
Hughes Hubbard & Reed

We've Been Sued in the ITC! Now What? A 10-Step Guide For In-House Counsel Part 2

Client Advisories

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March 27, 2023 - Last month, we discussed why it's important for in-house counsel facing an ITC complaint to have a plan to triage the many things that must be done in a short amount of time. [Part 1 of this article](#) explained the first five steps of our recommended 10-step plan:

1. Review the complaint.
2. Notify management of the threat and timeline.
3. Identify key witnesses/document custodians and issue a litigation hold.
4. Interview and hire ITC counsel.
5. Assess merits of case and settlement possibility.

So, without further delay, here are steps 6-10:

6) Decide whether to file pre-institution comments and requests

Within a few days of the filing of the complaint, the Commission will publish a "Notice of Receipt of Complaint; Solicitation of Comments Relating to the Public Interest." Respondents and third parties may (but are not required to) file comments addressing topics enumerated by the Commission in the Notice (e.g., "explain how the requested remedial orders would impact United States consumers"). Responses are typically due within eight calendar days and generally serve to alert the Commission to any public interest issues that should be explored as part of the investigation. Simultaneously, the team must determine whether there are legitimate grounds to oppose institution of the investigation. (Unlike a case filed in district court, the Commission, upon receiving a complaint, will review the complaint and decide whether to "institute" an investigation before the case can go forward. This typically happens within 30 days of the complaint being filed.) The team must also decide whether to request use of the Commission's "100-day program," where a case-dispositive issue can be investigated and decided on an expedited basis. There are many strategic considerations in making this decision. Because you only have 8-10 days from the filing of the complaint to decide these issues and draft the necessary pleadings, it is imperative to get your ITC counsel engaged quickly.

7) Prepare for discovery

Barring any delays in institution of the investigation, you will have no more than 33-35 days from the filing of the complaint until discovery begins—and it begins with a bang. The complainant will be ready to serve a fulsome set of interrogatories and document requests on the first day possible, and likely will have its document production ready to go as well, all with the intention of taking control of discovery to put the respondents on their back foot. And without an extension of time, your responses will be due 10 calendar days after the requests are served. Thus, you must use this pre-institution time wisely to close the complainant's advantage. Have your ITC counsel prepare your own thorough set of discovery requests so you can serve those on the first day and put yourself on an equal footing for negotiations with the complainant over extensions of time and the scope of the requests. In addition, having identified document custodians and repositories per step 3, begin collecting documents for review. The complainant's first set of discovery requests will be fairly predictable to experienced ITC counsel, so there is no need to wait until being served with requests to start collecting documents.

8) Plan for contingencies

ITC filings often generate a significant amount of press coverage, and your customers will likely have concerns about your products potentially becoming unavailable in the United States. Work with the employees who are most likely to field such inquiries and outside counsel on a press release and/or "talking points" to address customer concerns. Discuss "design-arounds;" that is, changes that could be made to the accused products that would avoid future infringement in case of a finding of infringement as to the currently formulated products. At a minimum, this work should take into account how extensive the changes must be, whether there would be any negative effects on the products' functionality, and how long it will take to implement the changes. Any change to the product will involve a significant number of stakeholders within the company, so it is important to get a broad range of stakeholders involved in the discussions and that those discussions begin early in the case.

9) Coordinate a joint defense

Reach out to in-house counsel for other respondents, and have your ITC counsel do the same for other respondents' outside counsel as they become known. The sooner you coordinate efforts with other respondents, the sooner the division of responsibilities and cost-sharing can begin that will be key to gaining an advantage over the complainant. In the beginning, this can take the form of one party taking the lead on a joint set of respondents' discovery requests, another beginning the prior art searching process, and another exploring experts. Joint defense coordination is particularly important in cases involving customer and supplier respondents because one party will likely have more information about the operation of the accused products than the other.

10) Go on the offensive

Now that you've gotten your defensive house in order and negated most of the complainant's head-start, it's time to go on the offensive. Primarily, this means two things: building your case to win and putting the complainant on the defensive. Serve discovery that flushes out the complainant's theories and that builds on the defenses you identified in your scrub session. Produce your documents promptly and answer interrogatories fully so you can keep pressure on the complainant to do the same. Inject your design-around into the case through discovery since the ITC, unlike district courts, will issue opinions on design-arounds that are sufficiently close to productization. Contemplate an early summary determination motion on key issues that may cause the investigation to be terminated early or substantially narrowed. Determine with the other respondents whether a post-grant procedure in the U.S. Patent & Trademark Office, such as an inter partes review ("IPR"), is a good idea. The ITC will not typically stay an investigation for an IPR, but a well-timed IPR can act as a valuable insurance policy against an adverse outcome in the investigation. If the complainant has filed a parallel district court action, determine whether it makes more sense to request a stay of that action under 28 U.S.C. § 1659 or force the complainant to fight on two fronts at once. The decision whether to stay the district court case is at the sole discretion of the respondent, so give it just consideration. Lastly, consider whether a countersuit is available as a good strategic move. The ITC does not allow counterclaims in investigations, but it may be possible to bring a parallel suit in either district court or the ITC to level the playing field.

Every ITC case is different, so this guide is not meant to be a complete list of every factor that may be relevant in your case. Nevertheless, this approach is flexible, and we have found it (or some variation of it) to be the most effective way to manage small, medium, and large ITC cases. Hopefully, this will serve as an effective guide for in-house counsel trying to secure the best outcome for the company.

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