



Litigants Beware: The Failure to Follow New Jersey's Local Patent Rules Can Kill Your Claim Before its Day in Court

Client Advisories

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More than a decade ago, [we wrote about](#) how the District of New Jersey's recently adopted Local Patent Rules would help cement the district's place as one of the top federal courts for patent litigation in the nation.

One of the purposes of these rules was to cut down on the time required to adjudicate patent claims, leading to lower costs for the parties involved. Since that time, New Jersey has continued to be one of the most popular venues in the nation for patent cases. As we pointed out in the article, judges who handle a large number of patent cases develop an expertise in the area. This expertise allows them to be able to handle these cases faster and more efficiently, creating a positive feedback loop that makes the district an even more attractive place to file suit. According to statistics compiled by Westlaw Edge, since 2009, over two thousand patent cases were filed in New Jersey, making it second only to Delaware for total number of cases.

Any party litigating a patent case in New Jersey needs to know both the text of and the purpose of these rules. To achieve the goal of streamlining patent cases and cutting down the time and the cost of litigation, the rules set forth aggressive timelines for the various disclosures in patent cases and a demanding standard for making these disclosures once the deadlines have passed.

For example, Local Patent Rule 3.7 states, among other things, that any amendment to a party's contention may only be made "by order of the Court and timely application and showing of good cause." The rule also provides a non-exhaustive list of examples of "good cause," including the "recent discovery of nonpublic information [...] which was not discovered, despite diligent efforts, before the service of the Infringement Contention." Thus, the party must act diligently in discovering the information and make an application to the court in a timely manner. The failure to do so can result in losing the opportunity to make the amendment.

In *Wag Acquisition v. Gattyán Group S.à.r.l.*, 2020 WL 5105194 (D.N.J. Aug. 31, 2020), the district court addressed this issue. The case involved an allegation that the defendant, who operated a live webcam internet site, infringed on a number of the plaintiff's patents in offering its streaming service. The lawsuit was filed in

February 2016, and the following month, the defendant served its contentions that the plaintiff's patents were invalid. The magistrate judge handling the pretrial phase of the case gave the parties until December 2016 to amend the pleadings. However, after that deadline passed, the parties submitted motions to amend the pleadings.

For its part, the plaintiff claimed that, through discovery, it learned that plaintiff was using another infringing instrumentality. However, the court denied the motion because the plaintiff did not demonstrate "due diligence," as required by Local Patent Rule 3.7. Although the deadline for amending the pleadings was December 2016, almost a full year after the plaintiff filed the suit, the plaintiff did not issue any discovery requests until January 2017, after the amendment deadline had passed. Moreover, the plaintiff failed to put the defendant on reasonable notice as to the nature of its new infringement contention until September 2019. These unexplained, lengthy delays undermined not only the letter of the rule, but also the Local Rules' purpose: To put the parties on notice of the other side's claims early in the process so the cases can be resolved in a timely, relatively inexpensive manner.

As a consequence of this lack of diligence, the plaintiff was unable to assert its new claim. No party to a lawsuit wants any claim to be lost on procedural grounds without the court ever addressing the merits of that claim. For this reason, it is important for litigators to know the local patent rules of the District of New Jersey.

If you have any questions about this decision, the local rules, or about any issue involving patent litigation, please contact **John Connell** at 856-354-3074 or jconnell@archerlaw.com or any other member of Archer's Intellectual Property Group.

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