempt to notify the persons named in the records of the issuing authority.
  - (3) If the defendant property is of such character that there exists a governmental registry of recorded property interests and/or security interests in the property, the plaintiff must attempt to notify all persons named in the records of each such registry.

LAR (c)(4) Entry of Default and Default Judgment. After the time for filing an answer has expired, the plaintiff may move for entry of default under Federal Rule 55(a). Default will be entered upon showing that:

- (A) Notice has been given as required by LAR (c)(3)(A); and
- (B) Notice has been attempted as required by LAR (c)(3)(B), where appropriate; and
- (C) The time to answer by claimants of ownership to or possession of the property has expired; and
- (D) No answer has been filed or no one has appeared to defend on behalf of the property.

The plaintiff may move for judgment under Rule 55(b) at any time after default has been entered.

**Local Admiralty Rule (d). Possessory, Petitory, and Partition Actions.**

LAR (d)(1) Return Date. In a possessory action under Rule D, a judicial officer may order that the statement of interest and answer be filed on a date earlier than twenty-one days after arrest. The order may also set a date for expedited hearing of the action.

**Local Admiralty Rule (e). Actions In Rem and Quasi In Rem. General Provisions.**

LAR (e)(1) Itemized Demand for Judgment. The demand for judgment in every complaint filed under Rule B or C shall allege the dollar amount of the debt or damages for which the action was commenced. The demand for judgment shall also allege the nature of other items of damage. The amount of the special bond posted under Rule E(5)(a) may be based upon these allegations.

LAR (e)(2) Salvage Action Complaints. In an action for salvage award, the complaint shall allege the dollar value of the vessel, cargo freight, and other property salvaged or other basis for an award, and the dollar amount of the award sought.

LAR (e)(3) Verification of Pleadings. Every complaint in Rule B, C, and D actions shall be verified upon oath or solemn affirmation or in the form provided by 28 U.S.C. § 1746 by a party or by an authorized officer of a corporate party. If no party or authorized corporate officer is present within the district, verification of a complaint may be made by an agent, attorney in fact, or attorney of record, who shall state the sources of the knowledge, information, and belief contained in the complaint; declare that the document verified is true to the best of that knowledge, information, and belief; state why verification is not made by the party or an authorized representative thereof; and state that the affiant or declarant is authorized so to verify. A verification not made by a party or authorized corporate officer will be deemed to have been made by the party as if verified personally. If the verification was not made by a party or authorized representative, any interested party may move, with or without requesting a stay, for the personal oath of a party or an authorized representative, which shall be procured by commission or as otherwise ordered.

LAR (e)(4) Review by Judicial Officer. Unless otherwise required by the judicial officer, the review of complaints and papers called for by Rules B(1) and C(3) does not require the affiant party or attorney to be present. The applicant for review shall include a form of order to the clerk which, upon signature by the judicial officer, will direct the arrest, attachment, or garnishment sought by the applicant. In exigent circumstances, the certification of the plaintiff or his attorney under Rules B and C shall consist of an affidavit or a declaration pursuant to 28 U.S.C. § 1746 describing in detail the facts establishing the exigent circumstances.

LAR (e)(5) Return of Service. The party who requests a warrant of arrest or process of attachment or garnishment shall provide instructions to the Marshal. A person specially appointed by the court under Rules B or C who has served process of maritime attachment and garnishment or a warrant of arrest that seized property shall promptly file a verified return showing the name of the individual on whom the process or warrant was served, the identity of the person or entity on whom service was made, the documents served, the manner in which service was completed (*e.g.*, personal delivery), and the address, date, and time of service.

LAR (e)(6) Property in Possession of United States Officer. When the property to be attached or arrested is in the custody of an employee or officer of the United States, the Marshal will

deliver a copy of the complaint and warrant of arrest or summons and process of attachment or garnishment to that officer or employee if present, and otherwise to the custodian of the property. The Marshal will instruct the officer or employee or custodian to retain custody of the property until ordered to do otherwise by a judicial officer.

LAR (e)(7) Security for Costs. In an action under the Rules, a party may move upon notice to all parties for an order to compel an adverse party to post security for costs with the clerk pursuant to Rule E(2)(b). Unless otherwise ordered, the amount of security shall be \$500. The party so ordered shall post the security within seven days after the order is entered. A party who fails to post security when due may not participate further in the proceedings, except by order of the court. A party may move for an order increasing the amount of security for costs.

LAR (e)(8) Adversary Hearing. The adversary hearing following arrest or attachment or garnishment provided for in Supplemental Rule E(4)(f) shall be conducted by a judicial officer within three days, unless otherwise ordered. The person(s) requesting the hearing shall notify all persons known to have an interest in the property of the time and place of the hearing.

LAR (e)(9) Appraisal. An order for appraisal of property so that security may be given or altered will be entered upon motion. If the parties do not agree in writing upon an appraiser, a judicial officer will appoint the appraiser. The appraiser shall be sworn to the faithful and impartial discharge of the appraiser's duties before any federal or state officer authorized by law to administer oaths. The appraiser shall give one day's notice of the time and place of making the appraisal to counsel of record. The appraiser shall promptly file the appraisal with the clerk and serve it upon counsel of record. The appraiser's fee shall be paid in the first instance by the moving party, but it is taxable as an administrative cost of the action.

LAR (e)(10) Security Deposit for Seizure of Vessels. The first party who seeks arrest or attachment of a vessel or property aboard a vessel shall deposit a sum deemed sufficient by the Marshal to cover the expenses of the Marshal including, but not limited to, dockage, keepers, maintenance, and insurance. The security deposit for seizure of a vessel or property aboard a vessel is \$5,000 if there is a substitute custodian, and \$10,000 if the vessel or property is to remain in the custody of the Marshal. The Marshal is not required to execute process until the deposit is made. The party shall advance additional sums from time to time at the Marshal's request to cover estimated expenses. A party who fails to advance such additional costs as required by the Marshal may not participate further in the proceedings except by order of the court. The Marshal may, upon notice to all parties, petition the court for an order to be issued forthwith releasing the vessel if additional sums are not advanced within three days after the initial request.

LAR (e)(11) Intervenor's Claims.

- (A) Presentation of Claim. When a vessel or other property has been arrested, attached, or garnished, and is in the hands of the Marshal or custodian substituted

therefor, anyone having a claim against the vessel or property is required to present it by filing an intervening complaint and obtain a warrant of arrest, and not by filing an original complaint, unless otherwise ordered by a judicial officer. No formal motion is required. The intervening party shall serve a copy of the intervening complaint and warrant of arrest upon all parties to the action and shall forthwith deliver a conformed copy of the complaint and warrant of arrest to the Marshal, who shall deliver the copies to the vessel or custodian of the property. Intervenor shall thereafter be subject to the rights and obligations of parties, and the vessel or property shall stand arrested, attached, or garnished by the intervenor. An intervenor shall not be required to advance a security deposit to the Marshal for the intervenor's seizure of a vessel as required by LAR (e)(10), but will receive the funds back, less the intervenor's share of the Marshal's fees and expenses as stated in LAR (e)(11)(B).

- (B) Sharing Marshal's Fees and Expenses. An intervenor shall owe a debt to the preceding plaintiffs and intervenors, enforceable on motion, consisting of the intervenor's share of the Marshal's fees and expenses in the proportion that the intervenor's claim bears to the sum of all the claims asserted against the property. If any party plaintiff permits vacation of an arrest, attachment, or garnishment, the remaining plaintiffs shall share the responsibility to the Marshal for fees and expenses in proportion to the remaining claims asserted against the property and for the duration of the Marshal's custody because of each such claim.

LAR (e)(12) Custody of Property.

- (A) Safekeeping of Property. When a vessel or other property is brought to the Marshal's custody by arrest or attachment, the Marshal shall arrange for adequate safekeeping, which may include the placing of keepers on or near the vessel. A substitute custodian in place of the Marshal may be appointed by order of the court. Notice of the application to appoint a substitute custodian must be given to all parties and the Marshal. The application must show the name of the proposed substitute custodian, the fee, if any, to be charged by the proposed substitute custodian, the location of the vessel during the period of custody, and the proposed insurance coverage.
- (B) Insurance. The Marshal may order insurance to protect the Marshal, his deputies, keepers, and substitute custodians, from liabilities assumed in arresting and holding the vessel, cargo, or other property, and in performing whatever services may be undertaken to protect the vessel, cargo, or other property, and in maintaining the court's custody. The arresting or attaching party shall reimburse the Marshal for premiums paid for the insurance and where possible shall be named as an additional insured on the policy. The party who applies for removal of the vessel, cargo, or other property to another location, for designation of a



substitute custodian, or for other relief that will require an additional premium, shall reimburse the Marshal therefor. The premiums charged for the liability insurance shall be paid in the first instance by the initial party obtaining the arrest and holding of the property, but are taxable as administrative costs of the action while the vessel, cargo, or other property is in custody of the court.

- (C) (i) Cargo Handling, Repairs, and Movement of the Vessel. Following arrest or attachment of a vessel, cargo handling will cease unless an order of the court is received by the Marshal. No movement of or repairs to the vessel shall take place without order of the court. The applicant for an order under this rule shall give notice to the Marshal and to all parties of record.
- (ii) Insurance. If an applicant shows adequate insurance to indemnify the Marshal for liability, the court may order the Marshal to permit cargo handling, repairs, or movement of the vessel, cargo, or other property. The costs and expenses of such activities shall be borne as ordered by the court. Any party of record may move for an order to dispense with keepers or to remove or place the vessel, cargo, or other property at a specified facility, to designate a substitute custodian, or for similar relief. Notice of the motion shall be given to the Marshal and to all parties of record. The judicial officer will require that adequate insurances on the property will be maintained by the successor to the Marshal, before issuing the order to change arrangements.
- (D) Claims by Suppliers for Payment of Charges. A person who furnishes supplies or services to a vessel, cargo, or other property in custody of the court who has not been paid and claims the right to payment a an expense of administration shall submit an invoice to the clerk in the form of a verified claim at any time before the vessel, cargo, or other property is released or sold. The supplier must serve copies of the claim on the Marshal, substitute custodian if one has been appointed, and all parties of record. The court may consider the claims individually or schedule a single hearing for all claims.

LAR (e)(13) Sale of Property.

- (A) Notice. Unless otherwise ordered upon good cause shown or as provided by law, notice of sale of property in an action in rem shall be published on at least four days, between three and thirty-one days prior to the day of the sale.
- (B) Payment of Bid. These provisions apply unless otherwise ordered in the order of sale:

- (i) The person whose bid is accepted shall immediately pay the Marshal the full purchase price if the bid is \$1000, or less.
  - (ii) If the bid exceeds \$1,000, the bidder shall immediately pay a deposit of at least \$1,000 or 10% of the bid, whichever is greater, and shall pay the balance within three days.
  - (iii) If an objection to the sale is filed within the period in LAR (e)(13)(F), the bidder is excused from paying the balance of the purchase price until three days after the sale is confirmed.
  - (iv) Payment shall be made by certified check or by cashier's check.
- (C) Late Payment. If the successful bidder does not pay the balance of the purchase price within the time allowed, the bidder shall pay the Marshal the cost of keeping the property from the due date until the balance is paid, and the Marshal may refuse to release the property until this charge is paid.
- (D) Default. If the successful bidder does not pay the balance of the purchase price within the time allowed, the bidder shall be in default, and the judicial officer may accept the second highest bid or arrange a new sale. The defaulting bidder's deposit shall be forfeited and applied to any additional costs incurred by the Marshal because of the default, the balance being retained in the registry of the court awaiting its order.
- (E) Report of the Sale by Marshal. At the conclusion of the sale, the Marshal shall forthwith file a written report with the court setting forth the notice given of: the fact of sale; the date of the sale; the names, addresses, and bid amounts of the bidders; the price obtained; and any other pertinent information.
- (F) Time and Procedure for Objection to Sale. An interested person may object to the sale by filing a written objection with the clerk within three days following the sale, serving the objection on all parties of record, the successful bidder, and the Marshal, and depositing a sum with the Marshal that is sufficient to pay the expense of keeping the property for at least seven days. Payment to the Marshal shall be by certified check or cashier's check. The court shall hold a hearing on the confirmation of the sale.
- (G) Confirmation of Sale. If no objection to the sale has been filed, the sale shall be confirmed by order of the court no sooner than three days nor later than five days from the court's receipt of the Marshal's written report. The Marshal shall transfer title to the purchaser upon the order of the court.

(H) Disposition of Deposits.

- (i) If the objection is sustained, sums deposited by the successful bidder will be returned to the bidder forthwith. The sum deposited by the objector will be applied to pay the fees and expenses incurred by the Marshal in keeping the property until it is resold, and any balance remaining shall be returned to the objector. The objector will be reimbursed for the expense of keeping the property from the proceeds of a subsequent sale.
- (ii) If the objection is overruled, the sum deposited by the objector will be applied to pay the expense of keeping the property from the day the objection was filed until the day the sale is confirmed, and any balance remaining will be returned to the objector forthwith.

LAR (e)(14) Presentation of Matters. If the judge to whom a case has been assigned is not readily available, any matter under the Local Admiralty Rules may be presented to any other judge in the district without reassigning the case.

**Local Admiralty Rule (f) Limitation of Liability.**

LAR (f)(1) Security for Costs. The amount of security for costs under Rule F(1) shall be \$1,000, and security for costs may be combined with the security for value and interest unless otherwise ordered.

LAR (f)(2) Order of Proof at Trial. In an action where vessel interests seek to limit their liability, the damage claimants shall offer their proof first, whether the right to limit arises as a claim or as a defense.

**Local Admiralty Rule (g) Special Rules.**

LAR (g)(1) Newspapers for Publishing Notices. Unless otherwise ordered by the court, every notice required to be published under the Local Admiralty Rules or any rules or statutes applying to admiralty and maritime proceedings shall be published in the following newspaper[s] of general circulation in the District:

*Beaumont Enterprise*

LAR (g)(2) Use of State Procedures. When the plaintiff invokes a state procedure in order to attach or garnish as permitted by the Federal Rules of Civil Procedure or the Supplemental Rules for Certain Admiralty and Maritime Claims, the process of attachment or garnishment shall identify the state law upon which the attachment or garnishment is based.

Current as of December 1, 2019 (General Order 19-14)

## **SECTION V: PATENT RULES**

### **1. SCOPE OF RULES**

#### **1-1. Title.**

These are the Rules of Practice for Patent Cases before the Eastern District of Texas. They should be cited as "P. R. \_\_\_."

#### **1-2. Scope and Construction.**

These rules apply to all civil actions filed in or transferred to this Court which allege infringement of a utility patent in a complaint, counterclaim, cross-claim or third party claim, or which seek a declaratory judgment that a utility patent is not infringed, is invalid or is unenforceable. The Court may accelerate, extend, eliminate, or modify the obligations or deadlines set forth in these Patent Rules based on the circumstances of any particular case, including, without limitation, the complexity of the case or the number of patents, claims, products, or parties involved. If any motion filed prior to the Claim Construction Hearing provided for in P. R. 4-6 raises claim construction issues, the Court may, for good cause shown, defer the motion until after completion of the disclosures, filings, or ruling following the Claim Construction Hearing. The Civil Local Rules of this Court shall also apply to these actions, except to the extent that they are inconsistent with these Patent Rules. The deadlines set forth in these rules may be modified by Docket Control Order issued in specific cases.

#### **1-3. Effective Date.**

These Patent Rules shall take effect on February 22, 2005 and shall apply to any case filed thereafter and to any pending case in which more than 9 days remain before the Initial Disclosure of Asserted Claims is made. The parties to any other pending civil action shall meet and confer promptly after February 22, 2005, for the purpose of determining whether any provision in these Patent Rules should be made applicable to that case. No later than 7 days after the parties meet and

confer, the parties shall file a stipulation setting forth a proposed order that relates to the application of these Patent Rules. Unless and until an order is entered applying these Patent Local Rules to any pending case, the Rules previously applicable to pending patent cases shall govern.

## **2. GENERAL PROVISIONS**

### **2-1. Governing Procedure.**

**(a) Initial Case Management Conference.** Prior to the Initial Case Management Conference with the Court, when the parties confer with each other pursuant to Fed.R.Civ.P. 26(f), in addition to the matters covered by Fed.R.Civ.P. 26, the parties must discuss and address in the Case Management Statement filed pursuant to Fed.R.Civ.P. 26(f), the following topics:

- (1) Proposed modification of the deadlines provided for in the Patent Rules, and the effect of any such modification on the date and time of the Claim Construction Hearing, if any;
- (2) Whether the Court will hear live testimony at the Claim Construction Hearing;
- (3) The need for and any specific limits on discovery relating to claim construction, including depositions of witnesses, including expert witnesses;
- (4) The order of presentation at the Claim Construction Hearing; and
- (5) The scheduling of a Claim Construction Prehearing Conference to be held after the Joint Claim Construction and Prehearing Statement provided for in P. R. 4-3 has been filed.
- (6) Whether the court should authorize the filing under seal of any documents containing confidential information.

**(b) Further Case Management Conferences.** To the extent that some or all of the matters provided for in P. R. 2-1 (a)(1)-(5) are not resolved or decided at the Initial Case Management Conference, the parties shall propose dates for further Case Management Conferences at which such matters shall be decided.

**(c) Electronic Filings.** All patents attached as exhibits to any filing submitted electronically shall be in searchable PDF format. Any other documents attached as exhibits to any filing submitted electronically should be in searchable PDF format whenever possible.

## **2-2. Confidentiality.**

If any document or information produced under these Patent Local Rules is deemed confidential by the producing party and if the Court has not entered a protective order, until a protective order is issued by the Court, the document shall be marked "confidential" or with some other confidential designation (such as "Confidential – Outside Attorneys Eyes Only") by the disclosing party and disclosure of the confidential document or information shall be limited to each party's outside attorney(s) of record and the employees of such outside attorney(s).

If a party is not represented by an outside attorney, disclosure of the confidential document or information shall be limited to one designated "in house" attorney, whose identity and job functions shall be disclosed to the producing party 5 days prior to any such disclosure, in order to permit any motion for protective order or other relief regarding such disclosure. The person(s) to whom disclosure of a confidential document or information is made under this local rule shall keep it confidential and use it only for purposes of litigating the case.

### **2-3. Certification of Initial Disclosures.**

All statements, disclosures, or charts filed or served in accordance with these Patent Rules must be dated and signed by counsel of record. Counsel's signature shall constitute a certification that to the best of his or her knowledge, information, and belief, formed after an inquiry that is reasonable under the circumstances, the information contained in the statement, disclosure, or chart is complete and correct at the time it is made.

### **2-4. Admissibility of Disclosures.**

Statements, disclosures, or charts governed by these Patent Rules are admissible to the extent permitted by the Federal Rules of Evidence or Procedure. However, the statements or disclosures provided for in P. R. 4-1 and 4-2 are not admissible for any purpose other than in connection with motions seeking an extension or modification of the time periods within which actions contemplated by these Patent Rules must be taken.

### **2-5. Relationship to Federal Rules of Civil Procedure.**

Except as provided in this paragraph or as otherwise ordered, it shall not be a legitimate ground for objecting to an opposing party's discovery request (e.g., interrogatory, document request, request for admission, deposition question) or declining to provide information otherwise required to be disclosed pursuant to Fed.R.Civ.P. 26(a)(1) that the discovery request or disclosure requirement is premature in light of, or otherwise conflicts with, these Patent Rules. A party may object, however, to responding to the following categories of discovery requests (or decline to provide information in its initial disclosures under Fed.R.Civ.P. 26(a)(1)) on the ground that they are premature in light of the timetable provided in the Patent Rules:

(a) Requests seeking to elicit a party's claim construction position;

(b) Requests seeking to elicit from the patent claimant a comparison of the asserted claims and the accused apparatus, product, device, process, method, act, or other instrumentality;

(c) Requests seeking to elicit from an accused infringer a comparison of the asserted claims and the prior art; and

(d) Requests seeking to elicit from an accused infringer the identification of any opinions of counsel, and related documents, that it intends to rely upon as a defense to an allegation of willful infringement.

Where a party properly objects to a discovery request (or declines to provide information in its initial disclosures under Fed.R.Civ.P. 26(a)(1)) as set forth above, that party shall provide the requested information on the date on which it is required to provide the requested information to an opposing party under these Patent Rules, unless there exists another legitimate ground for objection.

**2-6. Assignment of Related Cases.** Separately filed cases related to the same patent shall be assigned to the same judge, i.e., the judge assigned to the first related case.

### **3. PATENT INITIAL DISCLOSURES**

#### **3-1. Disclosure of Asserted Claims and Infringement Contentions.**

Not later than 10 days before the Initial Case Management Conference with the Court, a party claiming patent infringement must serve on all parties a "Disclosure of Asserted Claims and Infringement Contentions." Separately for each opposing party, the "Disclosure of Asserted Claims and Infringement Contentions" shall contain the following information:

(a) Each claim of each patent in suit that is allegedly infringed by each opposing party;



(b) Separately for each asserted claim, each accused apparatus, product, device, process, method, act, or other instrumentality ("Accused Instrumentality") of each opposing party of which the party is aware. This identification shall be as specific as possible. Each product, device, and apparatus must be identified by name or model number, if known. Each method or process must be identified by name, if known, or by any product, device, or apparatus which, when used, allegedly results in the practice of the claimed method or process;

(c) A chart identifying specifically where each element of each asserted claim is found within each Accused Instrumentality, including for each element that such party contends is governed by 35 U.S.C. § 112(6), the identity of the structure(s), act(s), or material(s) in the Accused Instrumentality that performs the claimed function;

(d) Whether each element of each asserted claim is claimed to be literally present or present under the doctrine of equivalents in the Accused Instrumentality;

(e) For any patent that claims priority to an earlier application, the priority date to which each asserted claim allegedly is entitled; and

(f) If a party claiming patent infringement wishes to preserve the right to rely, for any purpose, on the assertion that its own apparatus, product, device, process, method, act, or other instrumentality practices the claimed invention, the party must identify, separately for each asserted claim, each such apparatus, product, device, process, method, act, or other instrumentality that incorporates or reflects that particular claim.

### **3-2. Document Production Accompanying Disclosure.**

With the "Disclosure of Asserted Claims and Infringement Contentions," the party claiming patent infringement must produce to each opposing party or make available for inspection and

copying:

(a) Documents (e.g., contracts, purchase orders, invoices, advertisements, marketing materials, offer letters, beta site testing agreements, and third party or joint development agreements) sufficient to evidence each discussion with, disclosure to, or other manner of providing to a third party, or sale of or offer to sell, the claimed invention prior to the date of application for the patent in suit. A party's production of a document as required herein shall not constitute an admission that such document evidences or is prior art under 35 U.S.C. § 102;

(b) All documents evidencing the conception, reduction to practice, design, and development of each claimed invention, which were created on or before the date of application for the patent in suit or the priority date identified pursuant to P. R. 3-1(e), whichever is earlier; and

(c) A copy of the file history for each patent in suit.

The producing party shall separately identify by production number which documents correspond to each category.

### **3-3. Invalidity Contentions.**

Not later than 45 days after service upon it of the "Disclosure of Asserted Claims and Infringement Contentions," each party opposing a claim of patent infringement, shall serve on all parties its "Invalidity Contentions" which must contain the following information:

(a) The identity of each item of prior art that allegedly anticipates each asserted claim or renders it obvious. Each prior art patent shall be identified by its number, country of origin, and date of issue. Each prior art publication must be identified by its title, date of publication, and where feasible, author and publisher. Prior art under 35 U.S.C. § 102(b) shall be identified by specifying the item offered for sale or publicly used or known, the date the offer or use took place or the

information became known, and the identity of the person or entity which made the use or which made and received the offer, or the person or entity which made the information known or to whom it was made known. Prior art under 35 U.S.C. § 102(f) shall be identified by providing the name of the person(s) from whom and the circumstances under which the invention or any part of it was derived. Prior art under 35 U.S.C. § 102(g) shall be identified by providing the identities of the person(s) or entities involved in and the circumstances surrounding the making of the invention before the patent applicant(s);

(b) Whether each item of prior art anticipates each asserted claim or renders it obvious. If a combination of items of prior art makes a claim obvious, each such combination, and the motivation to combine such items, must be identified;

(c) A chart identifying where specifically in each alleged item of prior art each element of each asserted claim is found, including for each element that such party contends is governed by 35 U.S.C. § 112(6), the identity of the structure(s), act(s), or material(s) in each item of prior art that performs the claimed function; and

(d) Any grounds of invalidity based on indefiniteness under 35 U.S.C. § 112(2) or enablement or written description under 35 U.S.C. § 112(1) of any of the asserted claims.

#### **3-4. Document Production Accompanying Invalidity Contentions.**

With the "Invalidity Contentions," the party opposing a claim of patent infringement must produce or make available for inspection and copying:

(a) Source code, specifications, schematics, flow charts, artwork, formulas, or other documentation sufficient to show the operation of any aspects or elements of an Accused Instrumentality identified by the patent claimant in its P. R. 3-1(c) chart; and

(b) A copy of each item of prior art identified pursuant to P. R. 3-3(a) which does not appear in the file history of the patent(s) at issue. To the extent any such item is not in English, an English translation of the portion(s) relied upon must be produced.

### **3-5. Disclosure Requirement in Patent Cases for Declaratory Judgment.**

**(a) Invalidity Contentions If No Claim of Infringement.** In all cases in which a party files a complaint or other pleading seeking a declaratory judgment that a patent is not infringed, is invalid, or is unenforceable, P. R. 3-1 and 3-2 shall not apply unless and until a claim for patent infringement is made by a party. If the defendant does not assert a claim for patent infringement in its answer to the complaint, no later than 10 days after the defendant serves its answer, or 10 days after the Initial Case Management Conference, whichever is later, the party seeking a declaratory judgment must serve upon each opposing party its Invalidity Contentions that conform to P. R. 3-3 and produce or make available for inspection and copying the documents described in P. R. 3-4. The parties shall meet and confer within 10 days of the service of the Invalidity Contentions for the purpose of determining the date on which the plaintiff will file its Final Invalidity Contentions which shall be no later than 50 days after service by the Court of its Claim Construction Ruling.

**(b) Applications of Rules When No Specified Triggering Event.** If the filings or actions in a case do not trigger the application of these Patent Rules under the terms set forth herein, the parties shall, as soon as such circumstances become known, meet and confer for the purpose of agreeing on the application of these Patent Rules to the case.

**(c) Inapplicability of Rule.** This P. R. 3-5 shall not apply to cases in which a request for a declaratory judgment that a patent is not infringed, is invalid, or is unenforceable is filed in response to a complaint for infringement of the same patent.

### **3-6. Amending Contentions.**

**(a) Leave not required.** Each party's "Infringement Contentions" and "Invalidity Contentions" shall be deemed to be that party's final contentions, except as set forth below.

(1) If a party claiming patent infringement believes in good faith that the Court's Claim Construction Ruling so requires, not later than 30 days after service by the Court of its Claim Construction Ruling, that party may serve "Amended Infringement Contentions" without leave of court that amend its "Infringement Contentions" with respect to the information required by Patent R. 3-1(c) and (d).

(2) Not later than 50 days after service by the Court of its Claim Construction Ruling, each party opposing a claim of patent infringement may serve "Amended Invalidity Contentions" without leave of court that amend its "Invalidity Contentions" with respect to the information required by P. R. 3-3 if:

(A) a party claiming patent infringement has served "Infringement Contentions" pursuant to P. R. 3-6(a), or

(B) the party opposing a claim of patent infringement believes in good faith that the Court's Claim Construction Ruling so requires.

**(b) Leave required.** Amendment or supplementation any Infringement Contentions or Invalidity Contentions, other than as expressly permitted in P. R. 3-6(a), may be made only by order of the Court, which shall be entered only upon a showing of good cause.

### **3-7. Opinion of Counsel Defenses.**

By the date set forth in the Docket Control Order, each party opposing a claim of patent

infringement that will rely on an opinion of counsel as part of a defense shall:

(a) Produce or make available for inspection and copying the opinion(s) and any other documents relating to the opinion(s) as to which that party agrees the attorney-client or work product protection has been waived; and

(b) Serve a privilege log identifying any other documents, except those authored by counsel acting solely as trial counsel, relating to the subject matter of the opinion(s) which the party is withholding on the grounds of attorney-client privilege or work product protection.

A party opposing a claim of patent infringement who does not comply with the requirements of this P. R. 3-7 shall not be permitted to rely on an opinion of counsel as part of a defense absent a stipulation of all parties or by order of the Court, which shall be entered only upon a showing of good cause.

**3-8. Disclosure Requirements for Patent Cases Arising Under 21 U.S.C. § 355  
(Hatch-Waxman Act).**

The following provision applies to all patents subject to a Paragraph IV certification in cases arising under 21 U.S.C. § 355 (commonly referred to as "the Hatch-Waxman Act"). This provision takes precedence over any conflicting provisions in P.R. 3-1 to 3-5 for all cases arising under 21 U.S.C. § 355.

(a) Upon the filing of a responsive pleading to the complaint, the Defendant(s) shall produce to Plaintiff(s) the entire Abbreviated New Drug Application or New Drug Application that is the basis of the case in question.

(b) Not more than 7 days after the Initial Case Management Conference, Plaintiff(s) must identify the asserted claims.

(c) Not more than 14 days after the Initial Case Management Conference, the Defendant(s) shall provide to Plaintiff(s) the written basis for their "Invalidity Contentions" for any patents referred to in Defendant(s) Paragraph IV Certification. This written basis shall contain all disclosures required by P.R. 3-3 and shall be accompanied by the production of documents required by P.R. 3-4.

(d) Not more than 14 days after the Initial Case Management Conference, the Defendant(s) shall provide to Plaintiff(s) the written basis for any defense of non-infringement for any patent referred to in Defendant(s) Paragraph IV Certification. This written basis shall include a claim chart identifying each claim at issue in the case and each limitation of each claim at issue. The claim chart shall specifically identify for each claim those claim limitation(s) that are literally absent from the Defendant(s) allegedly infringing Abbreviated New Drug Application or New Drug Application. The written basis for any defense of non-infringement shall also be accompanied by the production of any document or thing that the Defendant(s) intend to rely upon in defense of any infringement allegations by Plaintiff(s).

(e) Not more than 45 days after the disclosure of the written basis for any defense of non-infringement as required by P.R. 3-8(c), Plaintiff(s) shall provide Defendant(s) with a "Disclosure of Asserted Claims and Infringement Contentions," for all patents referred to in Defendant(s) Paragraph IV Certification, which shall contain all disclosures required by P.R. 3-1 and shall be accompanied by the production of documents required by P.R. 3-2.

(f) Each party that has an ANDA application pending with the Food and Drug Administration ("FDA") that is the basis of the pending case shall: (1) notify the FDA of any and all motions for injunctive relief no later than three business days after the date on which such a motion is filed; and (2) provide a copy of all correspondence between itself and the FDA pertaining to the ANDA application to each party asserting infringement, or set forth the basis of any claim of privilege for such correspondence, no later than seven days after the date it sends or receives any such correspondence.

(g) Unless informed of special circumstances, the Court intends to set all Hatch-Waxman cases for final pretrial hearing at or near 24 months from the date of the filing of the complaint.

#### **4. CLAIM CONSTRUCTION PROCEEDINGS**

##### **4-1. Exchange of Proposed Terms and Claim Elements for Construction.**

(a) Not later than 10 days after service of the "Invalidity Contentions" pursuant to P. R. 3-3, each party shall simultaneously exchange a list of claim terms, phrases, or clauses which that party contends should be construed or found indefinite by the Court, and identify any claim element which that party contends should be governed by 35 U.S.C. § 112(f).

(b) The parties shall thereafter meet and confer for the purposes of finalizing this list, narrowing or resolving differences, and facilitating the ultimate preparation of a Joint Claim Construction and Prehearing Statement.

##### **4-2. Exchange of Preliminary Claim Constructions and Extrinsic Evidence.**

(a) Not later than 20 days after the exchange of "Proposed Terms and Claim Elements for Construction" pursuant to P. R. 4-1, the parties shall simultaneously exchange a preliminary proposed construction of each claim term, phrase, or clause which the parties collectively have identified for claim construction purposes. Each such "Preliminary Claim Construction" shall also, for each element which any party contends is governed by 35 U.S.C. § 112(f), identify the structure(s), act(s), or material(s) corresponding to that element.

(b) At the same time the parties exchange their respective "Preliminary Claim Constructions," they shall each also provide a preliminary identification of extrinsic evidence, including without limitation, dictionary definitions, citations to learned treatises and prior art, and testimony of



percipient and expert witnesses they contend support their respective claim constructions or indefiniteness positions. The parties shall identify each such item of extrinsic evidence by production number or produce a copy of any such item not previously produced. With respect to any such witness, percipient or expert, the parties shall also provide the identity and a brief description of the substance of that witness' proposed testimony.

(c) The parties shall thereafter meet and confer for the purposes of narrowing the issues and finalizing preparation of a Joint Claim Construction and Prehearing Statement.

#### **4-3. Joint Claim Construction and Prehearing Statement.**

(a) Not later than 60 days after service of the "Invalidity Contentions," the parties shall complete and file a Joint Claim Construction and Prehearing Statement, which shall contain the following information:

(1) The construction of those claim terms, phrases, or clauses on which the parties agree;

(2) Each party's proposed claim construction or indefiniteness position for each disputed claim term, phrase, or clause, together with an identification of all references from the specification or prosecution history that support that position, and an identification of any extrinsic evidence known to the party on which it intends to rely either to support its position or to oppose any other party's position, including, but not limited to, as permitted by law, dictionary definitions, citations to learned treatises and prior art, and testimony of percipient and expert witnesses;

(3) The anticipated length of time necessary for the Claim Construction Hearing;

(4) Whether any party proposes to call one or more witnesses, including experts, at the Claim Construction Hearing and the identity of each such witness; and

(5) A list of any other issues which might appropriately be taken up at a prehearing conference prior to the Claim Construction Hearing, and proposed dates, if not previously set, for any such prehearing conference.

(b) Each party shall also simultaneously serve a disclosure of expert testimony consistent with Fed. R. Civ. P. 26(a)(2)(B(i)-(ii) or 26(a)(2)(C) for any expert on which it intends to rely to support its proposed claim construction or indefiniteness position or to oppose any other party's proposed claim construction or indefiniteness position.

#### **4-4. Completion of Claim Construction Discovery.**

Not later than 30 days after service and filing of the Joint Claim Construction and Prehearing Statement, the parties shall complete all discovery relating to claim construction, including any depositions with respect to claim construction of any witnesses, including experts, identified in the Joint Claim Construction and Prehearing Statement.

#### **4-5. Claim Construction Briefs.**

(a) Not later than 45 days after serving and filing the Joint Claim Construction and Prehearing Statement, the party claiming patent infringement shall serve and file an opening brief and any evidence supporting its claim construction. All asserted patents shall be attached as exhibits to the opening claim construction brief in searchable PDF form.

(b) Not later than 14 days after service upon it of an opening brief, each opposing party shall serve and file its responsive brief and supporting evidence.

(c) Not later than 7 days after service upon it of a responsive brief, the party claiming patent infringement shall serve and file any reply brief and any evidence directly rebutting the supporting evidence contained in an opposing party's response.

(d) At least 10 days before the Claim Construction Hearing held pursuant to P.R. 4-6, the parties shall jointly file a claim construction chart.

(1) Said chart shall have a column listing complete language of disputed claims with disputed terms in bold type and separate columns for each party's proposed construction of each disputed term. The chart shall also include a fourth column entitled "Court's Construction" and otherwise left blank. Additionally, the chart shall also direct the Court's attention to the patent and claim number(s) where the disputed term(s) appear(s).

(2) The parties may also include constructions for claim terms to which they have agreed. If the parties choose to include agreed constructions, each party's proposed construction columns shall state "[AGREED]" and the agreed construction shall be inserted in the "Court's Construction" column.

(3) The purpose of this claim construction chart is to assist the Court and the parties in tracking and resolving disputed terms. Accordingly, aside from the requirements set forth in this rule, the parties are afforded substantial latitude in the chart's format so that they may fashion a chart that most clearly and efficiently outlines the disputed terms and proposed constructions. Appendices to the Court's prior published and unpublished claim construction opinions may provide helpful guidelines for parties fashioning claim construction charts.

(e) Unless otherwise ordered by the Court, the page limitations governing dispositive motions pursuant to Local Rule CV-7(a) shall apply to claim construction briefing.

#### **4-6. Claim Construction Hearing.**

Subject to the convenience of the Court's calendar, two weeks following submission of the reply

brief specified in P.R. 4-5(c), the Court shall conduct a Claim Construction Hearing, to the extent the parties or the Court believe a hearing is necessary for construction of the claims at issue.

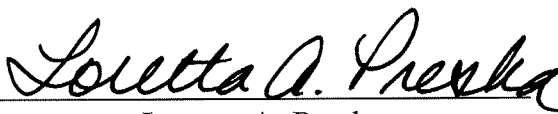
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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IN RE:	:	
LOCAL PATENT RULES	:	M10-468
OF THE	:	
SOUTHERN AND EASTERN	:	ORDER
DISTRICTS OF NEW YORK	:	
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On November 28, 2012, the Board of Judges of the Southern District of New York approved the adoption of Local Patent Rules, as attached.

These rules, having been posted for public comment and approved by the Judicial Council of the Second Circuit, hereby take effect on April 8, 2013.

**SO ORDERED.**

  
 \_\_\_\_\_  
 Loretta A. Preska  
 Chief Judge

Dated: New York, New York  
April 5, 2013

FILED  
 13 APR -5 PM 3:10  
 S.D. OF N.Y.

**UNITED STATES DISTRICT COURTS FOR THE  
SOUTHERN AND EASTERN DISTRICTS OF NEW YORK**

**LOCAL PATENT RULES**

**Local Patent Rule 1. Application of Rules**

(a) These Local Patent Rules apply to patent infringement, validity and unenforceability actions and proceedings. The Court may modify the obligations or deadlines set forth in these Local Patent Rules based on the circumstances of any particular case, including, without limitation, the simplicity or complexity of the case as shown by the patents, claims, technology, products, or parties involved.

(b) The Local Civil Rules also apply to such actions and proceedings, except to the extent they are inconsistent with these Local Patent Rules.

**Local Patent Rule 2. Initial Scheduling Conference**

When the parties confer pursuant to Fed. R. Civ. P. 26(f), in addition to the matters covered by Fed. R. Civ. P. 26, the parties must discuss and address in the report filed pursuant to Fed. R. Civ. P. 26(f):

- (i) any proposed modification of the deadlines or proceedings set forth in these Local Patent Rules;
- (ii) proposed format of and deadlines for claim construction filings and proceedings, including a proposal for any expert discovery the parties propose to take in connection therewith; and
- (iii) proposed format of and deadlines for service of infringement, invalidity and/or unenforceability contentions, including any proposed deadlines for supplementation thereof.

**Local Patent Rule 3. Certification of Disclosures**

All statements, disclosures, or charts filed or served in accordance with these Local Patent Rules are deemed disclosures subject to Rule 26(g) of the Federal Rules of Civil Procedure.

**Local Patent Rule 4. Admissibility of Disclosures**

Statements, disclosures or charts governed by these Local Patent Rules are admissible to the extent permitted by the Federal Rules of Evidence or Civil Procedure. However, the statements and disclosures provided for in Local Patent Rule 11 are not admissible for any purpose other than in connection with motions seeking an extension or modification of the time periods within which actions contemplated by these Local Patent Rules shall be taken.

**Local Patent Rule 5. Discovery Objections Based on Local Patent Rules**

A party may object to a mandatory disclosure under Fed. R. Civ. P. 26(a) or to a discovery request as conflicting with or premature under these Local Patent Rules only if the mandatory disclosure or discovery request would require disclosure of information of the kind dealt with by Local Patent Rules 6, 7, 8, 10, 11 and 12.

**Local Patent Rule 6. Disclosure of Asserted Claims and Infringement Contentions**

Unless otherwise specified by the Court, not later than forty-five (45) days after the Initial Scheduling Conference, a party claiming patent infringement must serve on all parties a "Disclosure of Asserted Claims and Infringement Contentions," which identifies for each opposing party, each claim of each patent-in-suit that is allegedly infringed and each product or process of each opposing party of which the party claiming infringement is aware that allegedly infringes each identified claim.

**Local Patent Rule 7. Invalidity Contentions**

Unless otherwise specified by the Court, not later than forty-five (45) days after service of the "Disclosure of Asserted Claims and Infringement Contentions," each party opposing a claim of patent infringement must serve upon all parties its "Invalidity Contentions," if any. Invalidity Contentions must identify each item of prior art that the party contends allegedly anticipates or renders obvious each asserted claim, and any other grounds of invalidity, including any under 35 U.S.C. § 101 or § 112, or unenforceability of any of the asserted claims.

**Local Patent Rule 8. Disclosure Requirement in Patent Cases Initiated by Declaratory Judgment**

In all cases in which a party files a pleading seeking a declaratory judgment that a patent is not infringed, is invalid, or is unenforceable, Local Patent Rule 6 shall not apply with respect to such patent unless and until a claim for patent infringement of such patent is made by a party. If a party does not assert a claim for patent infringement in its answer to the declaratory judgment pleading, unless otherwise specified in the Court's Scheduling Order, the party seeking a declaratory judgment must serve upon all parties its Invalidity Contentions with respect to such patent that conform to Local Patent Rule 7 not later than forty-five (45) days after the Initial Scheduling Conference.

**Local Patent Rule 9. Duty to Supplement Contentions**

The duty to supplement in Fed. R. Civ. P. 26(e) shall apply to the Infringement Contentions and the Invalidity Contentions required by Local Patent Rules 6 and 7.

**Local Patent Rule 10. Opinion of Counsel**

Not later than thirty (30) days after entry of an order ruling on claim construction, each party that will rely on an opinion of counsel as part of a defense to a claim of willful

infringement or inducement of infringement, or that a case is exceptional, must produce or make available for inspection and copying the opinion(s) and any other documents relating to the opinion(s) as to which attorney-client or work product protection has been waived as a result of such production.

**Local Patent Rule 11. Joint Claim Terms Chart**

By a date specified by the Court, the parties shall cooperate and jointly file a Joint Disputed Claim Terms Chart listing the disputed claim terms and phrases, including each party's proposed construction, and cross-reference to each party's identification of the related paragraph(s) of the invalidity and/or infringement contention(s) disclosures under Local Rules 6 and 7.

**Local Patent Rule 12. Claim Construction Briefing**

Unless otherwise specified by the Court:

(a) Not later than thirty (30) days after filing of the Joint Disputed Claim Terms Chart pursuant to Local Patent Rule 11, the party asserting infringement, or the party asserting invalidity if there is no infringement issue present in the case, must serve and file an opening claim construction brief and all supporting evidence and testimony.

(b) Not later than thirty (30) days after service of the opening claim construction brief, the opposing party must serve and file a response to the opening claim construction brief and all supporting evidence and testimony.

(c) Not later than seven (7) days after service of the response, the opening party may serve and file a reply solely rebutting the opposing party's response.



**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
[MARSHALL / TEXARKANA] DIVISION**

[PLAINTIFF][, et al.,]

v.

[DEFENDANT][, et al.]

§  
§  
§  
§  
§

Case No. [2 / 5]:00-CV-000-[JRG / RSP /  
JBB]

**SAMPLE DOCKET CONTROL ORDER FOR PATENT CASES  
ASSIGNED TO JUDGE RODNEY GILSTRAP**

In accordance with the scheduling conference held in this case, it is hereby **ORDERED** that the following schedule of deadlines is in effect until further order of this Court:

Date Provided by the Court	*Jury Selection – 9:00 a.m. in [Marshall / Texarkana], Texas
7 days before Jury Selection	*Defendant to disclose final invalidity theories, final prior art references/combinations, and final equitable defenses with notice of the same filed with the Court. <sup>1</sup>
10 days before Jury Selection	*Plaintiff to disclose final election of Asserted Claims with notice of the same filed with the Court. <sup>2</sup>
4 Weeks Before Jury Selection	* If a juror questionnaire is to be used, an editable (in Microsoft Word format) questionnaire shall be jointly submitted to the Deputy Clerk in Charge by this date. <sup>3</sup>
5 Weeks Before Jury Selection	*Pretrial Conference – _____ [a.m. / p.m.] in [Marshall / Texarkana], Texas before [Judge Rodney Gilstrap / Judge Roy Payne / Judge Boone Baxter]

<sup>1</sup> The proposed DCO shall include this specific deadline. The deadline shall read, “7 days before Jury Selection,” and shall not include a specific date.

<sup>2</sup> Given the Court’s past experiences with litigants dropping claims and defenses during or on the eve of trial, the Court is of the opinion that these additional deadlines are necessary. The proposed DCO shall include this specific deadline. The deadline shall read, “10 days before Jury Selection,” and shall not include a specific date.

<sup>3</sup> The Parties are referred to the Court’s Standing Order Regarding Use of Juror Questionnaires in Advance of *Voir Dire*.

6 Weeks Before Jury Selection	<p>*Notify Court of Agreements Reached During Meet and Confer</p> <p>The parties are ordered to meet and confer on any outstanding objections or motions <i>in limine</i>. The parties shall advise the Court of any agreements reached no later than 1:00 p.m. three (3) business days before the pretrial conference.</p>
6 Weeks Before Jury Selection	<p>*File Joint Pretrial Order, Joint Proposed Jury Instructions, Joint Proposed Verdict Form, Responses to Motions <i>in Limine</i>, Updated Exhibit Lists, Updated Witness Lists, and Updated Deposition Designations</p>
7 Weeks Before Jury Selection	<p>*File Notice of Request for Daily Transcript or Real Time Reporting.</p> <p>If a daily transcript or real time reporting of court proceedings is requested for trial, the party or parties making said request shall file a notice with the Court and e-mail the Court Reporter, Shawn McRoberts, at shawn_mcroberts@txed.uscourts.gov.</p>
8 Weeks Before Jury Selection	<p>File Motions <i>in Limine</i></p> <p>The parties shall limit their motions <i>in limine</i> to issues that if improperly introduced at trial would be so prejudicial that the Court could not alleviate the prejudice by giving appropriate instructions to the jury.</p>
8 Weeks Before Jury Selection	<p>Serve Objections to Rebuttal Pretrial Disclosures</p>
9 Weeks Before Jury Selection	<p>Serve Objections to Pretrial Disclosures; and Serve Rebuttal Pretrial Disclosures</p>
11 Weeks Before Jury Selection	<p>Serve Pretrial Disclosures (Witness List, Deposition Designations, and Exhibit List) by the Party with the Burden of Proof</p>
12 Weeks Before Jury Selection	<p>*Response to Dispositive Motions (including <i>Daubert</i> Motions). Responses to dispositive motions that were filed <u>prior</u> to the dispositive motion deadline, including <i>Daubert</i> Motions, shall be due in accordance with Local Rule CV-7(e), not to exceed the deadline as set forth in this Docket Control Order.<sup>4</sup> Motions for Summary Judgment shall comply with Local Rule CV-56.</p>

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<sup>4</sup> The parties are directed to Local Rule CV-7(d), which provides in part that “[a] party’s failure to oppose a motion in the manner prescribed herein creates a presumption that the party does not controvert the facts set out by movant and has no evidence to offer in opposition to the motion.”

14 Weeks Before Jury Selection	<p>*File Motions to Strike Expert Testimony (including <i>Daubert</i> Motions)</p> <p>No motion to strike expert testimony (including a <i>Daubert</i> motion) may be filed after this date without leave of the Court.</p>
14 Weeks Before Jury Selection	<p>*File Dispositive Motions</p> <p>No dispositive motion may be filed after this date without leave of the Court.</p> <p>Motions shall comply with Local Rule CV-56 and Local Rule CV-7. <u>Motions to extend page limits will only be granted in exceptional circumstances. Exceptional circumstances require more than agreement among the parties.</u></p>
15 Weeks Before Jury Selection	Deadline to Complete Expert Discovery
17 Weeks Before Jury Selection	Serve Disclosures for Rebuttal Expert Witnesses
20 Weeks Before Jury Selection	Deadline to Complete Fact Discovery and File Motions to Compel Discovery
20 Weeks Before Jury Selection	Serve Disclosures for Expert Witnesses by the Party with the Burden of Proof
3 Weeks After Claim Construction Hearing	Comply with P.R. 3-7 (Opinion of Counsel Defenses)
Date Provided by the Court	*Claim Construction Hearing – _____ [a.m. / p.m.] in [ <b>Marshall / Texarkana</b> ], <b>Texas</b> before [Judge Rodney Gilstrap / Judge Roy Payne / Judge Boone Baxter]
2 Weeks Before Claim Construction Hearing	*Comply with P.R. 4-5(d) (Joint Claim Construction Chart)
3 Weeks Before Claim Construction Hearing	*Comply with P.R. 4-5(c) (Reply Claim Construction Brief)
4 Weeks Before Claim Construction Hearing	Comply with P.R. 4-5(b) (Responsive Claim Construction Brief)

If the deadline under Local Rule CV 7(e) exceeds the deadline for Response to Dispositive Motions, the deadline for Response to Dispositive Motions controls.

6 Weeks Before Claim Construction Hearing	Comply with P.R. 4-5(a) (Opening Claim Construction Brief) and Submit Technical Tutorials (if any)  Good cause must be shown to submit technical tutorials after the deadline to comply with P.R. 4-5(a).
6 Weeks Before Claim Construction Hearing	Deadline to Substantially Complete Document Production and Exchange Privilege Logs  Counsel are expected to make good faith efforts to produce all required documents as soon as they are available and not wait until the substantial completion deadline.
8 Weeks Before Claim Construction Hearing	Comply with P.R. 4-4 (Deadline to Complete Claim Construction Discovery)
9 Weeks Before Claim Construction Hearing	File Response to Amended Pleadings
11 Weeks Before Claim Construction Hearing	*File Amended Pleadings  It is not necessary to seek leave of Court to amend pleadings prior to this deadline unless the amendment seeks to assert additional patents.
12 Weeks Before Claim Construction Hearing	Comply with P.R. 4-3 (Joint Claim Construction Statement)
15 Weeks Before Claim Construction Hearing	Comply with P.R. 4-2 (Exchange Preliminary Claim Constructions)
18 Weeks Before Claim Construction Hearing	Comply with P.R. 4-1 (Exchange Proposed Claim Terms)
6 Weeks After Scheduling Conference	Comply with Standing Order Regarding Subject-Matter Eligibility Contentions <sup>5</sup>
6 Weeks After Scheduling Conference	Comply with P.R. 3-3 & 3-4 (Invalidity Contentions)

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<sup>5</sup> <http://www.txed.uscourts.gov/sites/default/files/judgeFiles/EDTX%20Standing%20Order%20Re%20Subject%20Matter%20Eligibility%20Contentions%20.pdf> [https://perma.cc/RQN2-YU5P]

3 Weeks After Scheduling Conference	*File Proposed Protective Order and Comply with Paragraphs 1 & 3 of the Discovery Order (Initial and Additional Disclosures)  The Proposed Protective Order shall be filed as a separate motion with the caption indicating whether or not the proposed order is opposed in any part.
2 Weeks After Scheduling Conference	*File Proposed Docket Control Order and Proposed Discovery Order  The Proposed Docket Control Order and Proposed Discovery Order shall be filed as separate motions with the caption indicating whether or not the proposed order is opposed in any part.
1 Week After Scheduling Conference	Join Additional Parties
2 Weeks Before Scheduling Conference	Comply with P.R. 3-1 & 3-2 (Infringement Contentions)

**(\*) indicates a deadline that cannot be changed without an acceptable showing of good cause. Good cause is not shown merely by indicating that the parties agree that the deadline should be changed.**

### **ADDITIONAL REQUIREMENTS**

**Mediation:** While certain cases may benefit from mediation, such may not be appropriate for every case. The Court finds that the Parties are best suited to evaluate whether mediation will benefit the case after the issuance of the Court’s claim construction order. Accordingly, the Court **ORDERS** the Parties to file a Joint Notice indicating whether the case should be referred for mediation **within fourteen days of the issuance of the Court’s claim construction order.** As a part of such Joint Notice, the Parties should indicate whether they have a mutually agreeable mediator for the Court to consider. If the Parties disagree about whether mediation is appropriate, the Parties should set forth a brief statement of their competing positions in the Joint Notice.

**Summary Judgment Motions, Motions to Strike Expert Testimony, and Daubert Motions:** For each motion, the moving party shall provide the Court with two (2) hard copies of the completed briefing (opening motion, response, reply, and if applicable, sur-reply), excluding exhibits, in D-three-ring binders, appropriately tabbed. All documents shall be single-sided and must include the CM/ECF header. These copies shall be delivered to the Court within three (3) business days after briefing has completed. For expert-related motions, complete digital copies of the relevant expert report(s) and accompanying exhibits shall be submitted on a single flash drive to the Court. Complete digital copies of the expert report(s) shall be delivered to the Court no later than the dispositive motion deadline.

**Indefiniteness:** In lieu of early motions for summary judgment, the parties are directed to include any arguments related to the issue of indefiniteness in their *Markman* briefing, subject to the local rules’ normal page limits.

**Lead Counsel:** The Parties are directed to Local Rule CV-11(a)(1), which provides that “[o]n the first appearance through counsel, each party shall designate a lead attorney on the pleadings or otherwise.” Additionally, once designated, a party’s lead attorney may only be changed by the filing of a Motion to Change Lead Counsel and thereafter obtaining from the Court an Order granting leave to designate different lead counsel. The true lead counsel should be designated early and should not expect to parachute in as lead once the case has been largely developed.

**Motions for Continuance:** The following will not warrant a continuance nor justify a failure to comply with the discovery deadline:

- (a) The fact that there are motions for summary judgment or motions to dismiss pending;
- (b) The fact that one or more of the attorneys is set for trial in another court on the same day, unless the other setting was made prior to the date of this order or was made as a special provision for the parties in the other case;
- (c) The failure to complete discovery prior to trial, unless the parties can demonstrate that it was impossible to complete discovery despite their good faith effort to do so.

**Amendments to the Docket Control Order (“DCO”):** Any motion to alter any date on the DCO shall take the form of a motion to amend the DCO. The motion to amend the DCO shall include a proposed order that lists all of the remaining dates in one column (as above) and the proposed changes to each date in an additional adjacent column (if there is no change for a date the proposed date column should remain blank or indicate that it is unchanged). In other words, the DCO in the proposed order should be complete such that one can clearly see all the remaining deadlines and the changes, if any, to those deadlines, rather than needing to also refer to an earlier version of the DCO.

**Proposed DCO:** The Parties’ Proposed DCO should also follow the format described above under “Amendments to the Docket Control Order (‘DCO’).”

**Joint Pretrial Order:** In the contentions of the Parties included in the Joint Pretrial Order, the Plaintiff shall specify all allegedly infringed claims that will be asserted at trial. The Plaintiff shall also specify the nature of each theory of infringement, including under which subsections of 35 U.S.C. § 271 it alleges infringement, and whether the Plaintiff alleges divided infringement or infringement under the doctrine of equivalents. Each Defendant shall indicate the nature of each theory of invalidity, including invalidity for anticipation, obviousness, subject-matter eligibility, written description, enablement, or any other basis for invalidity. The Defendant shall also specify each prior art reference or combination of references upon which the Defendant shall rely at trial, with respect to each theory of invalidity. Other than as set forth in the above deadlines, the contentions of the Parties may not be amended, supplemented, or dropped without leave of the Court based upon a showing of good cause. The Parties in a case which has been consolidated for pre-trial purposes and which is moving towards a separate trial on the merits (subsequent to pre-trial) shall file, as an exhibit to the parties’ Joint Pretrial Order, a list identifying all docket entries from the lead case that relate to the applicable member case.

**Trial:** All parties must appear in person at trial. All non-individual (including but not limited to corporate) parties must appear at trial through the presence in person of a designated representative. Once they have appeared, any representative of a non-individual party shall not be replaced or substituted without express leave of Court.