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CLAIMS GONE WILD?
COURTS LIMIT NUMBER OF ASSERTED CLAIMS

When faced with a mind-boggling 1,975 asserted claims from 31 patents in 25 consolidated actions against 165 defendants in 50 groups of related corporate entities (take a breath), one district court cried “uncle” and limited the number of claims the patentee could assert. On review of due process challenges, the Federal Circuit Court of Appeals affirmed the district court’s order.¹

What are the ground rules relating to asserting multiple patent claims, and when have you crossed that proverbial line? Knowing when you’ve had too much of a good thing will help you decide whether to assert or how to respond to a mountain of claims.

Asserted Claims Overload as a Weapon

Case examples readily illustrate when the number of claims asserted is a litigation tactic and not a remedy for infringement:

- Patentee asserted 88 to 121 claims from four patents-in-suit.²
- District court considered defendant’s motion to limit 135 asserted claims to 10.³
- Patentee sued alleging infringement of 629 claims in 11 patents.⁴
- Plaintiff initially asserted all 178 claims in four patents, but later trimmed the number to 125 claims as set forth in an 800-page analysis of its infringement contentions.⁵

Juries faced with complex technology in patent cases can be overwhelmed, even if the number of claims asserted is not multiplied beyond reason. As one court implored, “The court cautions that the parties must focus the issues both in fairness to each other and to the jury which will face the daunting task of understanding complex technology and applying its factual findings to the applicable patent law.”⁶

Limited judicial resources also strain under the assertion of dozens or hundreds of claims. The domino effect of a large number of claims leads to cumbersome claims construction proceedings,⁷ unmanageable discovery and trial nightmares.

Ultimately, all parties face the financial burden of uncontrolled litigation. The assertion of a large

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1 *In re Katz Interactive Call Processing Patent Litig.*, 639 F.3d 1303, 1309 (Fed. Cir. 2011).
 2 *Oasis Research, LLC v. Adrive, LLC*, No. 4:10-CV-00435, 2011 WL 7272473, at *1 (E.D. Tex. Sept. 13, 2011).
 3 *Havco Wood Prods., LLC v. Indus. Hardwood Prods., Inc.*, No. 10-cv-566-WMC, 2011 WL 5513214, at *5 (W.D. Wis. Nov. 10, 2011).
 4 *Stamps.com, Inc. v. Endicia, Inc.*, 437 F. App’x 897, 900 (Fed. Cir. 2011) (not selected for publication).
 5 *High Point SARL v. Sprint Nextel Corp.*, No. 09-2269-CM-DJW, 2010 WL 192710, at *1 (D. Kan. Mar. 29, 2010).
 6 *Rambus Inc. v. Hynix Semiconductor Inc.*, No. 06-00244 RMW, 2008 WL 4104116, at *5 (N.D. Cal. Aug. 27, 2008) (not reported in F. Supp. 2d).
 7 *See Hearing Components, Inc. v. Shure, Inc.*, No. 9:07CV104, 2008 WL 2485426 (E.D. Tex. June 13, 2008) (limiting claims construed and asserted in response to request to increase length of *Markman* briefing) (not reported in F. Supp. 2d).

The assertion of a large number of claims can quickly bring all but the most deep-pocketed defendants to their knees. The assertion of myriad claims becomes a tactical weapon, therefore, and not a means to protect patent rights.

Importantly, the district court added the proviso that the limitation on the number of asserted claims was “not immutable.” The court expressly allowed Katz to add new claims, but only if they raised issues of infringement/validity that were not duplicative of previously selected claims.

number of claims can quickly bring all but the most deep-pocketed defendants to their knees. The assertion of myriad claims becomes a tactical weapon, therefore, and not a means to protect patent rights. While the patentee plaintiff can choose the number of claims to assert, the burden falls especially hard on the accused infringer who may choose to settle simply to avoid the cost of excessively burdensome litigation.

District courts have corralled this litigation tactic run amok by forcing limits on the number of claims that can be asserted:

- Court limited plaintiff to 25 asserted claims from 22 patents in suit. But “[t]he court did not mean to imply by that reduction that 25 claims from 22 different patents would be the appropriate number of claims for trial.”⁸
- Court found 15 claims appropriate, especially because the patents are related and the claims have significant overlap. Moreover, the limits would allow plaintiff to select roughly three claims per asserted patent and assert all of the independent claims in the patents-in-suit.⁹
- Court ordered the parties to limit the number of asserted claims to 15.¹⁰
- Court required plaintiff to elect no more than 10 claims to assert.¹¹
- Number of claims asserted narrowed to 10.¹²

Due Process Issues

In 2011, *In re Katz Interactive Call Processing Patent Litigation*¹³ presented the Federal Circuit with the perfect case to clarify the law and address issues posed by attempts to limit claims gone wild. In a group of 25 consolidated cases, plaintiff Ronald A. Katz Technology Licensing LP (Katz) asserted a total of 1,975 claims from 31 patents against 165 defendants in 50 groups of related corporate entities.¹⁴ The 14 patents involved in the case fell into four groups, with each group sharing a common specification.¹⁵

Not surprisingly, several groups of defendants sought to limit the number of asserted claims and made proposals.¹⁶ Granting the motion, the district court ordered Katz to select no more than 40 claims per defendant group, then narrow that number to 16 after discovery.¹⁷ The district court also limited Katz to a total of 64 claims asserted against all defendants.¹⁸

Importantly, the district court added the proviso that the limitation on the number of asserted claims was “not immutable.”¹⁹ The court expressly allowed Katz to add new claims, but only if they raised issues of infringement/validity that were not duplicative of previously selected claims.²⁰

Instead of selecting additional claims and seeking to show those claims were not duplicative, Katz moved to sever and stay non-selected claims.²¹ The district court denied the motion, holding that

⁸ *Rambus Inc.*, 2008 WL 4104116, at *5.

⁹ *Havco Wood Prods., LLC v. Indus. Hardwood Prods., Inc.*, 2011 WL 5513214, at *6.

¹⁰ *Stamps.com, Inc. v. Endicia, Inc.*, 437 F. App'x 897, 900 (Fed. Cir. 2011) (not selected for publication).

¹¹ *LML Patent Corp. v. JPMorgan Chase & Co.*, No. 2:08-CV-448 (DF), 2010 WL 5140823, at *1 (E.D. Tex. Oct. 12, 2010).

¹² *Nextec Applications v. Brookwood Cos., Inc.*, 703 F. Supp. 2d 390, 397 (S.D.N.Y. 2010).

¹³ *In re Katz Interactive Call Processing Patent Litig.*, 639 F.3d 1303 (Fed. Cir. 2011) (*In re Katz*).

¹⁴ *Id.* at 1309.

¹⁵ *Id.* at 1308.

¹⁶ *Id.* at 1309.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.* at 1309, 1312 n.8 (The district court also gave Katz the unlimited right to add claims for a previously selected claim that was dependent on the newly selected claim and allowed as many as three substitutions per defendant group as well as other options to substitute.).

²¹ *Id.* at 1309-10.

Based on the initial determination that the asserted patents contained many duplicative claims, it was both efficient and fair to require Katz to identify unasserted claims that raised legal issues separate from those raised by the selected claims. When Katz failed to make, or even attempt to make, such a showing, the district court reasonably denied the motion to sever and stay.

... the Federal Circuit stated, "While different claims are presumed to be of different scope, that does not mean that they necessarily present different questions of validity or infringement."

the unselected claims were covered by the proviso that allowed Katz to add new claims.²²

After the district court granted summary judgment against it on the asserted claims, Katz appealed, arguing that the ruling (1) denied due process rights to litigate unselected claims, and (2) assumed the claims were duplicative in violation of the claim-differentiation doctrine and the independent presumption of claim validity.²³

Federal Circuit Provides Solutions

The Federal Circuit rejected Katz's due process argument:²⁴

- Placing the burden of identifying non-duplicative claims on Katz did not violate due process.²⁵ Where the claimant, Katz, is in the best position to narrow the dispute, allocating the burden to it will benefit the decision-making process and not offend due process unless the burden prejudices the right to present a claim.²⁶ Katz failed to demonstrate unfair prejudice.²⁷
- The district court acted reasonably by allowing Katz to add claims if they presented unique issues. Under the circumstances, it was more reasonable to allocate that burden to Katz than to defendants.²⁸
- Katz made no effort to identify non-duplicative claims. Katz selected nearly 100 claims to be addressed in the consolidated cases and moved to sever and stay all of the unselected claims. The motion failed, however, to show that the unselected claims did not present the same issues as the selected claims.²⁹
- Katz's motion merely stated that the limit on the number of claims asserted violated due process. "However, due process is not merely a theoretical concern, the plaintiff must be able to show that it has lost some tangible right."³⁰

The Federal Circuit agreed with the district court's due process analysis. Based on the initial determination that the asserted patents contained many duplicative claims, it was both efficient and fair to require Katz to identify unasserted claims that raised legal issues separate from those raised by the selected claims. When Katz failed to make, or even attempt to make, such a showing, the district court reasonably denied the motion to sever and stay.³¹

The Federal Circuit then turned to Katz's argument that the district court assumed claims were duplicative in violation of claim-differentiation doctrine and the independent presumption of claim validity under 35 U.S.C. § 282.³² Rejecting those arguments, the Federal Circuit stated, "While different claims are presumed to be of different scope, that does not mean that they necessarily present different questions of validity or infringement."³³ The district court required Katz to show unique questions of validity or infringement only.

With respect to infringement, the district court required Katz to show that a non-infringement defense raised to an asserted claim does not apply in "substantially the same manner to a newly asserted claim." With respect to validity, the district court required Katz to show that the validity defense does not affect the newly asserted claim in substantially the same way. The district court did not place a burden on Katz to show that the claims covered distinct subject matter.³⁴

²² *Id.* at 1310.

²³ *Id.* at 1310-11.

²⁴ *Id.* at 1311.

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.* at 1312.

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

³² *Id.* at 1310-11, 1313.

³³ *Id.* at 1313.

³⁴ *Id.*

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Practical Aspects of Limits on Asserted Claims

A district court's claim selection decisions in a complex case can be reviewed, however.³⁵ Due process limits what a district court is empowered to do when limiting asserted claims.

Timing Is Important – An order limiting asserted claims can be premature.³⁶ For example, the order could come too early in the discovery process, denying the plaintiff the opportunity to determine whether particular claims might raise separate issues.³⁷ One district court allowed the plaintiff to substitute or supplement its chosen claims after final invalidity contentions were served if the new claims raised separate legal liability or damages issues, and if plaintiff would lose a tangible right were it not allowed to substitute or supplement.³⁸

Observing that initial expert disclosures were due in less than a month and the dispositive motion deadline was about three months away, another court agreed that it was an appropriate time to limit the number of claims.³⁹ Yet, another court granted defendant's motion to limit claims after claims construction and final infringement contentions, but before final non-infringement contentions and final invalidity and obviousness defenses.⁴⁰

The Federal Circuit affirmed a district court's order implicitly refusing to allow a plaintiff to add claims following the grant of summary judgment as to the asserted claims.⁴¹

Courts may consider whether an order limiting the number of asserted claims would afford the defendant a tactical advantage. For example, a plaintiff may object to the entry of an order limiting asserted claims when the defendant can raise new invalidity and obviousness defenses after the order's entry.⁴²

Right to Add Claims – The critical element in any order limiting the number of asserted claims is the proviso that the patent holder may add claims upon a proper showing.⁴³ Without this option, the order may not pass muster under a due process analysis.

Patentee Must Show Limit Is Not Reasonable – When the patent holder has the ability to add claims, it must make the necessary showing if it wishes to do so. Katz and others failed to make any effort to identify non-duplicative claims, and their due process challenges were rejected.⁴⁴

Practical Pointers

- **Check Local Practice** – Before asserting claims or seeking limits on asserting claims, check the local practice and your judge, who has discretion.
- **Exercise Restraint** – As the plaintiff patent holder, exercise restraint. Take your best shot by asserting those claims on which you are most likely to prevail. Assert claims that are demonstrably unique. Don't try to hold claims in reserve—it is not likely to work.
- **Keep Track of Timing** – When seeking limits on the number of asserted claims, be aware of the case's procedural context. Don't move too early. If you do, seek a staged reduction in the number of claims.
- **Justify What You Want** – Always justify why claims need to be added. Merely saying it isn't fair not to allow you to add them is not enough.

35 *Id.* at 1312-13.

36 *Id.* at 1312-13; *Gen-Probe Inc. v. Becton Dickinson & Co.*, No. 09-cv-2319 BEN (NLS), 2012 WL 579490, at *3 (S.D. Cal. Feb. 22, 2012).

37 *In re Katz.*, 639 F.3d at 1313 n.9.

38 *Gen-Probe Inc.*, 2012 WL 579490, at *3.

39 *Havco Wood Prods., LLC v. Indus. Hardwood Prods., Inc.*, No. 10-cv-566-WMC, 2011 WL 5513214, at *6 (W.D. Wis. Nov. 10, 2011).

40 *Gen-Probe Inc.*, 2012 WL 579490, at *1.

41 *Stamps.com, Inc. v. Endicia, Inc.*, 437 F. App'x 897, 900, 902-03 (Fed. Cir. 2011) (not selected for publication).

42 *Gen-Probe Inc.*, 2012 WL 579490, at *2.

43 *In re Katz.*, 639 F.3d at 1309; *see, e.g., Stamps.com, Inc.*, 437 F. App'x at 902-03; *Havco Wood Prods., LLC*, 2011 WL 5513214, at *6.

44 *In re Katz.*, 639 F.3d at 1312; *Havco Wood Prods., LLC*, 2011 WL 5513214, at *6.