In Other IP Venue News ... A Change In Northern Illinois

By **Marc Cooperman**

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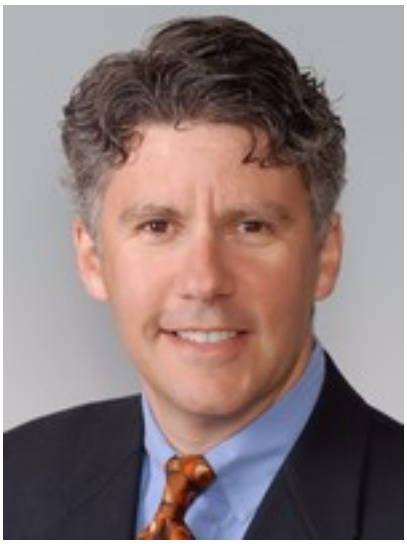
Venue considerations in intellectual property cases are undergoing seismic shifts, but some of them are below the radar. The U.S. Supreme Court's recent decision in TC Heartland will undoubtedly reduce both the number of patent cases filed in the Eastern District of Texas and that court's longtime influence on patent litigation. Conversely, the decision will almost certainly push even more litigants to the District of Delaware as a venue. But have you heard the rumblings about what's about to happen in another traditional hotbed of intellectual property litigation, the Northern District of Illinois?



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As of June 1, the NDIL will require "mandatory initial discovery" (MID) from parties to most civil cases. The program — which is governed by a new standing order — front-loads discovery by requiring early and expanded mandatory disclosures in comparison to the current initial disclosures. In discussions with the bar, the court has stated these changes are expected to make litigation more efficient and less expensive, based on the experiences of some state courts with similar provisions.

The NDIL is traditionally among the top venues chosen by IP litigants for many reasons, including its location as a commercial, financial and technological hub in Chicago, and its traditionally sophisticated and deep judiciary. The most recent statistics (from 2015) from the U.S. courts website place the NDIL as the fifth highest venue in the number of IP cases filed out of the 94 district courts.[1]

While the MID program is a "pilot project," virtually all of the 33 judges sitting in the NDIL will participate, with only three demurring. MID applies to all cases filed in the NDIL after June 1, 2017, with few exceptions. Most notably for IP lawyers, patent cases are excepted as they are subject to their own long-standing local patent rules and required disclosures.

Notably, the MID requests are significantly broader than the current disclosure requirements they are designed to replace. The new provisions require the identification and production of information relevant to "any party's claims or defenses" regardless of whether the party intends to use the information. In contrast, Rule 26(a) currently calls for each party to disclose only information a party may use "to support its claims and defenses."

Essentially all forms of discovery are subject to these mandatory early provisions. First, parties must identify all witnesses believed to have discoverable information, including a "fair description" of the information each person is believed to have. Second, if any witness has given a written or recorded statement relevant to any party's claims or defenses, that must also be produced. Third, any documents, tangible things and electronically stored information must be produced or made available for inspection if they may be relevant to any party's positions. Additionally, parties must provide a statement explaining the facts and legal theories their claims and defenses are based upon, and an explanation of the damages claimed. Any insurance agreements must also be produced.

Objections to providing the MID information must be explained with particularity in a party's written responses. Significantly, the provisions expressly require that any party who withholds information due to an objection "provide a fair description of the information being withheld." What this means is unclear and will likely be worked out on a case-by-case, and judge-by-judge, basis, no doubt taking into account the size of the case and other proportionality considerations.

Typical objections have been anticipated and eliminated as arguably valid excuses by the MID program. For example, an inability to have fully investigated the case at the time the responses are due is not an acceptable objection. Nor is the insufficiency of the opposing parties' responses or their wholesale failure to provide their responses.

One significant consideration not addressed in the program's provisions is how confidentiality objections — such as producing sensitive financial business information and trade secrets — will be addressed. The NDIL has had local patent rules in place for almost eight years that implement a default protective order governing the exchange of confidential information as of the date of initial disclosures. Given the program's principal goal of driving early exchange of discovery, it is sensible to expect the district's judges to consider entering a similar default order if confidentiality is raised as an early objection, while giving the parties an opportunity to revise the order as the case proceeds.

So how fast will things be moving in the NDIL? MID information must be provided to opposing parties within 30 days of the filing of the first responsive pleading. ESI is given a brief reprieve, with a due date 70 days after the first responsive pleading. Each party's initial response must be based on information then reasonably available to it. Following the exchange of MID information, discovery can proceed as normal.

Given the current and likely ongoing flux in IP venue considerations, the new MID program should make the Northern District of Illinois an even more attractive venue for well-prepared IP owners who want to assert their rights to a bench of judges experienced in addressing IP cases.

More information about the MID pilot project can be found on the **court's website**.

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[1] http://www.uscourts.gov/sites/default/files/c03mar15_1.pdf