



# CRA Insights: Intellectual Property

CRA Charles River  
Associates

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*CRA Insights: Intellectual Property* is a periodic newsletter that provides summaries of notable developments in IP litigation.

## Recent developments in IP damages

### ***Northern District of California Updates Patent Local Rules Regarding Damages***

The Northern District of California recently amended its Local Rules of Practice for Patent Cases. The new rules took effect on January 17, 2017. A number of the modifications relate to the disclosure of damages-related information, including:

#### **Initial Case Management Conference**

During the initial case management conference, the parties must provide the Court with a non-binding, good-faith estimate of the damages range expected for the case, along with an explanation for the estimate. If either party is unable to provide such information, that party must explain why it cannot, what specific information is needed before it can do so, and the time by which it should be in a position to provide that estimate and explanation.

#### **Disclosure of Asserted Claims and Infringement Contentions**

Not later than 14 days after the Initial Case Management Conference, a party claiming patent infringement must serve on all parties a Disclosure of Asserted Claims and Infringement Contentions. The parties must identify:

- Each asserted claim;
- The accused instrumentalities for each asserted claim; and
- The timing of the point of first infringement, the start of claimed damages, and the end of claimed damages.

Along with this disclosure, the party must provide copies of:

- All agreements, including licenses, transferring an interest in any patent-in-suit;

- All agreements that the party asserting infringement contends are comparable to a license that would result from a hypothetical reasonable royalty negotiation;
- All agreements that otherwise may be used to support the party asserting infringement's damages case;
- Documents sufficient to show the sales, revenues, costs, and profits of embodying accused instrumentalities for which a party wishes to preserve the right to recover lost profits; and
- All documents comprising or reflecting a F/RAND commitment or agreement with respect to the asserted patent(s).

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

### **Invalidity Contentions and Document Production**

Not later than 45 days after receipt of the Disclosure of Asserted Claims and Infringement Contentions, each party opposing a claim of patent infringement must produce or make available for inspection and copying, along with its Invalidity Contentions:

- All agreements that the party contends are comparable to a license that would result from a hypothetical reasonable royalty negotiation;
- Documents sufficient to show the sales, revenue, cost, and profits for accused instrumentalities for any period of alleged infringement; and
- All agreements that may be used to support the party denying infringement's damages case.

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

### **Damages Contentions**

Within 50 days of service of the Invalidity Contentions, each party asserting infringement must identify each of the categories of damages it is seeking for the asserted infringement, as well as its theories of recovery, factual support for those theories, and computations of damages within each category. This identification includes:

- Lost profits;
- Price erosion;
- Convoyed or collateral sales;
- Reasonable royalty; and
- Any other form of damages.

To the extent a party contends it is unable to provide a fulsome response to the disclosures required by this rule, it must identify the information it requires.

### **Responsive Damages Contentions**

Not later than 30 days after service of the Damages Contentions, each party denying infringement must identify specifically how and why it disagrees with those contentions. This should include the

party's affirmative position on each issue. To the extent a party contends it is unable to provide a fulsome response to the disclosures required by this rule, it must identify the information it requires.

The updated local rules can be found here: <http://www.cand.uscourts.gov/localrules/patent>.

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