

INTELLECTUAL PROPERTY



Uneven playing field for defendants in patent cases

Some federal district courts appear to be raising pleadings standards for counterclaims and affirmative defenses

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Some federal district courts appear to be raising the bar on pleadings standards for counterclaims and affirmative defenses in patent cases. This may seem surprising in light of last year's Federal Circuit decision confirming that, even in the post-*Twombly* world, the barebones pleadings requirements of Form 18 of the Federal Rules of Civil Procedure are sufficient for plaintiff's claims of direct infringement. However, *In re Bill of Lading* did not address counterclaims and affirmative defenses, and an odd dichotomy has emerged: Some courts are holding defendants to a heightened pleading standard for affirmative defenses and counterclaims, while permitting plaintiffs to continue the pre-*Twombly* notice pleading practice.

Prior to *Twombly*, notice pleading for affirmative defenses and counterclaims of non-infringement and invalidity was the norm. Recently, however, the District of Delaware dismissed counterclaims alleging invalidity for failure to comply with the *Twombly* standard. (The decision in *Bell Atlantic Corp. v. Twombly* held that under Federal Rule of Civil Procedure Rule 8(a)(2) a plaintiff must allege "enough facts to state a claim to relief that is plausible on its face.")

In that case, the defendant, Apotex,

alleged without factual support in both its counterclaims and affirmative defenses, that pharmaceutical company Senju's asserted patents were "invalid for failure to comply with one or more of the provisions of Title 35 of the U.S. Code, including, but not limited to Sections 101, 102, 103, and/or 112." Adhering to *In re Bill of Lading's* statement that "Form 18 should be strictly construed as measuring only the sufficiency of allegations of direct infringement," the court dismissed Apotex's invalidity counterclaims and stated that the reasoning behind other courts' refusals to apply the heightened *Iqbal* and *Twombly* pleading standards was unpersuasive. However, because of the differences between Rule 8(a) and Rule 8(c), Apotex's equivalent invalidity affirmative defenses were not required to meet the *Twombly* and *Iqbal* standard and therefore, survived dismissal.

That same jurisdiction has also raised the bar on affirmative defenses. Traditional boilerplate affirmative defenses of equitable estoppel, laches, waiver and unclean hands may now require more than mere notice pleading to survive a motion to strike.

Delaware is not alone in having different pleading standards for claims,

counterclaims and affirmative defenses. For example, the Northern District of Illinois applies *Twombly* to both counterclaims and affirmative defenses; the Eastern District of Pennsylvania applies *Twombly* to counterclaims but not affirmative defenses, and the District of New Jersey doesn't apply *Twombly* to invalidity counterclaims.

Until the Federal Circuit rules on these issues—and presumably harmonizes the pleading standards—defendants should look carefully at evolving case law in the jurisdiction in which they are sued and plead their counterclaims accordingly.

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